



**GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS**

Registrar of Companies

3,3rd Floor A'Block, Sanjay Complex, Madhya Pradesh, 474009, India

Corporate Identity Number: **L24100MP2018PLC067037**

SECTION 13(5) OF THE COMPANIES ACT, 2013

**Certificate of Registration of Regional Director order for Change of State**

M/s AARTI SURFACTANTS LIMITED having by special resolution altered the provisions of its Memorandum of Association with respect to the place of the Registered Office by changing it from the state of Gujarat to the Madhya Pradesh outside the jurisdiction of existing RoC ROC Ahmedabad to the ROC Gwalior and such alteration having been confirmed by an order of Regional Director bearing the date 28/04/2023

I hereby certify that a certified copy of the said order has this day been registered.

Given under my hand at null this SEVENTH day of AUGUST TWO THOUSAND TWENTY THREE

**Signature Not Verified**

Digitally signed by  
DS MINISTRY OF CORPORATE  
AFFAIRS 01  
Date: 2023.08.07 11:46:03 IST

Mukesh soni

Assistant Registrar of Companies/ Deputy Registrar of Companies/ Registrar of Companies Registrar of Companies

Registrar of Companies

ROC Gwalior

Mailing Address as per record available in Registrar of Companies office:

AARTI SURFACTANTS LIMITED

Plot no 57, 58, 60 to 64, 62A, S-3/1, Sector-3, Sagore Village, Pithampur Industrial Area, Pithampur, Dhar, Dhar-454775, Madhya Pradesh, India





सत्यमेव जयते  
GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS

Office of the Registrar of Companies

RoC Bhavan, Opp Rupal Park Society Behind Ankur Bus Stop, Ahmedabad, Gujarat, India, 380013

**Certificate of Incorporation pursuant to change of name**  
*[Pursuant to rule 29 of the Companies (Incorporation) Rules, 2014]*

Corporate Identification Number (CIN): U24100GJ2018PLC102891

I hereby certify that the name of the company has been changed from ARTI SURFACTANTS LIMITED to AARTI SURFACTANTS LIMITED with effect from the date of this certificate and that the company is limited by shares.

Company was originally incorporated with the name ARTI SURFACTANTS LIMITED.

Given under my hand at Ahmedabad this Eighth day of July two thousand nineteen.



TRUPTI SUBHASH SHARMA

Registrar of Companies  
RoC - Ahmedabad

Mailing Address as per record available in Registrar of Companies office:

AARTI SURFACTANTS LIMITED

801, 801/23, GIDC Estate., Phase III, VAPI, Valsad, Gujarat, India, 396195





**GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS**

Central Registration Centre

## **Certificate of Incorporation**

[Pursuant to sub-section (2) of section 7 of the Companies Act, 2013 (18 of 2013) and rule 18 of the Companies (Incorporation) Rules, 2014]

I hereby certify that ARTI SURFACTANTS LIMITED is incorporated on this Eighteenth day of June Two thousand eighteen under the Companies Act, 2013 (18 of 2013) and that the company is limited by shares.

The Corporate Identity Number of the company is U24100GJ2018PLC102891.

The Permanent Account Number (PAN) of the company is **AARCA0340H**

The Tax Deduction and Collection Account Number (TAN) of the company is **SRTA10016G\***

Given under my hand at Manesar this Eighteenth day of June Two thousand eighteen .



Digital Signature Certificate

Mohd Shakeel

Deputy Registrar Of Companies

For and on behalf of the Jurisdictional Registrar of Companies

Registrar of Companies

Central Registration Centre

Disclaimer: This certificate only evidences incorporation of the company on the basis of documents and declarations of the applicant(s). This certificate is neither a license nor permission to conduct business or solicit deposits or funds from public. Permission of sector regulator is necessary wherever required. Registration status and other details of the company can be verified on [www.mca.gov.in](http://www.mca.gov.in)

Mailing Address as per record available in Registrar of Companies office:

ARTI SURFACTANTS LIMITED

801, 801/23, GIDC Estate., Phase III, VAPI, Valsad, Gujarat, India, 396195



\* as issued by the Income Tax Department

[Pursuant to Schedule I (see Sections 4 and 5) to  
the Companies Act, 2013] FORM NO. INC-33

**SPICE MOA**

(e-Memorandum of Association)

**TABLE-A**

**THE COMPANIES ACT, 2013**

**COMPANY LIMITED BY SHARES**

**MEMORANDUM OF ASSOCIATION**

**OF**

**AARTI SURFACTANTS LIMITED \***

- 1\*. The name of the company is ***“AARTI SURFACTANTS LIMITED”***.
- 2\*\*. The registered office of the company will be situated in the State of Madhya Pradesh.
3. **(A) THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:-**

To carry on the business of manufacturers, producers, processors, buyers, sellers, importers, exporters and/or otherwise dealers in surfactant and speciality chemicals and allied chemicals like fine chemicals, industrial and pure chemicals, organic and inorganic chemicals and allied products, perfumes, flavors, pure drug solvents, dyes and drug intermediates, cosmetics, insecticides, pesticides, heavy chemicals, alkalies, acids, chemical, industrial preparations, chemicals for plastic, pigment, varnishes, paints, alcohols, dyes and colours, agrochemicals, petrochemicals and chemical preparations required by different industries such as sugar tanning, textiles, metallurgical and process industries, proofing, materials, disinfectants, oils, cotton, detergents, wetting out agents, soap, tallow, gums, varnishes, synthetics, resins, catalytic agents, petro-chemicals and other petroleum products and articles and compounds, makers and dealers in preparatory formulations and articles of the above nature and of chemicals.

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\* Name of the company changed to 'Aarti Surfactants Limited' effective from July 8, 2019.

\*\* The Registered Office Clause of the Company is changed vide Special Resolution passed through Postal Ballot effective from December 16, 2022.

