

COMPOSITE SCHEME OF ARRANGEMENT
BETWEEN
MEGHMANI ORGANICS LIMITED (“DEMERGED COMPANY” OR “THE
TRANSFEROR COMPANY” OR “MOL 1”)
AND
MEGHMANI ORGANOCEM LIMITED (“THE RESULTING COMPANY”
OR “MOL 2”)
AND
MEGHMANI FINECHEM LIMITED (“THE TRANSFEREE
COMPANY” OR “MFL”)
AND
AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

PREAMBLE

This Composite Scheme of Arrangement (the Scheme) is presented under Sections 230 – 232 read with Section 66 of the Companies Act, 2013, and other applicable provisions of the Companies Act, 2013 to provide for:

1. Demerger of Agrochemical and Pigment Undertaking (i.e. demerged undertaking) (as defined hereinafter) from Meghmani Organics Limited (as defined hereinafter) into Meghmani Organochem Limited;
2. Change of terms of OCRPS issued by Meghmani Finechem Limited
3. Amalgamation of Remaining Business Undertaking of Meghmani Organics Limited (as defined hereinafter) with Meghmani Finechem Limited (as defined hereinafter);

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

(A) DESCRIPTION OF THE COMPANIES

- a. Meghmani Organics Limited (hereinafter referred to as 'the Transferor Company' or 'MOL 1' or 'Demerged Company'), CIN: L24110GJ1995PLC024052 the Transferor Company was incorporated on 2nd January 1995 under the provisions of the Companies Act, 1956. The Transferor Company is having its registered office at Plot 184 Phase-II, GIDC, Vatva, Ahmedabad 382 445, Gujarat and is a listed Company with its shares listed on the National Stock Exchange India Limited (NSE) and the Bombay Stock Exchange Limited (BSE) & its SDS's listed on the Singapore Exchange Securities Trading Limited ('SGX-ST'). The Transferor Company is engaged in the business of manufacturing and selling of Pigment and Agrochemicals products. It is also engaged in the business of trading in chemical products.

- b. Meghmani Finechem Limited (hereafter referred to as 'the Transferee Company' or 'MFL') the Transferee Company was incorporated on 11th September 2007 under the provisions of the Companies Act, 1956. The Transferee Company is an unlisted Public Limited Company having its registered office at Plot CH1, CH2, GIDC Industrial Estate, Dahej, Tal: Vagra, Dist: Bharuch-392 130, Gujarat, and is engaged in manufacturing and selling of basic chemical products namely caustic -Chlorine and caustic Potash. The promoters of the Transferor Company holds 42.84% of the equity share capital of the Transferee Company.



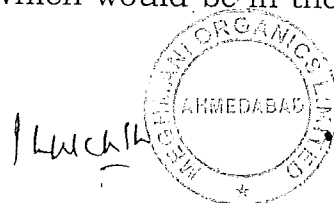
- c. Meghmani Organochem Limited (hereinafter referred to as 'the Resulting Company' or 'MOL 2'), the Resulting Company was incorporated under the provisions of the Companies Act, 2013 on 15th October 2019 and is a wholly owned subsidiary of Meghmani Organics Ltd. The Resulting Company is an unlisted Public company having its registered office at 1st, 2nd, 3rd Floor, Nr. Raj Bungalow, Nr. Safal Profitaire, Prahlad Nagar, Ahmedabad 380015, Gujarat. The Resulting Company has main object of manufacturing and selling of Pigment and Agro Chemicals.

(B) RATIONALE OF THE SCHEME

The Board of Directors of each of the said Companies have considered and proposed the present Composite Scheme of Arrangement by way of Demerger of the Agrochemical and Pigment Undertaking of MOL 1 into MOL 2 and Merger of Remaining Business Undertaking of MOL 1 with MFL.

Amongst others, demerger of Demerged Undertaking of MOL 1 into MOL 2 and the merger of MOL 1 with MFL would result in the following benefits:-

- a) The proposed re-structuring would create enhanced value for the shareholders through potential unlocking of value through listing of both the businesses on the NSE and BSE (i.e. "Agrochemicals & Pigment" and "Chloro-Alkali and its Derivatives");
- b) The restructuring would allow a focused strategy and specialization for sustained growth, which would be in the best



interest of all the stakeholders and the persons connected with the aforesaid companies;

- c) Since both the business are having separate growth trajectories, the proposed re-structuring would enable both the businesses to pursue their growth opportunities and offer investment opportunities to potential investors;
- d) The proposed re-structuring would enable MOL 1 to delist its SDS's listed on SGX-ST;
- e) The proposed re-structuring would provide opportunity to shareholders of MOL 1 to directly participate in Chloro-Alkali and its Derivatives business;
- f) The proposed re-structuring would enable investors to hold investments in the businesses with different investment characteristics, which best suit their investment strategies and risk profiles;
- g) The proposed re-structuring would enable management to have a Greater/ Enhanced focus of the management on the Chloro-Alkali and its Derivatives business for exploiting opportunities

(C) Parts of the Scheme

The Scheme is divided into following parts:

PART A	Deals with the Definitions and Share capital
PART B	Deals with demerger of Agrochemical and Pigment Undertaking from MOL 1 to MOL 2 Limited
PART C	Deals with change in terms of OCRPS issued by MFL
PART D	Deals with amalgamation of Remaining Business undertaking of MOL 1 with MFL
PART E	Deals with general terms and conditions

(D) SEQUENCE OF EFFECTIVENESS OF THE SCHEME

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Upon the scheme becoming effective, the following shall be deemed to have occurred and become effective and operative only in the order of priority mentioned hereunder:

- (a) Part B which provides for the demerger and vesting of Agro Chemicals and Pigment Undertaking (hereinafter defined) of the Demerged Company into the Resulting Company, on a going concern basis, shall be operative from the Appointed Date and prior to coming effect of Part D;
- (b) Part C provides for change of terms of OCRPS issued by MFL shall be operative and effective from the Effective Date of the scheme;
- (c) Part D provides for amalgamation and vesting of the Remaining Business Undertaking of the Transferor Company (upon Part B becoming effective) into the Transferee Company shall be operative from the Appointed Date and take effect immediately after coming into effect of Part B

PART A - DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

In this scheme (as defined hereinafter), unless inconsistent with the subject or context, the following expressions shall have the following meanings:

- 1.1 **“Act” or “the Act”** means the Companies Act, 2013, the rules and regulations made thereunder and will include any statutory



modifications, amendments or re-enactment thereof for the time being in force.

- 1.2 **“Appointed Date”** shall mean 1st April 2020 or such date as may be fixed or approved by the National Company Law Tribunal (“NCLT”) or such other competent authority.
- 1.3 **“Board” or “Board of Directors”** means the Board of Directors of MOL 1 or MFL or MOL 2, as the case may be, unless it is repugnant to the context or otherwise, and includes a committee of directors or any person(s) authorized by the board of directors or by any such committee.
- 1.4 **“Cash Alternative Minimum Amount”** means the minimum cash consideration that the SDS holders would be paid for each SDS accepted into the Exit Offer.
- 1.5 **“Custodian”** means the DBS Bank Limited Mumbai, being the custodian for the SDSs.
- 1.6 **“Demerged Undertaking” or “Agrochemical and Pigment Undertaking”** shall mean all the undertakings, businesses, activities and operations pertaining to Pigment and Agrochemical division of MOL 1 and its related business; and comprising of all the assets (moveable, incorporeal and immovable), excluding investments in equity shares of the Transferee Company and liabilities which relate thereto, or are necessary therefore and including specifically the following:
- (a) all assets, title, properties, interests, investments including OCRPS issued by MFL, loans, advances (including accrued interest), power generating boilers 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, by the Demerged Company in, or otherwise identified for use in business, activities and operations pertaining to its Demerged Undertaking, including but not limited to all land, factory building, equipment, plant and machinery, offices, capital work in progress, furniture, fixtures, office equipment, appliances, accessories, receivables, vehicles, deposits, all stocks, assets, cash, balances with banks, investments, all customer contracts, contingent rights or benefits, etc., pertaining to its Demerged Undertaking (collectively, the "Demerged Undertaking Assets");

- (b) all debts, liabilities, guarantees, assurances, commitments and obligations of any nature or description, whether fixed, contingent or absolute, asserted or unasserted, matured or unmatured, 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), or pertaining to the Demerged Undertaking (collectively, "Demerged Undertaking Liabilities");
- (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, exclusively relating to the undertaking, business, activities and operations pertaining to



its Demerged 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, 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 Demerged Undertaking, permits, quotas, consents, registrations, lease, tenancy rights in relation to offices and residential properties, permissions, incentives, if any, in relation to its Demerged Undertaking, and all other rights, title, interests, privileges and benefits of every kind in relation to its Demerged Undertaking (collectively, "Demerged Undertaking Contracts");

- (d) all permits, licenses, consents, approvals, authorizations, quotas, rights, entitlements, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, trademarks, intellectual property rights, copyrights, 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 Demerged Undertaking (collectively, "Demerged Undertaking Licenses");

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- (e) all such staff, workmen and employees of the Demerged Company, employees/personnel engaged on contract basis and contract labourers and interns/ trainees, as are primarily engaged in or in relation to the Demerged Undertaking, business, activities and operations pertaining to the Demerged 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 primarily engaged in or in relation to the Demerged Undertaking, business, activities and operations pertaining to the Demerged Undertaking (collectively, "Demerged Undertaking Employees");
- (f) all liabilities present and future (including contingent liabilities pertaining to or relatable to the Demerged undertaking), as may be determined by the Board of the Demerged Company;
- (g) all deposits and balances with Government, quasi-Government, municipal, 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 Demerged Undertaking;
- (h) all books, records, files, papers, directly or indirectly relating to the Demerged Undertaking; but shall not include any portion of the Remaining Business Undertaking of MOL 1; and
- (i) Any other asset / liability which is deemed to be pertaining to the Demerged Undertaking by the Board of the Demerged Company.