**(B) MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE 3(A) ARE:-**

1. To undertake, conduct carry on business in the field of naturally occurring chemicals, elements and substances in minerals, plants, air, sea and river waters including products or by-products and waste products derived, extracted, made, prepared and produced from such elements and substances and to undertake, conduct, carry on or assist to carry on business in the field of all kinds of chemical substances including petrochemicals, organic and inorganic chemicals, naturally occurring or synthetically or semi-synthetically made or those made by biological processes, fermentation of enzymes activity or by electro chemical methods including auxiliaries catalysts and substances, matters and materials connected with or incidental to such business and their research or investigations and photographic, surgical and scientific apparatus and materials required for the above said products.
2. To undertake, conduct, carry on or help, and or assist to carry on works in the fields of manufacturing methods, analytical methods, quality control methods, in relation to all chemical substances and products occurring naturally or man-made and for innovation of new substances and discovering new uses of all chemicals and other substances and products, occurring naturally or man-made, and to investigate into the utilisation and improvement of inputs generally an particularly with a view to import substitution, and to investigate into and improvement of processes, machinery, plant, components and appliances used in said industry and trade.
3. To exchange, sell, convey, assign or let on lease or leases or otherwise deal with the whole or any part of the Company's immovable property, and to accept as consideration for or in lieu thereof, other land or cash or Government Security or securities guaranteed by Government or partly the one and partly the other or such property or securities as may be determined by the Company and to take back or reacquire any property so disposed off by repurchasing or leasing the same for such price or prices or consideration and on such terms and conditions as may be agreed upon.
4. To open account or accounts either current or overdraft with any bank or banks, persons or company and to endorse cheques and operate such accounts.
5. To sell, improve, manage, develop, exchange, lease, mortgage, dispose off turn out to account, or otherwise deal with all or any part of the property and rights of the Company.
6. To apply for recognition as Export House, apply for import entitlements, export incentives, drawbacks and exercise such other rights and privileges of an import export undertaking.
7. To employ experts to investigate and examine into the conditions prospects, value, character and circumstances of any business concerns and undertakings and generally of any assets, property or rights in which the Company will be interested for its business.
8. To guarantee or become liable for the payment of money or for the performance of any obligations and to transact business connected or ancillary to main objects.

9. To draw, make, endorse, execute, issue, discount, buy, sell, and deal in bills of exchange, promissory notes, hundies, bills of lading, warrants, coupons, import entitlements and other negotiable or transferable securities or documents, in course of Company's business.
10. To acquire by purchase, lease, exchange or otherwise land, buildings and hereditaments of any tenure or description situated in any place in India or elsewhere and any estate or interest therein, any right over or connected with land so situate and turn the same to account as may seem expedient and in particular by preparing building sites and by constructing, altering, improving, decorating, furnishing and maintaining the same to achieve the above objects.
11. To purchase the reversion or otherwise acquire the freehold or fee simple, of all or any part of the lands for the time being held under lease, or for an estate less than a freehold estate by the Company.
12. To arrange or undertake the sale, purchase or advertise for sale or purchase, assist in selling or purchasing and find or introduce, purchasers or vendors of property belonging to the Company and to let any portion of any premises for residential trade or business purposes or other private or public purposes and to collect rents and income.
13. To undertake the payment of all rents and the performance of all covenants, conditions and agreements contained in and reserved by any lease that may be granted or assigned to or be otherwise acquired by the Company.
14. To sell or dispose of the undertaking of the Company or any part thereof in such manner and for such consideration as the Company may think fit and in particular for shares fully or partly paid up, debentures, debenture-stock or securities of any other Company whether promoted by the Company for the purpose or not and to improve, manage, develop, exchange, lease, dispose off turn to account or otherwise deal with all or any part of the property and rights of the Company.
15. To sell or dispose off for cash or on credit or to contract for the sale and future delivery of, or to send for sale to any part of India or elsewhere, all the articles and things and also all other products or produce whatsoever of the Company.
16. To acquire from any person, firm or body corporate whether in India or elsewhere, technical information, know-how process, engineering, manufacturing and operating data, plans, lay outs and blue prints useful for the design, erection and operations of plant required for any of the business of the Company and to acquire any grant or license and other rights and benefits in the foregoing matters and things, cases and other cash or any other assets, as may be thought fit.
17. To apply for, purchase or otherwise acquire any patents, brevets, d'invention, licences, concessions, and the like conferring an exclusive, non-exclusive or limited rights to use, any secret or other information as to any invention which may seem capable of being used for any of the purposes of the Company or the acquisition of which may seem to be expedient or convenient or calculated directly or indirectly to benefit this Company and to use, exercise, develop or grant licences in respect of or otherwise turn to account the property rights and information so acquired.

18. To acquire, establish and provide or otherwise arrange for transport of any kinds for the purpose of the business of the Company and to construct any lines or works in connection therewith and work the same by steam, gas, oil, electricity or other fuel for power.
19. To undertake any advisory, accountancy, technical and management consultancy or similar work and to take part in supervision or control of the business of operation of any other Company or undertaking in which the Company is interested to achieve objects of the Company.
20. To acquire and take over the whole or any part of the business, property and liabilities of any person or persons, firm or corporation carrying on any business which this Company is authorised to carry on or possessed of any property or rights suitable for the purpose of the Company and to carry on or liquidate and wind up such business.
21. To provide for the welfare of Directors or persons in the employment of the Company or formerly engaged in any business acquired by the Company and the wives, widows and families or dependants of such persons by grants of moneys, pensions or other payments and by establishing and supporting or siding in the establishment and support of associations, institutions, funds, trusts, conveniences and providing or subscribing towards places of instructions and recreation and hospitals, dispensaries, medical and other attendance and other assistance, as the Company shall think fit and to form, subscribe to or otherwise aid benevolent, religious, scientific, national, social public or other institutions or objects, or, any exhibitions which shall have any moral or other claims to support or aid by the Company by reason of the locality of its operation or otherwise.
22. To enter into any agreement with any Government or authorities. Municipal, Local or otherwise that may seem conducive to the Company's activities or any of them and to obtain from any such Government or authority any rights, privileges and concessions which the Company may think it desirable or expedient to obtain and to carry out exercise and comply with any such arrangement rights, privileges and concessions.
23. To amalgamate with any other Company whose objects are or include objects similar to those of this Company whether by sale or purchase (for fully or partly paid up shares or otherwise) of the undertaking, subject to the liabilities of this or any such other Company as aforesaid with or without winding up or by sale or purchase (for fully or partly paid up shares or otherwise) of all or a controlling interest in the shares or stock of this or any other company as aforesaid or in any other manner as permissible under the Companies Act, 2013 and such other legislation.
24. To enter into any partnership or joint venture any arrangement for sharing profits and losses, Union of Interest, joint ventures, reciprocal concession or otherwise with any person or persons, firm or concern or corporation carrying on or engaged in or about to carry on or engage in any business or enterprise which this Company is authorised to carry on or engage in any business or transaction capable of being conducted so as directly or indirectly to benefit or to be expedient for the purpose of this Company and to take or otherwise acquire and hold shares or stock in or securities of and to subsidize or otherwise assist any such Company and to sell, hold, re-issue with or without guarantee or otherwise deal with such shares, stock or securities.