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

- 1.7 **“Depository Bank”** means DBS Bank Nominees Private limited, being the depository bank for the SDSs.
- 1.8 **“Effective Date”** means the last of the dates specified in clause 30 of this Scheme. Any references in this Scheme to the “date of coming into effect of this Scheme” or “effectiveness of the Scheme” or “Scheme taking effect” shall mean the Effective Date.
- 1.9 **“Exit Offer”** means an offer made to the SDS holders in consideration of their SDSs in connection with the proposed delisting of the SDSs of the Transferor Company.
- 1.10 **“Independent Financial Advisor” or “IFA”** means the independent financial advisor based in Singapore and licensed by the Monetary Authority of Singapore as appointed in accordance with the delisting regulations of SGX-ST to opine on the terms of delisting and issue its letter (‘IFA Letter’) accordingly.
- 1.11 **“MFL” or “the Transferee Company ”** means Meghmani Finechem Limited, a company incorporated under the Companies Act, 1956 and having its registered office at CH1, CH2, GIDC Industrial Estate, Dahej, Tal: Vagra, Dist: Bharuch-392 130, Gujarat.

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- 1.12 **"MOL 1" or "the Transferor Company or "Demerged Company"** means Meghmani Organics Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Plot 184 Phase-II, GIDC, Vatva, Ahmedabad 382 445, Gujarat.
- 1.13 **"MOL 2" or "the Resulting Company"** means Meghmani Organochem Limited, a company incorporated under the Companies Act, 2013 and having its registered office at 1st,2nd,3rdFL,Nr. Raj Bunglow, Nr. Safal Profitaire, Prahlad Nagar, Satellite Ahmedabad- 380015, Gujarat.
- 1.14 **"NCLT" or "Tribunal"** means the National Company Law Tribunal, Ahmedabad Bench.
- 1.15 **"OCRPS"** means Optionally Convertible and Redeemable Preference Shares issued by the Transferee Company to Transferor Company.
- 1.16 **"Record Date"** means the date to be fixed by the Board of Directors or committee thereof, if any,
- (a) of MOL 1 for the purposes of determining the shareholders to whom shares of MOL 2 would be issued in accordance with clause 6.1 of this Scheme;
- (b) of MOL 1 for the purposes of determining the shareholders to whom shares of MFL would be issued in accordance with clause 18.1 of this Scheme;

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(c) of MOL 1 for the purposes of determining the SDS holders to whom consideration shall be offered in a manner provided at clause 27.2 of this Scheme;

1.17 **“Remaining Business Undertaking of MOL 1”** means all other undertakings, business, activities, divisions including trading division, operations, assets including investment in equity shares of MFL, liabilities and investment of the Transferor Company other than those forming part of the “Agrochemical and Pigment Undertaking” of the Transferor Company.

1.18 **“RPS”** means Redeemable Preference Shares to be held by the Resulting Company and issued by the Transferee Company, pursuant to change of terms of OCRPS.

1.19 **“Scheme” or “the Scheme” or “this Scheme” or “this Scheme of Arrangement”** means the composite 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 30 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.

1.20 **“SDSs”** means the Singapore Depository Shares issued by the Transferor Company representing underlying Equity Shares for listing on the SGX-ST and as are outstanding as of the record date.

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1.21 “**SEBI**” means the Securities and Exchange Board of India established under the provisions of the Securities and Exchange Board of India Act

1.22 “**SEBI Circular**” means (i) Circular No. CFD/DIL3/CIR/2017/21 dated 10th March 2017, (ii) Circular No. CFD/DIL3/CIR/2017/26 dated 23rd March 2017, (iii) Circular No. CFD/DIL3/CIR/2017/105 dated 21st September 2017, (iv) Circular No. CFD/DIL3/CIR/2018/2 dated 3d January 2018 and (v) Circular No. SEBI/HO/CFD/DIL1/CIR/P/2019/192 dated 12th September 2019, issued by SEBI or any other circulars issued by SEBI applicable to schemes of arrangement from time to time.

1.23 “**SGX-ST**” means the Singapore Exchange Securities Trading Limited.

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.

1.24 “**Stock Exchange**” means Bombay Stock Exchange (BSE), National Stock Exchange (NSE).

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

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the Tribunal or made as per Scheme, shall come in legal operation from the Appointed Date, but shall be operative from the Effective Date except for Part C of the Scheme, relating



to change of terms of OCRPS issued by the Transferee Company, which shall be effective and operative from the Effective Date only.

3. SHARE CAPITAL

3.1 The authorized, issued, subscribed and paid-up share capital of the De-merged /Transferor Company for the as on September 30, 2019 is as under:

Particulars	Amount in INR
<u>Authorized Capital</u>	
37,00,00,000 Equity Shares of Re. 1 each	37,00,00,000
Total	37,00,00,000
<u>Issued, Subscribed and Paid-up</u>	
25,43,14,211 Equity Shares of Re. 1 each fully paid up	25,43,14,211
Total	25,43,14,211

Subsequent to the above date and till the date of the Scheme being approved by the Board of Directors of the Transferor Company, there has been no change in the authorized, issued, subscribed and paid up share capital of the Transferor Company.

3.2 The authorized, issued, subscribed and paid-up share capital of the Transferee Company as on September 30, 2019 is as under:

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Particulars	Amount in INR
Authorized Capital	
9,50,00,000 Equity Shares of Rs. 10 each	95,00,00,000
20,00,000 Preference Shares of Rs. 100 each	20,00,00,000
43,26,28,796 Preference Shares of Rs. 10 each	432,62,87,960
Total	547,62,87,960
Issued, Subscribed and Paid-up	
4,11,93,114 Equity Shares of Rs. 10 each fully paid up	41,19,31,140
21,09,19,871 Preference Shares of Rs. 10 each fully paid up	210,91,98,710
Total	252,11,29,850

Subsequent to the above date and till the date of the Scheme being approved by the Board of Directors of the Transferee Company, there has been no change in the authorized, issued, subscribed and paid up share capital of the Transferee Company.

3.3 The authorized, issued, subscribed and paid-up share capital of the Resulting Company as on 30th September 2019 is as under:

Particulars	Amount in INR
Authorized Capital	
50,000 Equity Shares of Rs. 10 each	5,00,000
Total	5,00,000
Issued, Subscribed and Paid-up	
50,000 Equity Shares of Rs. 10 each	5,00,000
Total	5,00,000

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Subsequent to the above date till the date of the Scheme being approved by the Board of Directors of the MOL 2, there has been no change in the authorized, issued, subscribed and paid up share capital of MOL 2.

PART B- DEMERGER OF DEMERGED UNDERTAKING OF MOL 1
INTO MOL 2

4 TRANSFER AND VESTING OF AGROCHEMICAL and PIGMENT UNDERTAKING OF MOL 1 INTO MOL 2

4.1 With effect from the Appointed date and upon the scheme being effective, the Agrochemical and Pigment Undertaking of the Demerged Company as defined in Clause 1.6 shall stand transferred to and vested in or deemed to be transferred to and vested into, as a going concern, the Resulting Company in accordance with Section 2(19AA) of the Income Tax Act, 1961 and in the following manner:

4.2 All Agrochemical and Pigment 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. Such assets 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 by endorsement and delivery, or by mere operation of the vesting order and its recordal 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.

4.3 All Agrochemical and pigment Undertaking Assets that are other movable properties, including sundry debtors, investment in OCRPS of the Transferee Company and other investments relating to Agrochemical and pigment business (excluding investments in equity shares of MFL), 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 Agrochemical and Pigment 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.

4.4 All immovable properties of the Agrochemical and Pigment Undertaking, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Agrochemical and Pigment 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 fulfill all obligations in relation thereto or as applicable to such immovable property. Upon the Scheme becoming effective, the title to such properties shall deemed to have been mutated and recognized 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 property in this regard. It is hereby clarified that all the rights, title and interest of the Agrochemical and Pigment Undertaking in any 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, subject to payment of applicable stamp duty

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4.5 All the Agrochemical and Pigment Undertaking liabilities including debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not in the books of account or disclosed in the balance sheets of the 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, and 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.

4.6 All Contracts including contracts relating to the Agrochemical and Pigment Undertaking, 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 Agrochemical and Pigment Undertaking of the Demerged Company, and in relation thereto, and those relating to tenancies, privileges, Power Generations, facilities of every kind and description of whatsoever nature in relation to the Agrochemical and Pigment Undertaking of the Demerged Company, or to the benefit of which, Agrochemical and Pigment Undertaking of the Demerged Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall by endorsement, delivery or recordal 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,

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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 fore 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 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 Demerged Undertaking, shall be deemed to constitute separate contracts, thereby relating to and/or benefiting the Resulting Company, respectively.

- 4.7 The transfer and vesting as aforesaid shall be subject to the existing charges / hypothecation / mortgages, if any, as may be

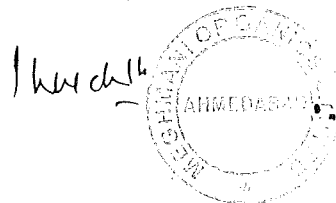
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subsisting and agreed to be created over or in respect of the said assets or any part thereof, provided however, any reference in any security documents or arrangements to which the Demerged Company are a party wherein the assets of the Demerged Company 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 the assets pertaining to the Demerged Company 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 assets of the Resulting Company .

Provided that the Scheme shall not operate to enlarge the security for the said liabilities of the Demerged Company 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 Demerged Company as aforesaid shall be subject to the existing charges / hypothecation / mortgages over or in respect of the assets or any part thereof of the Demerged Company.

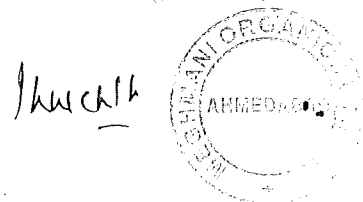
- 4.8 Any pending suits/appeals or other proceedings of whatsoever nature relating to the Agrochemical and Pigment Undertaking of the Demerged Company, whether by or against such Demerged Company, shall not abate, be discontinued or in any way prejudicially affected by reason of the demerger of the Agrochemical and Pigment 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



indirect tax etc.) payable by or refundable to the Agrochemical and Pigment Undertaking of the Demerged Company, including tax losses, Minimum Alternate Tax credit and/or TDS credit available, advance tax, 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, advantages, privileges, exemptions, credits, holidays, remissions, reductions, etc, as would have been available to Agrochemical and Pigment Undertaking of the Demerged Company, shall pursuant to this Scheme becoming effective, be available to the Resulting Company.

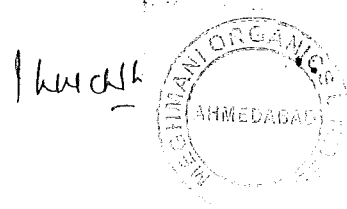
4.11 Taxes, if any, paid or payable by the Demerged Company after the Appointed Date and specifically pertaining to the Agrochemical and Pigment Undertaking shall be treated as paid or payable by the Resulting Company and the Resulting Company shall be entitled to claim the credit, refund or adjustment for the same as may be applicable.

4.12 Upon this part being effective, the Demerged Company and the Resulting Company are expressly permitted to reopen and revise their financial accounts, income tax returns, withholding tax returns, service tax returns, value added tax returns, sales tax returns, excise and CENVAT returns, GST returns and any other statutory returns and filings under the laws for any relevant year for the purposes of/ consequent to implementation of this Scheme, notwithstanding that the period of filing/ revising such return may have lapsed, without incurring any liability on account of interest, penalty or any other sum. It is further clarified that the Resulting Company shall be entitled to claim deduction under Section 43B of the Income Tax Act in respect of unpaid liabilities transferred to it as part of the Demerged Undertaking to the extent not claimed by

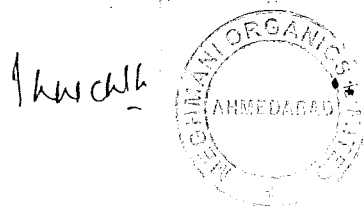


the Demerged Company, as and when the same are paid subsequent to Appointed Date.

4.13 All Agrochemical and Pigment Undertaking Licenses including approvals, consents, exemptions, registrations, trademarks, intellectual property rights, brands, 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 whatsoever in relation to the Agrochemical and Pigment Undertaking of the Demerged Company, or to the benefit of which the Agrochemical and Pigment Undertaking of the Demerged Company may be eligible/entitled, and which are subsisting or having effect immediately before the Effective Date, shall by endorsement, delivery or record or by operation of law pursuant to the vesting order of NCLT sanctioning the Scheme, and its filing with the Registrar of Companies concerned, shall 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 Agrochemical and Pigment 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, trademarks, intellectual property rights, brands, 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.



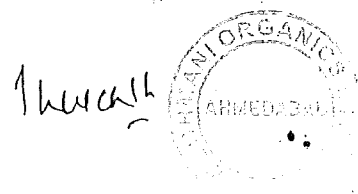
4.14 Benefits of any and all corporate approvals as may have already been taken by the Demerged Company with respect to the Agrochemical and Pigment Undertaking, whether being in the nature of compliances or otherwise, shall stand vested in the Resulting Company and the said corporate approvals and compliances shall, upon this Scheme becoming effective, be deemed to have been taken/complied with by the Resulting Company.

4.15 All estates, assets, rights, title, interests and authorities accrued to and/or acquired by the Demerged Company in relation to the Agrochemical and Pigment 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.

5 TRANSFER OF PART OF THE AUTHORISED CAPITAL OF THE DEMERGED COMPANY, RESTRUCTURE OF EQUITY SHARE CAPITAL OF THE RESULTING COMPANY AND ALTERATION OF MEMORANDUM OF ASSOCIATION AND NAME CLAUSE

5.1 As an integral part of the Scheme, and upon coming into effect of Part B of this scheme,

(a) Authorised Capital to the extent of Rs. 11,50,00,000 (Rupees Eleven Crores Fifty Lakhs Only) shall stand transferred from the



authorized capital of the Demerged Company and get combined with the authorized capital of the Resulting Company;

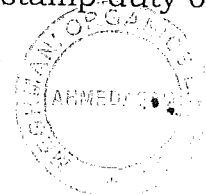
(b) The face value of the equity share of the Resulting Company shall be sub-divided from Rs. 10/- to Rs. 1/-, without any further act, instrument or deed on the part of the Resulting Company. and

(c) Accordingly, clause 5 of the Memorandum of Association of the Resulting Company shall automatically stand amended so as to read as under:

"The Authorised Share Capital of the Company is Rs. 11,55,00,000/- [Rupees Eleven Crores Fifty Five Lacs Only] divided in 11,55,00,000 [Eleven Crores Fifty Five Lacs] Equity shares of Rs. 1/- [Rupee One Only] each."

5.2 It is clarified that the approval of the members of the Resulting Company to the Scheme shall be deemed to be their consent / approval also to the alteration of the Memorandum of Association of the Resulting Company and the Resulting Company shall not be required to seek separate consent / approval of its shareholders for the alteration of the Memorandum of Association on the Resulting Company as required under Section 13, 61 and 64 of the Act and other applicable provisions of the Act.

5.3 The registration fee applicable under the Act and the stamp duty already paid by the Demerged Company on its authorized capital, which is being transferred to the Resulting Company in terms of sub clause 5.1 herein above, shall be deemed to have been so paid by the Resulting Company and accordingly, the Resulting Company shall not be required to pay any fee / stamp duty on the



authorized capital so increased. Further, the Resulting Company shall file the required forms with the ROC for alteration of its authorized share capital and shall pay necessary fees as may be required to be paid in accordance with the law.

- 5.4 Upon the occurrence of the last of the dates on which the certified copy of the order of the NCLT at Ahmedabad, or any other appropriate authority sanctioning the Scheme is filed with the relevant Registrar of Companies, the name of Resulting Company shall be deemed to have been changed from "Meghmani Organochem Limited" to "Meghmani Organics Limited" or such other alternate name as may be permitted by the Registrar of Companies, Ahmedabad in accordance with relevant provisions of the Act.