- 25.** To pay all costs, charges and expenses incurred or sustained in or about the promotion and establishment of the Company or which the Company shall consider to be preliminary including therein the cost of advertising, commissions for underwriting, professional and legal charges, brokerage, printing and stationery and expenses attendant upon the formation of agencies and local boards.
- 26.** To borrow or raise or secure the payment of money by mortgage or by the issue of debentures or debenture stock, perpetual or otherwise or in such other manner as the Company shall think fit and for the purposes aforesaid to charge all or any of the Company's property or assets present and future, including its uncalled capital and collaterally or further to secure any securities of the Company by a Trust Deed or other assurance and to redeem, purchase or pay off any such security subject to the provisions of the Act and directives of Reserve Bank of India.
- 27.** To lend money to such persons and on such terms as may seem expedient and in particular to customers and others having dealings with the Company and to give any guarantee or indemnity as may seem expedient but not to do any banking business as described in Banking Regulation Act, 1949 and in accordance to the Provisions of Companies Act, 2013.
- 28.** To invest and deal with the moneys of the Company not immediately required in shares, stock, bonds, debentures, obligations or other securities of any company or association or in Government securities or in deposit with Banks or in any other investments or commodities or in any other manner as may from time to time be determined and in accordance to the Provisions of Companies Act, 2013.
- 29.** To promote any company or companies for the purpose of acquiring all or any of the properties, rights and liabilities of this Company or for any other purpose which may seem directly or indirectly calculated to benefit this Company.
- 30.** From time to time to subscribe, contribute or otherwise to assist or guarantee money for any national, charitable, benevolent or public, objects of public character or to social, cultural or economic organisations, or for any social purposes the support of which will in the opinion of the Company, tend to increase its repute or popularity among its employees, its customers or the public.
- 31.** To establish, provide, maintain and conduct or otherwise subsidise research laboratories and experimental workshops for scientific and technical, research and experiments, to undertake and carry on scientific and technical researches, experiments and test of all kinds, to promote studies and researches, both scientific and technical, investigations and inventions, by providing, subsidising and endowing or assisting laboratories, workshops, libraries, lectures, meetings and conferences and by providing or contributing to the remunerations of scientific or technical professors or teachers and by providing or contributing to the award of scholarships, prizes, grants to students and or employees or otherwise and generally to encourage, promote and reward studies, researches, investigations, experiments, test and inventions of any kind that may be considered likely to assist any business which the Company is authorised to carry on.



32. To insure any of the properties, undertakings, contracts guarantees or obligations of the Company of every nature and kind in any manner whatsoever.
33. To create any depreciation fund, reserve fund, sinking fund, insurance fund whether for depreciation or for repairing, improving, extending or maintaining any of the property of the Company or for redemption of debentures or redeemable preference shares or for any other purpose whatsoever conducive to the interest of the Company.
34. To establish and maintain local registers agencies and branches, places of business and procure the Company to be registered, or recognised and carry on business in any part of the world.
35. To adopt such means of making known the business of the Company as may seem expedient or convenient and in particular by advertising in the press, by circulars, by purchase and exhibition of works of art of interest, by publication of books and periodicals and by granting prizes, awards and donations.
36. To undertake and execute any trusts the undertaking whereof may seem desirable or expedient and either gratuitously or otherwise.
37. Upon any issue of shares, debentures or other securities of the Company, to employ brokers, commission agents and underwriters and to provide the remuneration of such persons for their service by payment in cash, or by the issue of shares, debentures or other securities of the Company or by the granting of options to take the same or in any other manner allowed by law.
38. To refer and/or to agree to refer any claim, demand, dispute by or against the Company, or in which the Company is interested or concerned and whether between the Company and the members or his or their representatives or between the Company and third parties, to arbitration in India or at any place outside India, and to observe and perform and to do all acts, deeds, matters and things to carry out or enforce the awards.
39. To apply the assets of the Company in any way in or towards the establishment, maintenance or extension of any association, institution or fund in any wise connected with any particular trade or business or with scientific research, trade, industry or commerce generally and particularly with the business and activities of the Company including any association, institution, or fund for the protection of the interests of masters, owners, and employers against loss by bad debts, accidents, or otherwise.
40. To dedicate, present or otherwise dispose of, either voluntarily or for value of any property of the Company deemed to be of national, public or local interest, to any national trust, public body, museum, corporation or authority or any trustees for or on behalf of any of the same or of the public.
41. To aid pecuniarily or otherwise, any association, body or movement having for an object the solution, settlement of industrial or labour problems or troubles or the promotion of industry or trade or social economical justice.
42. To do needful for the promotion and growth of the national economy through increased productivity, effective utilisation of material and manpower

resources and continued application of modern scientific and managerial techniques in keeping with the national aspirations; and the Company shall be mindful of its social and moral responsibilities to the consumers, employees, shareholders, society and the local community.

43. To do the above things in any part of the world and either as principals, agents, trustees or otherwise and either alone or in conjunction with others and by or through agents, sub-contractors, trustees or otherwise.
44. To distribute any of the company's property among the members in specie or kind as permissible under the provisions of the Companies Act, 2013 in the event of winding up.
45. To place to reserve or to distribute as bonus shares among the members or otherwise to apply as the company may from time to time think fit, any moneys of the company including moneys received by way of premiums on shares or debentures issued at a premium by the company and any moneys received arising from the sale by the company of forfeited shares as permissible under the Companies Act, 2013.
46. To take or concur in taking all such steps and proceedings as may seem best calculated to uphold and support the credit of the Company and to obtain and justify public confidence and to avert or minimise financial or other disturbances which might affect the company.
47. To purchase, take on lease or in exchange or otherwise acquire any lands with or without buildings or structures and any estate or interest and any rights connected with any such lands and/or buildings and structures and to develop, turn to account, lease, transfer, in whole or in part or dispose of in any manner the same as may seem expedient and in particular by laying out and preparing the same for building purposes and/or with a view to form a colony or society with all kinds of sanitary, water, roads and lights, conveniences for residential, commercial ad/or public utilities and by constructing reconstructing, altering, pulling down, decorating, maintaining, furnishing, filling up and improving, building, offices, flats, houses, factories, ware houses, shops, schools, colleges, mills, roads, drains, wells and by painting, paving, drawing, farming, cultivating and letting the same on or building agreement and by advancing money and entering into contracts and arrangements with builders, tenants and others.
48. To carry on the business of plasticising, moulding, injecting, extruding plastics or any other materials of any size or shape and the manufacture and/or process, sell, buy, import and export plastic both thermostatic and thermoplastic in particular bakelite, urea, nylon in power, sheet or moulded from or otherwise.
49. To manufacture, prepare for market, refine and otherwise manipulate and deal in and turn to account all materials and commodities grown or produced or purchased by the Company and all refuse and byproducts derived therefrom.
50. To purchase, manufacture, construct, erect, fabricate, build press, stamp, draw, spin, furnish, equip utilise, procure, refine, mine or otherwise acquire invest in, own, hold use, animals and agricultural products and purchase,

manufacture, produce, or otherwise, acquire, invest in, own, hold use, sell, assign, transfer or otherwise dispose of, trade in and deal with any and all articles or things manufactured, produced, resulting or derived in metals and source materials, ingredient, mixtures, derivatives, and compounds thereof, and any all kinds of products of which any of the forgoing constitutes an ingredient or in the production of which any of the foregoing constitutes an ingredient or in the production of which any of the foregoing is used including but not limited to mechanical and electrical machinery, apparatus, equipment, implement, devices, fixtures, supplies and accessories and casting and forgings.