It is hereby clarified that the consent of the shareholders of Resulting Company to this Scheme shall be deemed to be sufficient for the purpose of effecting the aforementioned amendment and that no further resolution under Section 13 or any other applicable provisions of the Act, would be required to be separately passed. Further, the Resulting Company shall file the required forms with the ROC for change of name and shall pay necessary fees as may be required to be paid in accordance with the Act.

6 ISSUE OF SHARES AND PAYMENT IN CASH (TO THE SHAREHOLDERS, IF REQUIRED) BY THE RESULTING COMPANY PURSUANT TO DEMERGER

- 6.1 Upon the Scheme becoming effective and upon vesting of the Agrochemical and Pigment Undertaking of the Demerged Company in the Resulting Company, the Resulting Company shall, without any further application or deed, issue and allot to the

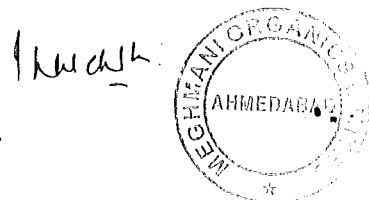
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shareholders of the Demerged Company whose name appears in the register of members of the Demerged Company as on the Record Date or to their respective heirs, executors, administrators, legal representatives or the successors in title, as the case may be as may be recognized by the Board of Directors of MOL 2, in the following proportion:

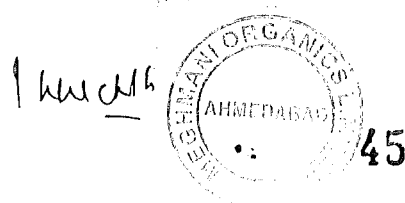
“ 1 (One) fully paid up Equity Share of Re. 1/- each of the Resulting Company shall be issued and allotted at par, as fully paid up to the equity shareholders of the Demerged Company (including to Depository Bank who holds shares on behalf of the SDS holders who shall deal with the shares in a manner provided at clause 27.2 of the Scheme) for every 1 (One) Equity Share of Re. 1/-fully paid up held in the Demerged Company as on the Record Date.”

- 6.2 The Resulting Company shall take necessary steps to increase its Authorized Share Capital to the required extent to enable it to issue and allot the shares required to be issued and allotted by it under this Scheme, by following the requisite procedure and payment of requisite fees and duties, as prescribed under the Companies Act, 2013.
- 6.3 The shares to be issued and allotted as above shall be subject to and in accordance with the Memorandum and Articles of Association of the Resulting Company. The shares issued and allotted by the Resulting Company in terms of this Scheme shall rank *pari-passu* in all respects with the existing shares of the resulting Company.
- 6.4 The approval of this Scheme by the shareholders of the Resulting Company shall be deemed to be due compliance of the provisions of section 42, section 62, if applicable, and all the other relevant



and applicable provisions of the Act for the issue and allotment of shares by the Resulting Company to the shareholders of the Demerged Company, as provided in this Scheme.

- 6.5 The consideration in the form of equity shares shall be issued and allotted by the Resulting Company in dematerialized form to all the shareholders of the Demerged Company holding such shares in dematerialized form and in physical form to all those shareholders of the Demerged Company holding such shares in physical form.
- 6.6 The equity shares issued by the Resulting Company shall be listed and admitted to trading on the Stock Exchanges i.e. NSE and BSE, pursuant to this Scheme and in compliance with the applicable regulations and the SEBI circular. The Resulting Company shall make all requisite applications and shall otherwise comply with the provisions of SEBI circular and Applicable Law and take all steps to procure the listing of the equity shares issued by it.
- 6.7 The equity shares issued by the Resulting Company, pursuant to the Scheme shall remain frozen in the depository system till listing/trading permission is given by the Stock Exchanges i.e. NSE and BSE.
- 6.8 There shall be no change in the shareholding pattern or control in the Resulting Company between Record Date as defined at clause 1.16 and the listing of the equity shares on the Stock Exchanges i.e. NSE and BSE.
- 7 CANCELLATION OF EQUITY SHARES OF THE RESULTING COMPANY HELD BY THE DEMERGED COMPANY**

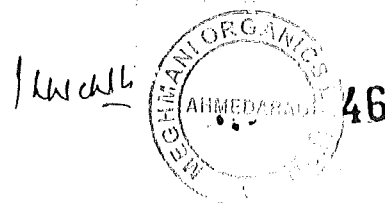


- 7.1 Upon the Scheme becoming effective, the issued, subscribed and paid up share capital of Resulting Company, to the extent of the shares held by Transferor Company in Resulting Company, shall be automatically cancelled and reduced in terms of Section 66 of the Act.
- 7.2 The said cancellation shall result in reduction of capital under Section 66 of the Act. However, since the aforesaid reduction is consequential and is proposed as an integral part of the Scheme, the Transferee Company shall not be required to undertake separate procedure under Section 66 of the Act. Further, as the aforesaid reduction does not result in either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid-up share capital, the provisions of Section 66 of the Act shall not be applicable. The order of the NCLT sanctioning the scheme shall be deemed to be the Order under Section 66 of the Act for the purpose of confirming reduction. Further, the Transferee Company shall not be required to add "and reduced" as a suffix to its name consequent upon such reduction.

8 ACCOUNTING TREATMENT

8.1 IN THE BOOKS OF DEMERGED COMPANY

- 8.1.1 Upon the Scheme becoming effective, the Demerged Company shall reduce the book value of all assets, liabilities and reserves pertaining to the Agrochemical and Pigment Undertaking from its books of accounts in compliance with the Indian Accounting Standard 103 on Business Combinations and other Indian Accounting Standards (Ind AS), as applicable, and notified under Section 133 of the Companies Act 2013, read with Companies (Indian Accounting Standards) Rules, 2015.



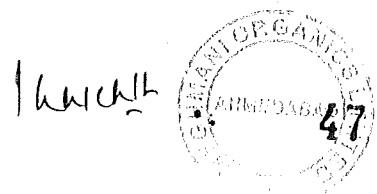
8.1.2 The difference, if any, between the carrying values of the assets and the carrying values of the liabilities pertaining to the Agrochemical and Pigment Undertaking shall be adjusted against the Capital Reserve and other reserves of the Demerged Company.

8.2 IN THE BOOKS OF THE RESULTING COMPANY

8.2.1 Upon the Scheme becoming effective, the resulting Company shall record the assets and liabilities pertaining to the Agrochemical and Pigment Undertaking, transferred to and vested in it pursuant to this Scheme, at the same values as appearing in the books of Demerged Company in compliance with the Indian Accounting Standard 103 on Business Combinations and other Indian Accounting Standards (Ind AS), as applicable, and notified under Section 133 of the Companies Act 2013, read with Companies (Indian Accounting Standards) Rules, 2015.

8.2.2 The Resulting Company shall credit its share capital account with the aggregate face value of the equity shares issued to the shareholders of the Demerged Company pursuant to Clause 6.1 of this Scheme.

8.2.3 The difference, being the excess of carrying values of the assets over the liabilities and reserves of the Demerged Company pertaining to the Agrochemical and Pigment Undertaking transferred from the Demerged Company and recorded by the Resulting Company in accordance with Clause 8.2.1 above, over the amount credited as share capital as per Clause 8.2.2 above, shall be transferred to the Capital Reserve.



8.2.4 In case, the net sales proceeds received by SDS Holders is less than the Cash Alternative Minimum Amount, then the SDS holders would be compensated in cash. Accordingly, if any amount is required to be paid in cash by the Resulting Company, then such amount shall be debited to the other equity as appearing in the books of Resulting Company.

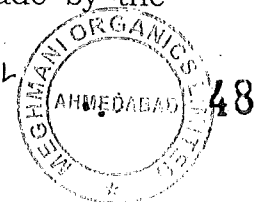
9 CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE

With effect from the Appointed Date and up to and including the Effective Date

9.1 The Demerged Company shall be deemed to have been carrying on and shall carry on its business and activities in relation to Agrochemical and Pigment Undertaking and shall be deemed to have possessed of and shall hold and stand possessed of all their properties and assets relating to Agrochemical and Pigment undertaking for and on account of and in trust for the Resulting Company. The Resulting Company hereby undertakes to hold the said assets with utmost prudence until the Effective Date.

9.2 The Demerged Company shall not utilize the profits or income, if any, relating to the Agrochemical and Pigment Undertaking for the purpose of declaring or paying any dividend or for any other purpose, without the prior written consent of the Board of Directors of the Resulting Company.

9.3 Any distribution by way of dividend between the Appointed Date and Effective Date, of profits or income out of the profits pertaining to the Agrochemical and Pigment Undertaking (including income from shares forming part of the said undertaking and received between the Appointed Date and Effective Date), shall be considered as distribution made by the



Resulting Company and any credit in respect of such distribution, under any law for the time being in force, shall be available to the Resulting Company.

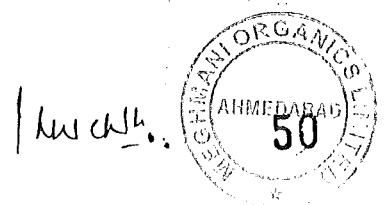
- 9.4 The Demerged Company shall not without the prior written consent of the Board of Directors of the Resulting Company or pursuant to any pre-existing obligation, sell, transfer or otherwise alienate, charge, mortgage or encumber or otherwise deal with or dispose of the undertaking relating to Agrochemical and Pigment Undertaking or any part thereof except in the ordinary course of its business.
- 9.5 The Demerged Company shall not vary the existing terms and conditions of service of its staff, workmen and employees or any agreements or contracts relating to Agrochemical and Pigment 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.
- 9.6 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.

10 STAFF, WORKMEN AND EMPLOYEES

- 10.1 On the scheme becoming effective, all the staff, workmen and employees of the Demerged Company engaged in or in relation to

the Agrochemical and Pigment Undertaking, 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. Services of the employees of the Demerged Company 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.

- 10.2 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 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 Agrochemical and Pigment 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, Power Generations and obligations of the Agrochemical and Pigment 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.

- 10.3 With effect from the first of the dates of filing of this Scheme with Tribunal 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 Agrochemical and Pigment Undertaking of the Demerged Company, except with written consent of the Resulting Company.

11 LEGAL PROCEEDINGS

- 11.1 All legal proceedings of whatsoever nature by or against the Demerged Company pending and/or arising before the Effective Date and relating to the Agrochemical and Pigment 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

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to the said proceedings between the Appointed Date and the Effective date incurred by the Demerged Company shall be reimbursed by the Resulting Company.

11.2 After the Effective Date, if any proceedings are taken against the Demerged Company in respect of the matters referred to in the sub-clause 11.1 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.

11.3 The Resulting Company undertakes to have all legal or other proceedings initiated by or against the Demerged Company referred to in Clauses 11.1 or 11.2 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.

12 CONTRACTS, DEEDS, ETC.

12.1 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 Agrochemical and Pigment Undertaking of the Demerged Company, shall continue in full force and effect against or in favour 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.



12.2 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.

13 SAVING OF CONCLUDED TRANSACTIONS

13.1 The transfer of properties and liabilities under Clause 4 above and the continuance of proceedings by or against the Resulting Company under Clause 11 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 Agrochemical and Pigment Undertaking in respect thereto as done and executed on behalf of itself.

14 REMAINING BUSINESS UNDERTAKING OF THE DEMERGED COMPANY

14.1 The Remaining Business Undertaking of the Demerged Company and all the assets, liabilities and obligations pertaining thereto

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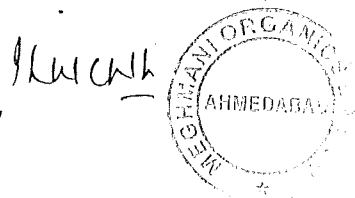
shall continue to belong to and be vested in and be managed by the Demerged Company.

14.2 All legal, taxation and other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted in future, and relating to the Remaining Business Undertaking of the Demerged Company (including those relating to any property, right, Power Generation, liability, obligation or duty of the Demerged Company in respect of the Remaining Business Undertaking of the Demerged Company) shall be continued and enforced by or against the Demerged Company. The Demerged Company and the Resulting Company shall pay any amounts arising out of proceedings pending on the Appointed Date or otherwise in relation to a period prior to the Appointed Date, including interest, penalties, damages, costs etc. in such manner and proportion as may be agreed between them.

14.3 Up to and including the Effective Date –

(a) The Demerged Company shall be deemed to have been carrying on all the business and activities relating to the Remaining Business Undertaking of the Demerged Company for and on their behalf;

(b) all profits (including taxes) accruing to the Demerged Company thereon or losses arising or incurred by it relating to the Remaining Business Undertaking of the Demerged Company shall, for all purposes, be treated as the profit, or losses, (including taxes) as the case may be, of the Demerged Company.



PART C- CHANGE OF TERMS of OCRPS

15 Change of terms of OCRPS

15.1 The terms of OCRPS which forms part of the Agrochemical and Pigment undertaking, shall be changed so as to convert them into Compulsorily Redeemable Preference Shares ('RPS'). Terms of the RPS has been provided in Annexure 1:

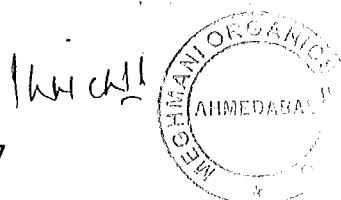
15.2 The above modification in the terms of OCRPS shall become operative and effective from the Effective Date of the scheme.

16 ACCOUNTING TREATMENT IN THE BOOKS OF RESULTING COMPANY

16.1 The investment in, OCRPS of MFL, which have been transferred to MOL 2 pursuant to demerger as per Part B of the Scheme and upon change of terms as mentioned above, are to be fair valued in compliance with the Indian Accounting Standard 27 on Consolidated and separate financial statements and other Indian Accounting Standards (Ind AS), as applicable, and notified under Section 133 of the Companies Act 2013, read with Companies (Indian Accounting Standards) Rules, 2015. Any gain/(loss) on such fair valuation will be credited/debited, as the case may be, to the Statement of Profit & Loss Account of MOL 2.

PART D- AMALGAMATION OF REMAINING BUSINESS UNDERTAKING OF MEGHMANI ORGANICS LIMITED WITH MEGHMANI FINECHEM LIMITED

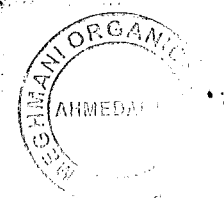
17 TRANSFER AND VESTING



17.1 With effect from the Appointed Date, MOL 1(having Remaining Business Undertaking of MOL 1after demerger of Agrochemical and Pigment Undertaking), including all properties and assets (whether movable or immovable, tangible or intangible) of whatsoever nature such as licenses, permits, trademarks, brands, intellectual property rights, copy rights, quotas, investments, approvals, lease, tenancy rights, permissions, incentives, if any, and benefit of all letter of intent, request for proposal, prequalification, bid acceptances, tenders, contracts, deeds, memorandum of understanding, bonds, agreements, arrangements, track-record, experience, goodwill and all other rights, claims, power and any other instrument and all other rights, title, interest, certificates, registrations under various legislations, contracts, consent, approvals or power of every kind nature and descriptions whatsoever of all intents and purposes and specifically including but not limited to, the turnover, the profitability, performance, and market share of the Transferor Company from the commencement of its operations shall under the applicable provisions of the Act and pursuant to the orders of the Tribunal and without any further act, instrument or deed, but subject to the existing charges affecting the same as on the Effective Date be transferred and/or deemed to be transferred to and vested in the Transferee Company so as to become the properties and assets of the Transferee Company.

17.2 Without prejudice to Clause 17.1 above, in respect of such of the assets of the Transferor Company as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and/or delivery, the same shall be so transferred by the Transferor Company, and shall, upon such transfer, become

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the property, estate, assets, rights, title, interest and authorities of the Transferee Company by way of physical delivery or novation. The investments held in dematerialized form will be transferred to the Transferee Company by issuing appropriate delivery instructions to the depository participant with whom the Transferor Company have an account. Such delivery and transfer shall be made on a date mutually agreed upon between the respective Boards of Directors of the Transferee Company and the Transferor Company, being a date after the scheme becoming effective. The moveable assets, other than those specified in Clause 17.1 above, including intangible assets, actionable claims, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits including deposits paid in relation to outstanding litigations, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, shall, without any further act, instrument or deed, be transferred to and vested into as the property of the Transferee Company. The Transferee Company may, if required, give notice in such form as it may deem fit and proper to each person or debtor that, pursuant to the Scheme, the said person or debtor should pay the debt, loan or advance or make good the same or hold the same to its account and that the right of the Transferee Company to recover or realize the same is in substitution of the right of the Transferor Company and that appropriate entry should be passed in their respective books to record the aforesaid charges.

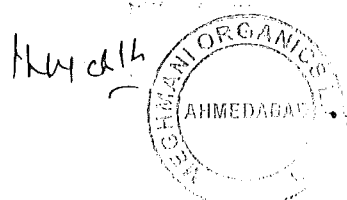
17.3 Without prejudice to any of the Clauses above, with effect from the Appointed Date and upon the Scheme becoming effective, all immoveable properties, including land together with buildings and structure standing thereon, whether freehold or leasehold, relating



to any of the Transferor Company and any documents of title, rights, interests, claims, including leases, licenses and easements in relation thereto, shall, pursuant to the applicable provisions of the Act and the Scheme, without any further act, instrument, deed, matter or thing, stand transferred to and vested into the Transferee Company, as of the Appointed Date. The mutation of the title to the immovable properties shall be made and duly recorded by the appropriate authorities pursuant to the sanction of the Scheme and upon the Scheme becoming effective, in accordance with the terms hereof, in favor of the Transferee Company.