51. To carry on the business of manufacturers, exporters and importers, commission agents, tradesmen and dealers in dyes, intermediates and dye-stuffs, chemicals of all types including agricultural laboratory, photographic, pharmaceutical and industrial chemicals, oils of all kinds including vegetable and natural essential oils tanning and tanning extracts, paint and paint raw materials, solvents, perfumes, acids, alkalies, plastic and plastic materials of all kinds including polythene ad polyvinchloride (PVC) and its allied products and substances whether manufactured or not.
52. To carry on business as manufacturers and producers of vegetables, fruits, spices, groundnut cake, flour and proteins and in particular canned goods such as syrup, vinegar, asavs, sweets, condiments, spices, baby foods, fruits, products, beverages, aerated waters, vegetables of all kinds and all allied and by products thereof and for the purposes thereof, to establish preservation centres and canning and other factories at any place or places and to develop such and other allied business and to give subsidise to farmers, fishermen, and other persons doing such business or who can grow and/or procure necessary materials.
53. To refine, treat and render merchantable and fit for use natural deposits of salt, brine, nitron, soda, kieselguhr nitrates and other chemical substances of all kinds obtained as aforesaid ad to manufacture therefrom by any electrolytic, metallurgic or other forms of plants or process of every kind of chemical and other products and byproducts.
54. To carry on the business of chemical, mineral and mining engineers, analysis and analysers and metal, minerals, finished products and consultants and prospectors and drawers and of metallizing by process known as vacuum metallizing of plastic, metal, glass, paper, boards, ceramics and other materials.
55. To carry on business as manufacturers, importers and exporters of and dealers in plastic, bakelite, celluloids and other similar materials and goods articles and products of every kind and description, manufactured wholly or partly out of the chemical and allied substances, refuse and bye products of the Company.
56. To carry on the business of manufacturers, exporters and importers, commission agents, tradesmen and dealers in all kinds of fertilizers including synthetic and other fertilizers, manure, mixtures, dips, sprays, vermiculites, pesticides, insecticides, medicines and medicines of all kinds for agriculture, horticulture or other purposes and remedies for animals.

57. To promote, help, encourage, and/or undertake cultivation, production and collection of flowers, herbs, roots, leaves, seeds, woods, resins and other substances, suitable for the manufacturers of essential oils, aromatic, chemical and perfumery compounds.
  58. To manufacture, produce, refine, prepare for market, distil, treat, cure, submit to any process, purchase, sell and otherwise trade or deal in, export and import and dispose of and turn to account vegetables, oils, essential oils, chemicals including aromatic, chemicals and perfumery compounds, gum, molasses, syrups, alcohol, spirits, balts and other gums and residual and other produce or products and bye products thereof.
  59. To carry on all kinds of agency business and as buying and selling agents of all articles, things commodities and products.
  60. To manufacture and deal in hydrogenated oils, vegetable oils, vegetable ghee substitutes, vegetable products and butter substitutes, glycerine, lubricating oils, and oil preparations and products including bye products of whatsoever description and kind and to carry on the business of manufacturers and dealers in all kinds of oils, oil seeds and oil buyers, sellers and dealers of oil-seeds and oil products including bye products.
  61. To carry on the business of manufacturers, producers, processors, buyers, sellers, importers, exporters and or otherwise dealers in pharmaceuticals, drugs, medicines, medicine preparations, tabulating formulations, injections and other pharmaceutical products.
  62. To produce, manufacture, buy, sell, import, export, stock, distribute and deal in all kinds of pharmaceutical products including bulk drugs and formulation chemicals, medicinal preparation, intravenous fluids, infusion and transfusion solutions, vitamin and non vitamin tablets, capsules, liquids and also medical equipments/instruments such as disposable plastic bottles, surgical sets, infusion and transfusion sets, disposable syringes, diagnostic kits.
  63. To carry on either as manufacturers, processors, traders, dealers, exporters, importers, consignees, consignors, principals, warehousing agents, commission agents, owners, agents, conductors, loan licensors, loan licensees, repackers, or factors, and either wholesale or retail, of chemicals, bulk drugs, chemical intermediaries, and other pharmaceutical and veterinary products including allopathic, ayurvedic, homeopathic and/or Unani or Combinations thereof, patent medicines, scientific, chemical, organic, inorganic, biological, immunological, and therapeutic and surgical preparations, antibiotics, herbal and veterinary medicines, surgical equipments.
  64. To sell, lease, let, mortgage or otherwise dispose off and/or deal in the land, houses, buildings and other properties of the Company.
4. The liability of the member(s) is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.

- 5\*. The Authorised share capital of the Company is Rs. 16,26,00,000/- (Rupees Sixteen Crores Twenty Six Lakh Only) divided into 81,30,000 (Eighty One Lakh Thirty Thousand) Equity Shares of Rs. 10/- (Rupees Ten Only) each and 81,30,000 (Eighty One Lakh Thirty Thousand) Redeemable Preference Shares of Rs. 10/- (Rupees Ten Only) each.

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\* Amended pursuant to the composite scheme of demerger between Aarti Industries Limited, Aarti Surfactants Limited and Nascent Chemical Industries Limited and their respective shareholders effective from June 24, 2019.

6. We, the several persons, whose names and addresses are subscribed, are desirous of being formed into a company in pursuance of this **MEMORANDUM OF ASSOCIATION**, and we respectively agree to take the number of shares in the capital of the company set against our respective names :