- 17.4 The transfer and vesting as aforesaid shall be subject to the existing charges / hypothecation / mortgages, if any, as may be subsisting and agreed to be created over or in respect of the said assets or any part thereof, provided however, any reference in any security documents or arrangements to which the Transferor Company are a party wherein the assets of the Transferor Company 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 the assets pertaining to the Transferor Company and vested in the Transferee Company by virtue of this Scheme to the end and intent that the charges shall not extend or deemed to extend to any assets of the Transferee Company.

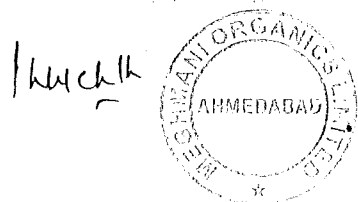
Provided that the Scheme shall not operate to enlarge the security for the said liabilities of the Transferor Company which shall vest in Transferee Company by virtue of the Scheme and the Transferee Company shall not be obliged to create any further, or additional security thereof after the merger has become effective or otherwise. The transfer / vesting of the assets of the Transferor Company as



aforesaid shall be subject to the existing charges / hypothecation / mortgages over or in respect of the assets or any part thereof of the Transferor Company.

17.5 All debts, liabilities, duties and obligations of whatsoever nature of the Transferor Company shall also, without any further act, instrument or deed be transferred to and vested in and assumed by and/or deemed to be transferred to and vested in and assumed by the Transferee Company pursuant to the provisions of the Act, so as to become the debts, liabilities, duties and obligations of the Transferee Company and further 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 debts, liabilities, duties and obligations liabilities have arisen, in order to give effect to the provisions of this Clause.

17.6 The Transferee Company may at any time after the coming into effect of the Scheme in accordance with the provisions of the Scheme, if so required, under any law or otherwise, execute Deeds of Confirmation, in favor of the creditors of the Transferor Company or in favor of any other party to any contract or arrangement to which the Transferor Company are a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of the Scheme be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to implement or carry out all such formalities or compliance referred to above on the part of the Transferor Company to be carried out or performed.



- 17.7 With effect from the Appointed Date and upon the Scheme becoming effective, all development rights, statutory licenses, permissions, approvals or consents, if any, to carry on the operations and business of the Transferor Company shall stand vested in or transferred to the Transferee Company without any further act or deed and shall be appropriately mutated by the statutory authorities concerned in favour of the Transferee Company. The benefit of all statutory and regulatory permissions, environmental approvals and consents, registrations or other licenses and consents shall vest in and become available to the Transferee Company pursuant to this Scheme.
- 17.8 Upon the Scheme being effective, the Transferee Company shall be entitled to claim refunds or credits, including input tax credit, with respect to taxes paid by, for, or on behalf of, the Transferor Company under applicable laws, including income tax (including tax losses, unabsorbed depreciation and Tax Deducted at source), minimum alternate tax credit, sales tax, goods and service tax, value added tax, service tax, CENVAT or any other tax, whether or not arising due to any inter se transaction, even if the prescribed time limits for claiming such refunds or credits have lapsed.
- 17.9 Upon the coming into effect of the Scheme, all tax compliances under any tax laws by the Transferor Company on or after Appointed Date shall be deemed to be made by the Transferee Company.
- 17.10 Upon the Scheme being effective, any advance tax, self-assessment tax, minimum alternate tax and/or TDS credit available or vested with the Transferor Company, including any taxes paid and taxes deducted at source and deposited by the Transferee Company on

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inter se transactions during the period between the Appointed Date and the Effective Date shall be treated as advance tax paid by the Transferee Company and shall be available to the Transferee Company for set-off against its liability under the Income-tax Act, 1961 and any excess tax so paid shall be eligible for refund together with interest. Any TDS certificates issued by the Transferee Company to, or for the benefit of, the Transferor Company under the Income-tax Act, 1961 with respect to the inter se transactions would be available to the Transferee Company to seek refund of from the tax authorities in compliance with law. Further, TDS deposited, TDS certificates issued or TDS returns filed by the Transferor Company on transactions other than inter se transactions during the period between the Appointed Date and the Effective Date shall continue to hold good as if such TDS amounts were deposited, TDS certificates were issued and TDS returns were filed by the Transferee Company. Any TDS deducted by, or on behalf of, the Transferor Company on inter se transactions will be treated as advance tax deposited by the Transferee Company.

17.11 The Transferee Company is also expressly permitted to claim refunds, credits, including restoration of input CENVAT credit, GST Credit, tax deduction in respect of nullifying of any transaction between the Transferor Company and the Transferee Company.

17.12 Upon this part being effective, the Transferee Company and the Transferor Company are expressly permitted to reopen and revise its financial accounts, income tax returns, withholding tax returns, service tax returns, value added tax returns, sales tax returns, excise and CENVAT returns, GST returns and any other statutory returns and filings under the laws for any relevant year for the



purpose of/consequent to the implementation of the Scheme, notwithstanding that the period of filing/revising such return may have lapsed without incurring any liability on account of interest, penalty or any such other sum.

17.13 This part of the Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under section 2(1B) of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section of the Income Tax Act, 1961, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said section of the Income Tax Act, 1961, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with section 2(1B) of the Income Tax Act, 1961. Such modification will however not affect the other parts of the Scheme.

18 CONSIDERATION

18.1 Upon this Scheme becoming effective and upon amalgamation of the Transferor Company into the Transferee Company in terms of this Scheme, the Transferee Company shall, without any application, act or deed, issue and allot equity shares, credited as fully paid up, to the extent indicated below, to the members of the Transferor Company holding fully paid-up equity shares of the Transferor Company and whose names appear in the register of members of the Transferor Company as on the Record Date, or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of the Transferor Company / Transferee Company in the following proportion:

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“94 (Ninety Four) fully paid up equity shares of the Transferee Company of the face value of Rs. 10/- each shall be issued and allotted, at par as fully paid up to the equity shareholders of the Transferor Company (including to Depository Bank who holds shares on behalf of the SDS holders who shall deal with the shares in a manner provided at clause 27.2 of the Scheme) for every 1000 (One Thousand) equity shares of Re. 1/- each held by the shareholders of the Transferor Company, as on the Record Date.”

18.2 In respect of fractional entitlement to a shareholder, shall be rounded off to the nearest integer. A fraction of less than half shall be rounded down to the nearest lower integer and a fraction of half or more shall be rounded up to the nearest higher integer. However, in no event, shall the number of New Equity Shares to be allotted by the Transferee Company to the members of the Transferor Company exceed the number of equity shares held by the Transferor Company in the Transferee Company on the Effective Date

18.3 The equity shares to be issued to the equity shareholders of the Transferor Company as per clause 18.1 above shall be subject to the Memorandum of Association and Articles of Association of the Transferee Company and shall rank *pari-passu* in all respects, including dividend, with the existing preference shares of Transferee Company.

18.4 Upon Scheme being effective, the shares of the Transferee Company as held by the Transferor Company shall stand cancelled by operation of law and shall amount to Reduction of Capital. However, considering the issue of new shares to the shareholders of the Transferor Company towards the consideration for the



undertaking, there shall not be any net reduction of the Share Capital of the Transferee Company. In view of the same the provisions of Section 66 of the Companies Act, 2013 shall not be attracted.

- 18.5 The Transferee 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 Clause 18.1 of this Scheme.
- 18.6 The shares to be issued and allotted by the Transferee Company to the shareholders of the Transferor Company shall be issued in dematerialized form to all the shareholders holding such shares in dematerialized form and in physical form to all those shareholders holding such shares in physical form.
- 18.7 The Equity shares of the Transferee Company issued in terms of Clause 18.1 above shall subject to receipt of necessary approval, be listed and/or admitted to trading on the National Stock Exchange and Bombay Stock Exchange.
- 18.8 The approval of this Scheme by the members of the Transferee Company shall be deemed to be due compliance with the applicable provisions of the Act including Section 42 and 62 of the Act, for the issue and allotment of shares by the Transferee Company to the members of the Transferor Company, as provided in the Scheme.
- 18.9 The equity shares issued by the Transferee Company shall be listed and admitted to trading on the Stock Exchanges i.e. NSE and BSE, pursuant to this Scheme and in compliance with the applicable regulations and the SEBI circular. The Transferee Company shall



make all requisite applications and shall otherwise comply with the provisions of SEBI circular and Applicable Law and take all steps to procure the listing of the equity shares issued by it.

18.10 The equity shares issued by the Transferee Company, pursuant to this Scheme shall remain frozen in the depository system till listing/trading permission is given by the Stock Exchanges i.e. NSE and BSE.

18.11 There shall be no change in the shareholding pattern or control in the Transferee Company between Record Date as defined at clause 1.16 and the listing of the equity shares on the Stock Exchanges i.e. NSE and BSE.

19 ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEREE COMPANY

On the Scheme becoming effective, the Transferee Company shall account for the amalgamation in its books of accounts as under:

19.1 Upon the Scheme becoming effective, the transferee Company shall record the assets and liabilities of the transferor company and vested in it pursuant to this Scheme, at the same values as appearing in the books of transferor company in compliance with the Indian Accounting Standard 103 on Business Combinations and other Indian Accounting Standards (Ind AS), as applicable, and notified under Section 133 of the Companies Act 2013, read with Companies (Indian Accounting Standards) Rules, 2015.

19.2 The identity of the reserves of the Transferor Company shall be preserved and they shall appear in the financial statements of the Transferee Company in the same form and manner, in which they

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appeared in the financial statements of the Transferor Company, and after giving effect to the demerger prior to this Scheme becoming effective.

19.3 Inter-Company investments in the share capital shall stand cancelled.

19.4 If and to the extent there are inter corporate loans, investments, deposits or balances as between the Transferor Company and the Transferee Company, the rights and obligations in respect thereof shall, on and from the Appointed Date, shall stand cancelled.

19.5 The difference, if any, between the carrying value of the investments in the share capital of the Transferee Company as appearing in the books of the Transferor Company and the share capital of the Transferor Company over and above the amount adjusted in preceding clauses shall be adjusted in the reserves of the Transferor Company as recorded in the books of the Transferee Company to the extent available and the balance, if any, shall be recorded as Capital Reserve.

19.6 In case, the net sales proceeds received by SDS holders is less than the Cash Alternative Minimum Amount, then the SDS holders would be compensated in cash. Accordingly, if any amount is required to be paid in cash by the Transferee Company, then such difference shall be debited to the other equity as appearing in the books of Transferee Company.

20. CONSOLIDATION OF AUTHORISED SHARE CAPITAL OF THE TRANSFEROR COMPANY, RECLASSIFICATION OF SHARE

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CAPITAL AND ALTERATION OF MEMORANDUM OF ASSOCIATION OF THE TRANSFEREE COMPANY

- 20.1 Upon the Scheme becoming effective with effect from the appointed date, the authorized share capital of the Transferor Company, amounting to Rs. 25,50,00,000 (Rupees Twenty Five Crores and Fifty lacs) of equity share capital, shall stand consolidated and vested in and be merged with the Authorized Share Capital of the Transferee Company without any liability for payment of any additional fees or such fees and duties in respect of such authorized share capital of the Transferor Company having already being paid by Transferor Company, the benefit of which stands vested in Transferee Company pursuant to the Scheme being effective.
- 20.2 The Memorandum of Association and Articles of Association of the Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme, whether at a meeting or otherwise, shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Sections 13, 14 and 61 of the Act and other applicable provisions of the Act would be required to be separately passed, as the case may be and for this purpose the stamp duties and fees paid on the authorized share capital of the Transferor Company shall be utilized and applied to the increase of authorized share capital of the Transferee Company and there would be no requirement for any further payment of stamp duty and/or fee by the Transferee Company for increase in the authorized share capital to that extent.

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- 20.3 It is clarified that the said Authorized Share Capital shall be consolidated with the Authorized Equity Share Capital of the Transferee Company after reclassifying the same for face value of Equity Shares as Rs. 10/-
- 20.4 It is clarified that the approval of the members of the Transferee Company to the Scheme, whether at a meeting or otherwise, shall be deemed to be their consent/approval also to the amendment of the Memorandum of Association of the Transferee Company as may be required under the Act.
- 20.5 The Clause 5 of the Memorandum of Association of the Transferee Company shall stand amended as under:-

Clause V of Memorandum of Association

“the authorized share capital of the Company is Rs.573,12,87,960 (Rupees Five seventy three crores six lacs two thousand one seventy one only) divided into :

- I. *Rs. 1,20,50,00,000 (One Hundred Twenty Crores Fifty Lacs Only) consisting of 12,05,00,000 (Twelve Crores Five Lacs Only) Equity shares of Rs. 10 (Rupees Ten Only) each ;*
- II. *Rs 20,00,00,000 (Twenty Crore) consisting of 20,00,000 (Twenty Lakhs) Preference Shares of Rs 100/- (Rupees One Hundred Only) each;*
- III. *Rs 4,32,62,87,960 (Four Hundred Thirty Two Crore Sixty Two Lacs Eighty Seven Thousand Nine Hundred and Sixty) consisting of 43,26,28,796 (Forty Three Crore Twenty Six Lac Twenty Eight Thousand Seven Hundred and Ninety Six) Preference Shares of Rs. 10/- (Rupees Ten Only) each ”*



21. CONDUCT OF BUSINESS TILL EFFECTIVE DATE

With effect from the Appointed Date and upto and including the Effective Date:

- 21.1 The Transferor Company shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all its properties and assets pertaining to business of the Transferor Company for and on account of and in trust for the Transferee Company. The Transferor Company hereby undertakes to hold the said assets with utmost prudence until the Effective Date.
- 21.2 The Transferor Company shall carry on its business and activities with reasonable diligence, business prudence and shall not, except in the ordinary course of business or without prior written consent of the Transferee Company, alienate, charge, mortgage, encumber or otherwise deal with or dispose of any business or part thereof.
- 21.3 All the profits or income accruing or arising to the Transferor Company or expenditure or losses arising or incurred or suffered by the Transferor Company shall for all purposes be treated and be deemed to be accrued as the income or profits or losses or expenditure as the case may be of the Transferee Company.
- 21.4 The Transferor Company shall not vary the terms and conditions of employment of any of the employees of the Transferor Company, except in the ordinary course of business or without the prior consent of the Transferee Company or pursuant to any pre-existing obligation undertaken by them, as the case may be, upto the Effective Date.



21.5 The Transferor Company and the Transferee Company shall be entitled, pending 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 may be required pursuant to this Scheme.

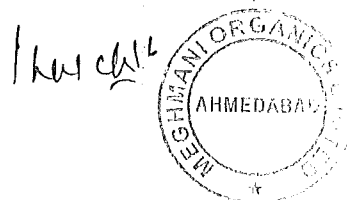
22. STAFF, WORKMAN AND EMPLOYEES

22.1 On the scheme becoming effective, all the staff, workmen and employees of the Transferor 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 Transferee 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 Transferor Company immediately preceding the Effective Date. Services of the employees of the Transferor Company shall be taken into account from the date of their respective appointment with the Transferor Company for the purposes of all retirement benefits and all other entitlements for which they may be eligible. The Transferee Company further agrees that for the purpose of payment of any retrenchment compensation, if any, such past services with the Transferor 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 Transferor Company.



22.2 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 Transferor Company are concerned, upon the Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company in respect of the employees transferred with 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, power and obligations of the Transferor Company in relation to such Funds or Trusts shall become those of the Transferee Company. The Trustees including the Board of Directors of the Transferor Company and the Transferee 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 Transferor Company.

22.3 With effect from the first of the dates of filing of this Scheme with Tribunal and up to and including the Effective Date, the Transferor Company shall not vary or modify the terms and conditions of employment of any of its employees engaged in of the Transferor Company, except with written consent of the Transferee Company.



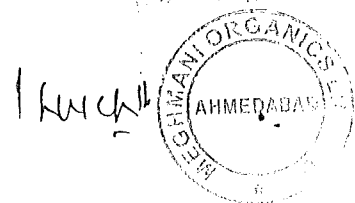
23 LEGAL PROCEEDINGS

If any suit, appeal or other proceeding of whatever nature by or against the Transferor Company is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Transferee Company, as the case may be, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if this Scheme had not been made.

24 CONTRACTS, DEEDS, ETC

24.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, insurance, letters of intent, undertakings, arrangements, policies, agreements of whatsoever nature pertaining to the Transferor Company to which the Transferor Company is party and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto.

- a. The Transferee Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary. The Transferee Company shall be deemed to



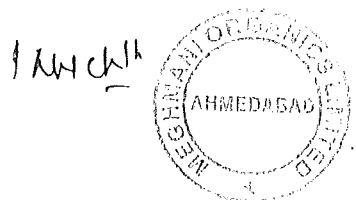
be authorized to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme.

25 SAVING OF CONCLUDED TRANSACTIONS

The transfer of properties and liabilities under Clause 17 above and the continuance of proceedings by or against the Transferor Company under Clause 23 above shall not affect any transaction or proceedings already concluded by the Transferor Company on or after the Appointed Date till the Effective Date (both days inclusive), to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of the Transferee Company .