S. No.	Subscriber Details				
	Name, Address, Description and Occupation	DIN / PAN / Passport Number	No. of Shares taken	DSC	Dated
1.	<p>FOR AND ON BEHALF OF  <b>AARTI INDUSTRIES LIMITED</b>                      (CIN : L24110GJ1984PLC007301)                      HAVING ITS REGISTERED OFFICE AT                      PLOT NO. 801/23, G.I.D.C.                      ESTATE PHASE III, VAPI – 396195                      THROUGH ITS CHAIRMAN AND                      MANAGING DIRECTOR,  <b>RAJENDRA VALLABHAJI GOGRI</b>                      WHILE ITS BOARD RESOLUTION                      DATED:- 07.04.2017                      RAJENDRA VALLABHAJI GOGRI                      S/O VALLABHAJI RAMJI GOGRI                      RESIDING 2402 RICHMOND,                      CLIFF AVENUE, NEAR FOREST CLUB                      HIRANANDANI GARDENS, POWAI,                      MUMBAI MAHARASHTRA INDIA 400076  <b>OCCUPATION : BUSINESS</b></p>	AACPG2278E	49994	SD/-	16-06-2018
2.	<p><b>CHANDRAKANT VALLABHAJI GOGRI</b>                      (NOMINEE OF AARTI INDUSTRIES LIMITED                      HAVING ITS REGISTERED OFFICE AT                      PLOT NO. 801/23, G.I.D.C. ESTATE                      PHASE III, VAPI – 396195                      S/O. VALLABHAJI RAMJI GOGRI                      RESIDING 1801, RICHMOND TOWER,                      CLIFF AVENUE, HIRANANDANI GARDEN,                      NEAR HIRANANDANI SCHOOL, POWAI,                      MUMBAI MAHARASHTRA INDIA 400076  <b>OCCUPATION : BUSINESS</b></p>	00005048	1	SD/-	16-06-2018
3.	<p><b>NIKHIL PARIMAL DESAI</b>                      (NOMINEE OF AARTI INDUSTRIES LIMITED                      HAVING ITS REGISTERED OFFICE AT                      PLOT NO. 801/23, G.I.D.C. ESTATE                      PHASE III, VAPI – 396195)                      S/O. PARIMAL HASMUKHLAL DESAI                      RESIDING AT A/1403/1404 RUNWAL                      HEIGHTS NIRMAL LIFESTYLE,                      MULUND (WEST) MUMBAI 400080  <b>OCCUPATION : BUSINESS</b></p>	01660649	1	SD/-	16-06-2018
4.	<p><b>DATTATRAY SIDRAM GALPALLI</b>                      (NOMINEE OF AARTI INDUSTRIES LIMITED                      HAVING ITS REGISTERED OFFICE AT                      PLOT NO. 801/23, G.I.D.C. ESTATE                      PHASE III, VAPI – 396195)                      S/O SIDRAM TUKRAM GALPALLI                      RESIDING AT B-301, RAJHANSH                      COMPLEX, CHARWADA ROAD, GIDC,                      VAPI, GUJARAT 396195  <b>OCCUPATION : BUSINESS</b></p>	01853463	1	SD/-	16-06-2018

S. No.	Subscriber Details				
	Name, Address, Description and Occupation	DIN / PAN / Passport Number	No. of Shares taken	DSC	Dated
5.	<b>RASHESH CHANDRAKANT GOGRI</b> (NOMINEE OF AARTI INDUSTRIES LIMITED HAVING ITS REGISTERED OFFICE AT PLOT NO. 801/23, G.I.D.C. ESTATE PHASE III, VAPI 396195) S/O CHANDRAKANT VALLABHAJI GOGRI RESIDING 1802 RICHMOND CLIFF AVENUE NEAR HIRANANDANI SCHOOL HIRANANDANI GARDENS, POWAI, IIT, MUMBAI MAHARASHTRA INDIA 400076 <b>OCCUPATION : BUSINESS</b>	00066291	1	SD/-	16-06-2018
6.	<b>PARIMAL HASMUKHLAL DESAI</b> (NOMINEE OF AARTI INDUSTRIES LIMITED HAVING ITS REGISTERED OFFICE AT PLOT NO 801/23, GIDC ESTATE PHASE III, VAPI 396195) S/O HASMUKHLAL CHANDULAL DESAI RESIDING AT AT 5 A / 1403, 14TH FLOOR, RUNWAL HEIGHTS, LBS MARG, MULUND (WEST) MUMBAI 40008 <b>OCCUPATION : BUSINESS</b>	00009272	1	SD/-	16-06-2018
7.	<b>HETAL GOGRI GALA</b> (NOMINEE OF AARTI INDUSTRIES LIMITED HAVING ITS REGISTERED OFFICE AT PLOT NO. 801/23, G.I.D.C. ESTATE PHASE III, VAPI 396195) D/O. CHANDRAKANT VALLABHJI GOGRI RESIDING 552-B, GOPAL SADAN, BLOCK NO. 801 8TH FLOOR, JAMSHED RODAD, MATUNGA (EAST), MUMBAI MAHARASHTRA INDIA 400019 <b>OCCUPATION : BUSINESS</b>	00005499	1	SD/-	16-06-2018
<b>TOTAL SHARES TAKEN</b>			<b>50000</b>		

Signed before Me

	Name, Address, Description and Occupation	DIN / PAN / Passport Number / Membership Number	DSC	Dated
<b>ACS</b>	<b>MANISHA RUSHIKESH WAKCHAURE</b> W/O RUSHIKESH WAKCHAURE F-1203, MANGESHI DAZZLE III, NEW THAKURLI ROAD, OPP HARI DASHAN RESIDENCY, KANCHANGAON, DOMBIVLI (E) 421201 <b>OCCUPATION : PRACTISING COMPANY SECRETARY</b>	30480	SD/-	16-06-2018



[Pursuant to Schedule I (see Sections 4 and 5) to  
the Companies Act, 2013] FORM NO. INC-34

**SPICE AOA**

(e-Articles of Association)

**TABLE-F**

**THE COMPANIES ACT, 2013**

**COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**OF**

**AARTI SURFACTANTS LIMITED \***

**I. INTERPRETATION**

1. In these regulations –
  - (a\*) “Company” means **“AARTI SURFACTANTS LIMITED”**.
  - (b) “Act” means the Companies Act, 2013, and any statutory modification thereof.
  - (c) “Seal” means the Common Seal of the Company.
  - (d) “Articles” means these articles of association of the Company or as altered from time to time.
  - (e) “Rules” means the applicable rules for the time being in force as prescribed under relevant sections of the Act.
2. Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.

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\* Name of the company changed to ‘Aarti Surfactants Limited’ effective from July 8, 2019.

## II. SHARE CAPITAL AND VARIATION OF RIGHTS

1. Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.
2.
  - (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided, -
    - (a) one certificate for all his shares without payment of any charges; or
    - (b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.
  - (ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
  - (iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders
3.
  - (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.
  - (ii) The provisions of Articles (2) and (3) shall mutatis mutandis apply to debentures of the company.
4. Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
5.
  - (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.
  - (ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.
  - (iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
6.
  - (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of

that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

- (ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
7. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.
8. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

#### LIEN

9. (i) The company shall have a first and paramount lien –
- (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
  - (b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company: Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.
- (ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.
10. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:
- Provided that no sale shall be made –
- (a) unless a sum in respect of which the lien exists is presently payable; or
  - (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
11. (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof
- (ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
- (iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

12. (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
- (ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

#### CALLS ON SHARES

- \*\*13. (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times;
  - (ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on shares held by such member;
  - (iii) A call may be revoked or postponed at the discretion of the Board;
  - (iv) The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.
14. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by instalments.
  15. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
  16. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.
  - (ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.
  17. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
  - (ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
18. The Board –
    - (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
    - (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.

### TRANSFER OF SHARES

19. (i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.
- (ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
20. The Board may, subject to the right of appeal conferred by section 58 decline to register –
- (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
- (b) any transfer of shares on which the company has a lien.
21. The Board may decline to recognise any instrument of transfer unless –
- (a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;
- (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- (c) the instrument of transfer is in respect of only one class of shares.
22. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

### TRANSMISSION OF SHARES

23. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares.
- (ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
24. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either –
- (a) to be registered himself as holder of the share; or
- (b) to make such transfer of the share as the deceased or insolvent member could have made.
- (ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

25. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.
- (ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- (iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

26. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

#### FORFEITURE OF SHARES

27. If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.
28. The notice aforesaid shall –
- (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
- (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
29. if the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
30. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
- (ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
31. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.

- (ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
- 32.
- (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;
  - (ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
  - (iii) The transferee shall thereupon be registered as the holder of the share; and
  - (iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
33. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

#### ALTERATION OF CAPITAL

34. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
35. Subject to the provisions of section 61, the company may, by ordinary resolution, —
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
  - (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
  - (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
36. Where shares are converted into stock, —
- (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:  
  
Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
  - (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the



company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

- (c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.
37. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law, —
- (a) its share capital;
  - (b) any capital redemption reserve account; or
  - (c) any share premium account.

#### CAPITALISATION OF PROFITS

38. (i) The company in general meeting may, upon the recommendation of the Board, resolve —
- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company’s reserve accounts, or to the credit of the, profit and loss account, or otherwise available for distribution; and
  - (b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards —
- (A) paying up any amounts for the time being unpaid on any shares held by such members respectively;
  - (B) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
  - (C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);
  - (D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;
  - (E) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.
39. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall —

- (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and
  - (b) generally do all acts and things required to give effect thereto.
- (ii) The Board shall have power –
  - (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
  - (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;
- (iii) Any agreement made under such authority shall be effective and binding on such members.

#### **BUY-BACK OF SHARES**

40. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

#### **GENERAL MEETINGS**

41. All general meetings other than annual general meeting shall be called extraordinary general meeting.
42. The Board may, whenever it thinks fit, call an extraordinary general meeting.

#### **PROCEEDINGS AT GENERAL MEETINGS**

43. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
- (ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.
44. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
45. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
46. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

### ADJOURNMENT OF MEETING

47. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
- (ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- (iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

### VOTING RIGHTS

48. Subject to any rights or restrictions for the time being attached to any class or classes of shares, —
- (a) on a show of hands, every member present in person shall have one vote; and
- (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
49. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
50. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
- (ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
51. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
52. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
53. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid
54. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
- (ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

## PROXY

55. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

56. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105

A proxy shall have a right to speak at the general meeting. A member shall be entitled to appoint more than one proxy to attend on the same occasion.

57. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

## BOARD OF DIRECTORS

58. The First Directors of Company shall be :

1. **NIKHIL PARIMAL DESAI (DIN : 01660649)**
2. **CHANDRAKANT VALLABHAJI GOGRI (DIN : 00005048)**
3. **DATTATRAY SIDRAM GALPALLI (DIN : 01853463)**

The number of Directors shall be in accordance to the provisions mentioned in the Act.

59. (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

(ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them —

(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or

(b) in connection with the business of the company.

60. The Board may pay all expenses incurred in getting up and registering the company.

61. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.

62. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine

63. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
64. (i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.
- (ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

#### PROCEEDINGS OF THE BOARD

65. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
- (ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
66. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
- (ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
67. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.
68. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
- (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.
69. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.
- (ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
70. (i) A committee may elect a Chairperson of its meetings.
- (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
71. (i) A committee may meet and adjourn as it thinks fit.
- (ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

72. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
73. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

#### **CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER**

74. Subject to the provisions of the Act, —
- (i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
  - (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer
75. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

#### **THE SEAL**

76. (i) The Board shall provide for the safe custody of the seal.
- (ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

#### **DIVIDENDS AND RESERVE**

77. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
78. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.
79. (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.

- (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve
- 80.
  - (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.
  - (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
  - (iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
- 81. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.
- 82.
  - (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
  - (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
- 83. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
- 84. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
- 85. No dividend shall bear interest against the company.

#### ACCOUNTS

- 86.
  - (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.
  - (ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

#### WINDING UP

- 87. Subject to the provisions of Chapter XX of the Act and rules made thereunder —
  - (i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst



the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.

- (ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

#### INDEMNITY

88. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

#### OTHERS

89. (1) The Authorised Share Capital of the Company shall be such amounts and be divided into such shares as may from time to time be provided in Clause V of the Memorandum of Association with power to increase or reduce the capital in accordance with the Company's regulations and legislative provisions for the time being in force in that behalf with the powers to divide the share capital whether original, increased or decreased into several classes and attach thereto respectively such ordinary, preferential or special rights and conditions in such a manner as may for the time being be provided by the Regulations of the Company and allowed by law.
- (2) Subject to Section 175 of the Act, a resolution in writing signed by the Director except a resolution which the Act specifically required it to be passed at a Board Meeting shall be effective for all purposes as a resolution passed at a meeting of Directors duly called, held and constituted.
- (3) Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the powers prescribed under Section 179 read with rule 8 of Companies (Meeting of Board & its Powers) Rules, 2014 only by means of resolutions passed at meetings of the Board.
- (4) Subject to the provisions of the Act and these Articles, the Directors may from time to time exercise all the powers of the Company to borrow moneys and secure the payment of such sum or sums borrowed in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of bonds, perpetual or redeemable debentures or debenture stock, or any mortgage or charge or other security on the undertaking or the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being.
- (5) Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorised by its articles, then and in that case this regulation hereto authorises and empowers the Company to have such rights, privileges or authority and to carry such transactions as have been permitted by the Act, without there being any specific regulation in that provided.