26 DISSOLUTION OF THE TRANSFEROR COMPANY

- 26.1 On the Scheme becoming effective, the Transferor Company shall stand dissolved automatically without winding up in accordance with the provisions of Section 230-232 of the Companies Act, 2013
- 26.2 On and from the Effective Date, name of the Transferor Company shall be removed from the records of the Registrar of Companies and records relating to the Transferor Company shall be transferred and merged with the records of the Transferee Company.



27 DELISTING

27.1 Cash Alternative

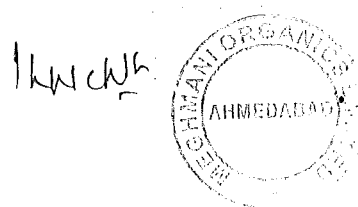
MOL 1 will provide a cash alternative to SDS holders who do not wish to receive and hold these equity shares in the Resulting Company and the Transferee Company which they are entitled to as part of the Scheme by allowing such SDS holders to elect to dispose all or part of the aforesaid equity shares in the open market upon listing of the same on the BSE and NSE. The net sales proceeds (after the deduction of costs and expenses) shall be distributed to the Depository Bank for further distribution to the Cash Electors (as defined below) in the same proportion as their entitlements ("**Disposal Proceeds**").

27.2 Election Form and Tax Documents

The relevant form of election of Disposal Proceeds will be sent to SDS holders ("**Election Form**").

In case of the SDS holders electing to receive the Disposal Proceeds, they must deliver to MOL 1 the following documents (collectively "**Tax Documents**") together with the Election Form:

- (i) Self Declaration regarding No Permanent Establishment or Business Connection in India;
- (ii) Certificate of Residence ('CoR') issued by the Inland Revenue Authority of Singapore ('IRAS');
- (iii) Form No. 10F (Self Declaration Form) and
- (iv) Such other form as notified by Indian tax authority time to time



(each, a “**Cash Elector**”).

Cash Electors who fail to deliver the Tax Documents will not receive any Disposal Proceeds and will instead receive the equity shares in the Resulting Company and the Transferee Company which they are entitled to as part of the Scheme.

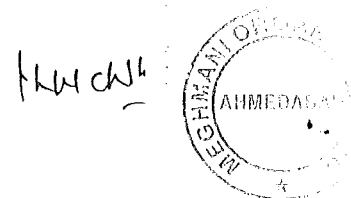
27.3 Cash Alternative Minimum Amount

In the event the net Disposal Proceeds for Cash Electors after deduction of the relevant withholding tax payable in respect of the Disposal Proceeds (“**Relevant Withholding Tax**”) is less than the Cash Alternative Minimum Amount per SDS, each of MOL 1, the Resulting Company and the Transferee Company will undertake to compensate the Cash Electors for any shortfall. None of MOL 1, the Resulting Company and the Transferee Company will be liable for any such top up where the net Disposal Proceeds for Cash Electors after deduction of the Relevant Withholding Tax is equal to or more than the Cash Alternative Minimum Amount.

27.4 An application was made to seek approval from SGX-ST to delist MOL 1 from the official list of the SGX-ST.

27.5 The SGX-ST has given its in-principle no objection to such delisting subject to, amongst others, the following being satisfied:

- (a) Requisite regulatory and shareholders' (including SDS) approvals of the Scheme being obtained.
- (b) Listing of the Resulting Company and the Transferee Company on BSE and NSE being successful.



- (c) The IFA opining that the Cash Alternative Minimum Amount is fair and reasonable.
- (d) MOL 1 holding an information meeting for SDS holders in Singapore ahead of the Scheme meeting in India and making arrangements such as video conferencing or webcast to enable SDS holders to follow the proceedings during the Scheme meeting in India.

27.6 MOL 1, the Resulting Company, the Transferee Company, the Custodian and/or the Depository Bank shall enter into such documents and take such action as may be deemed necessary or appropriate to give effect to the above.

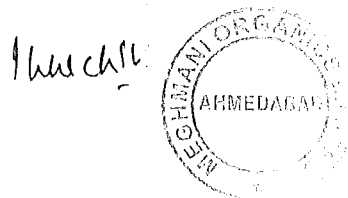
PART F - GENERAL TERMS AND CONDITIONS

28 APPLICATION TO NCLT

The Transferor Company/Demerged Company, the Transferee Company and the Resulting Company shall with all reasonable dispatch make all necessary Applications / Petitions under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Act to Tribunal for sanction of this Scheme under the provisions of law.

29 MODIFICATION OR AMENDMENTS TO THE SCHEME

The Transferor Company/Demerged Company, the Transferee 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 Power of the Transferor Company/Demerged Company, the Transferee 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 authorized in that behalf by the concerned Board of Directors subject to approval of NCLT or any other authorities under the applicable law.

30 CONDITIONALITY OF THE SCHEME

30.1 This Scheme is and shall be conditional upon and subject to the following:

- (a) The requisite consent, approval or permission of the Central Government or RBI or SGX-ST or any other statutory /regulatory authority which by law may be necessary for the implementation of this Scheme.

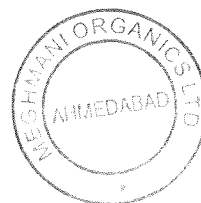
- (b) Obtaining observation letter or no-objection letter from the Stock Exchanges in respect of the Scheme, pursuant to Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR



Regulations') read with SEBI Circular and Regulations 11 and 94 of the LODR Regulations;

- (c) The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and/or creditors of the Demerged Company/Transferor Company, the Transferee Company and the Resulting Company as may be directed by NCLT.
- (d) The Scheme being approved by the majority of the public shareholders of the Demerged Company (by way of e-voting) as required under SEBI Circular. The Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the Scheme are more than the number of votes cast by the public shareholders, against it as required under the SEBI circular. The term 'public shareholder' shall carry the same meaning as defined under Rule 2 of the Securities Contract (Regulations) Rules, 1957.
- (e) The sanction of NCLT under Sections 230 to 232 in favor of the Transferor Company /Demerged Company, the Resulting Company and the Transferee Company under the said provisions and the necessary Order under Section 232 of the Companies Act, 2013 of the said Act being obtained.

30.2 This Scheme, although to come into legal operation from the Appointed Date, shall not become effective until the later of the following dates, namely:



- (a) That on which the last of the aforesaid approvals and sanctions as mentioned in Clause 30.1 shall be obtained or passed; or
- (b) That on which all necessary authenticated /certified copies of the Tribunal Order being filed with the Registrar of Companies by the Transferor Company/the Demerged Company, the Transferee Company and the Resulting Company, as may be applicable.

31 EFFECT OF NON-RECEIPT OF APPROVALS

- 31.1 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 within such period or periods as may be agreed upon between the Transferor Company/the Demerged Company, the Transferee 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.
- 31.2 The Transferor Company / Demerged Company, the Transferee Company and the Resulting Company acting through their respective Board shall each be at liberty to withdraw from this Scheme, (i) in case any condition or alteration imposed by and



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 perspective parties.

(a) COSTS, CHARGES & EXPENSES

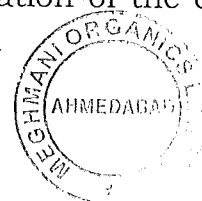
All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto shall be borne by the Transferee Company and/or Resulting Company.

(b) SEVERABILITY

If any part of this Scheme is invalid, ruled illegal by any court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Parties that such part shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the Transferor Company, the Transferee Company and the Resulting Company (acting through their respective Boards of Directors) shall attempt to bring about appropriate modification to this Scheme, as will best preserve for the Parties, the benefits and obligations of this Scheme, including but not limited to such part.

(c) REPEALS AND SAVINGS

Any matter filed with Registrar of Companies, Regional Director, Income-tax authority or the Central Government under the Companies Act, 1956, before the notification of the corresponding



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provisions under the Companies Act, 2013 and not fully addressed at that time shall be concluded by the Registrar of Companies, Regional Director, Income-tax authority or the Central Government, as the case may be, in terms of the Companies Act, 1956. Any direction or order given by the Hon'ble Tribunal under the provisions of the Companies Act, 1956 and any act done by the Company based on such directions or order shall be deemed to be in accordance with and consistent with the provisions of the Companies Act, 2013, shall not apply to acts done by the Company as per direction or Order of the Hon'ble Tribunal sanctioning the Scheme.



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Annexure 1: Terms of RPS

Face value	INR 10 per share
Dividend rate	8% p.a.
Accumulation of dividend	Cumulative
Tenure	within a period of 20 years from the date of allotment
Right to exercise the option of redemption	MFL shall have the right to exercise the option of early redemption
Redemption terms	RPS shall be redeemed at the face value

Jh chh