S. No.	Subscriber Details				
	Name, Address, Description and Occupation	DIN / PAN / Passport Number	Place	DSC	Dated
1.	<p>FOR AND ON BEHALF OF  <b>AARTI INDUSTRIES LIMITED</b>            (CIN : L24110GJ1984PLC007301)            HAVING ITS REGISTERED OFFICE AT            PLOT NO. 801/23, G.I.D.C.            ESTATE PHASE III, VAPI – 396195            THROUGH ITS CHAIRMAN AND            MANAGING DIRECTOR,  <b>RAJENDRA VALLABHAJI GOGRI</b>            WHILE ITS BOARD RESOLUTION            DATED:- 07.04.2017            RAJENDRA VALLABHAJI GOGRI            S/O VALLABHAJI RAMJI GOGRI            RESIDING 2402 RICHMOND,            CLIFF AVENUE, NEAR FOREST CLUB            HIRANANDANI GARDENS, POWAI,            MUMBAI MAHARASHTRA INDIA 400076  <b>OCCUPATION : BUSINESS</b></p>	AACPG2278E	MUMBAI	SD/-	16-06-2018
2.	<p><b>CHANDRAKANT VALLABHAJI GOGRI</b>            (NOMINEE OF AARTI INDUSTRIES LIMITED            HAVING ITS REGISTERED OFFICE AT            PLOT NO. 801/23, G.I.D.C. ESTATE            PHASE III, VAPI – 396195            S/O. VALLABHAJI RAMJI GOGRI            RESIDING 1801, RICHMOND TOWER,            CLIFF AVENUE, HIRANANDANI GARDEN,            NEAR HIRANANDANI SCHOOL, POWAI,            MUMBAI MAHARASHTRA INDIA 400076  <b>OCCUPATION : BUSINESS</b></p>	00005048	MUMBAI	SD/-	16-06-2018
3.	<p><b>NIKHIL PARIMAL DESAI</b>            (NOMINEE OF AARTI INDUSTRIES LIMITED            HAVING ITS REGISTERED OFFICE AT            PLOT NO. 801/23, G.I.D.C. ESTATE            PHASE III, VAPI – 396195)            S/O. PARIMAL HASMUKHLAL DESAI            RESIDING AT A/1403/1404 RUNWAL            HEIGHTS NIRMAL LIFESTYLE,            MULUND (WEST) MUMBAI 400080  <b>OCCUPATION : BUSINESS</b></p>	01660649	MUMBAI	SD/-	16-06-2018
4.	<p><b>DATTATRAY SIDRAM GALPALLI</b>            (NOMINEE OF AARTI INDUSTRIES LIMITED            HAVING ITS REGISTERED OFFICE AT            PLOT NO. 801/23, G.I.D.C. ESTATE            PHASE III, VAPI – 396195)            S/O SIDRAM TUKRAM GALPALLI            RESIDING AT B-301, RAJHANSH            COMPLEX, CHARWADA ROAD, GIDC,            VAPI, GUJARAT 396195  <b>OCCUPATION : BUSINESS</b></p>	01853463	MUMBAI	SD/-	16-06-2018

S. No.	Subscriber Details				
	Name, Address, Description and Occupation	DIN / PAN / Passport Number	Place	DSC	Dated
5.	<b>RASHESH CHANDRAKANT GOGRI</b> (NOMINEE OF AARTI INDUSTRIES LIMITED HAVING ITS REGISTERED OFFICE AT PLOT NO. 801/23, G.I.D.C. ESTATE PHASE III, VAPI 396195) S/O CHANDRAKANT VALLABHAJI GOGRI RESIDING 1802 RICHMOND CLIFF AVENUE NEAR HIRANANDANI SCHOOL HIRANANDANI GARDENS, POWAI, IIT, MUMBAI MAHARASHTRA INDIA 400076 <b>OCCUPATION : BUSINESS</b>	00066291	MUMBAI	SD/-	16-06-2018
6.	<b>PARIMAL HASMUKHLAL DESAI</b> (NOMINEE OF AARTI INDUSTRIES LIMITED HAVING ITS REGISTERED OFFICE AT PLOT NO 801/23, GIDC ESTATE PHASE III, VAPI 396195) S/O HASMUKHLAL CHANDULAL DESAI RESIDING AT AT 5 A / 1403, 14TH FLOOR, RUNWAL HEIGHTS, LBS MARG, MULUND (WEST) MUMBAI 40008 <b>OCCUPATION : BUSINESS</b>	00009272	MUMBAI	SD/-	16-06-2018
7.	<b>HETAL GOGRI GALA</b> (NOMINEE OF AARTI INDUSTRIES LIMITED HAVING ITS REGISTERED OFFICE AT PLOT NO. 801/23, G.I.D.C. ESTATE PHASE III, VAPI 396195) D/O. CHANDRAKANT VALLABHJI GOGRI RESIDING 552-B, GOPAL SADAN, BLOCK NO. 801 8TH FLOOR, JAMSHED RODAD, MATUNGA (EAST), MUMBAI MAHARASHTRA INDIA 400019 <b>OCCUPATION : BUSINESS</b>	00005499	MUMBAI	SD/-	16-06-2018

Signed before Me

	Name, Address, Description and Occupation	DIN / PAN / Passport Number / Membership Number	Place / DSC	Dated
<b>ACS</b>	<b>MANISHA RUSHIKESH WAKCHAURE</b> W/O RUSHIKESH WAKCHAURE F-1203, MANGESHI DAZZLE III, NEW THAKURLI ROAD, OPP HARI DASHAN RESIDENCY, KANCHANGAON, DOMBIVLI (E) 421201 <b>OCCUPATION : PRACTISING COMPANY SECRETARY</b>	30480	MUMBAI SD/-	16-06-2018



NATIONAL COMPANY  
LAW TRIBUNAL  
AHMEDABAD  
CERTIFIED TRUE COPY

NATIONAL COMPANY LAW TRIBUNAL,  
AHMEDABAD BENCH

C.P. (CAA) No. 17 of 2019 in  
C.A. (CAA) No. 153/NCLT/AHM/2018

In the matter of:

**AARTI INDUSTRIES LIMITED,**

a company incorporated under  
the Companies Act, 1956  
having its registered office at  
Plot Nos. 801, 801/23, GIDC Estate, Phase III,  
Vapi, Gujarat - 396195

..... Petitioner Company No. 1 / AIL /  
Demerged Company A / Resultant  
Company B

**ARTI SURFACTANTS LIMITED,**

a company incorporated under  
the Companies Act, 2013  
having its registered office at  
Plot Nos. 801, 801/23,  
GIDC Estate, Phase III,  
Vapi, Gujarat - 396195

..... Petitioner Company No. 2 / ASL /  
Resultant Company A

**NASCENT CHEMICAL INDUSTRIES LIMITED,**

a company incorporated under  
the Companies Act, 1956  
having its registered office at  
9/1827, First Floor, City Plaza Bldg.,  
Opp. Chapir Lane, Lalgate, Surat, Gujarat - 395003

..... Petitioner Company No. 3 / NASCENT /  
Demerged Company B

**Order delivered on 10th June, 2019**

**Coram:** Hon'ble Ms. Manorama Kumari, Member (Judicial)  
**Appearance:** Mr. Arjun Sheth, advocate and solicitor and Ms. Anuja  
Saraiya, advocate for the Applicant Companies

**ORDER**

1. This joint Petition is filed under Section 230 and 232 of the Companies Act, 2013, read with Companies (Compromise, Arrangements and Amalgamation) Rules, 2016 along with other relevant provisions of the Companies Act, 2013 seeking sanction of this Tribunal to a demerger embodied in the Scheme of Arrangement between Aarti Industries Limited ("Petitioner Company No. 1 / AIL / Demerger Company A / Resultant Company B"), Arti Surfactants Limited ("Petitioner Company No. 2 / ASL / Resultant Company A") and Nascent Chemical Industries Limited ("Petitioner Company No. 3 / Nascent / Demerged Company B") and their shareholders. The demerger being of the undertakings (i) Home and Personal Care Undertaking of Aarti Industries Limited being transferred to Arti Surfactants Limited and (ii) Manufacturing Undertaking of Nascent Chemical Industries Limited being transferred to Aarti Industries Limited.
2. It is stated that Petitioner Company No. 1 is a Public Limited Company incorporated under the provisions of Companies Act, 1956, listed with the BSE Limited and the National Stock Exchange of India Limited. The total issued, subscribed and paid up share capital of the Petitioner Company No. 1 as on 31 March 2018 is Rs. 40,65,00,000/-. The Board of Directors of the Petitioner Company No. 1 approved the Scheme of Arrangement in the nature of demerger by passing Board Resolution in its meeting held on 28.06.2018.

3. It is stated that Petitioner Company No. 2 is a Public Limited Company incorporated on June 18, 2018 under the provisions of Companies Act, 2013 with the total issued, subscribed and paid up share capital of Rs. 5,00,000/-. The Board of Directors of the Petitioner Company No. 2 approved the Scheme of Arrangement in the nature of demerger by passing Board Resolution in its meeting held on 28.06.2018.
4. It is stated that Petitioner Company No. 3 is a Public Limited Company incorporated under the provisions of Companies Act, 1956. The total issued, subscribed and paid up share capital of the Petitioner Company No. 3 as on 31st March 2018 is Rs. 60,00,000/-. The Board of Directors of the Petitioner Company No. 3 approved the Scheme of Arrangement in the nature of demerger by passing Board Resolution in its meeting held on 28.06.2018.
5. The said Petitioner Companies filed before this Tribunal joint application being CA(CAA) 153 of 2018. By order dated 04th January 2019, meetings of Equity Shareholders of Arti Surfactants Limited and Nascent Chemical Industries Limited, i.e. Petitioner Company No. 2 and 3 were dispensed with in view of the consent affidavits submitted by all the Equity shareholders of the Petitioner Company No. 2 and 3. It was further held that since Petitioner Company No. 2 has no Secured Creditors and Unsecured Creditors, this Tribunal felt that there was no requirement to convene and hold the meeting of Secured Creditors and Unsecured Creditors of the Petitioner Company No. 2. Similarly, it was also felt in the case of Petitioner Company No. 3, that there is no requirement to convene and hold the meeting of Secured Creditors since Petitioner Company No. 3 has no Secured Creditors.
6. That vide order dated 04th January 2019 of this Tribunal, the meetings of Equity Shareholders, Secured Creditors and Unsecured Creditors of Petitioner Company No. 1 were directed to be convened and held. Similarly, meeting of Unsecured Creditors of the Petitioner Company No. 3 were also directed to be convened and held.
7. Pursuant to the order passed by this Tribunal, notices were sent to all the Equity Shareholders of Petitioner Company No. 1 vide e-mail and/or courier; the notices were also served upon the Secured Creditors and Unsecured Creditors of the Petitioner Company No. 1 individually on 05th January 2019 and to Unsecured Creditors of the Petitioner Company No. 3 by courier on 08th January 2019 together with a copy of the Scheme of Arrangement and the Explanatory Statement as well as other required disclosures. The notice of convening and holding of the aforesaid meetings were published in English daily "Business Standard" and Gujarati daily "Gujarat Samachar" dated 08th January 2019; notices were also sent to statutory authorities under section 230(5) of Companies Act, 2013 i.e. concerned Income Tax Authority, Regional Director, North Western Region and Registrar of Companies between 08th January 2019 to 14th January 2019.
8. In pursuance of the directions contained in Order dated 4th January, 2019 passed by this, the meetings of (i) the Equity Shareholders of the Petitioner Company No. 1 was held on 8th February, 2019 where the requisite quorum was present and the Scheme was approved by 99.95% of the Equity Shareholders without modifications, (ii) the Secured Creditors of the Petitioner Company No. 1 was held on 8th February, 2019 where the requisite quorum was present and the Scheme was approved unanimously by the Secured Creditors without modifications, (iii) the Unsecured Creditors of the Petitioner Company No. 1 was held on 8th February, 2019 where the requisite quorum was present and the Scheme was approved by all the Unsecured Creditors who attended the meeting and voted in favor of the Scheme without modifications, and (iv) the Unsecured Creditors of the Petitioner Company No. 3 was held on 11th February, 2019 where the requisite quorum was present and the Scheme was approved unanimously by the Unsecured Creditors without modifications. The Chairman appointed for

the aforesaid meetings filed the affidavits verifying his report dated 14th February, 2019 and the same are annexed with the application and marked as **Annexure “S1”, “S2”, “S3” and “T” to the Petition.**

9. The present petition was admitted on 4th March 2019 and the date of hearing was fixed as 2nd April, 2019. Directions were issued to publish Notice of hearing of the Petition in the newspapers viz. English daily, Business Standard and Gujarati Daily, Gujarat Samachar and the same were published on 16th March 2019. The notices, as directed by this Tribunal, were also sent to Regional Director - North Western Region, Registrar of Companies, respective income Tax Authorities and Official Liquidator for all Petitioner Companies between 22 March, 2019 to 26th March 2019. Affidavit of service of notice of hearing upon the aforesaid statutory authorities and publication of notice of hearing in the newspapers was filed with this Tribunal on 01st April, 2019 and the same has been placed on record. Further in compliance to the directions of order dated 21 April, 2019 notices were also served to the Security Exchange Board of India and the Reserve Bank of India on 22nd April, 2019.
10. The representation of the Regional Director was received on 21st February, 2019. The Petitioner Companies through their separate affidavits dated 26th March 2019 filed their response to the observations made by the Regional Director in its representation. It is submitted in the affidavit that:
  - i. Para 2(a) to 2(c) of the Report of the Regional Director deal with the factual aspects of the Scheme i.e. service of notice of the Scheme, the proposed exchange ratio as recommended by the Independent Chartered Accountants, rationale of the Scheme etc. and therefore the same does not require any response.
  - ii. With regard to Para 2(d) of the Report of the Regional Director, the Petitioner Company No. 1 undertakes that Petitioner Company No. 1 shall comply with and abide by the provisions of the circulars issued by the Securities and Exchange Board of India dated 04.02.2013, 21.05.2013 and 10.03.2017 and the letters issued by the BSE Limited and the National Stock Exchange of India Limited dated 3rd December 2018 for providing in-principle approval to the Scheme.
  - iii. With regard to Para 2(e) of the Report of the Regional Director, it is submitted that the name of the Petitioner Company No. 2 has been proposed to be changed post the effectiveness of the Scheme so that the Petitioner Company No. 2 can adopt the name of the Group. It is further submitted that in connection with the proposed name change of the Petitioner Company No. 2, provisions of Section 13 of the Companies Act, 2013, the name guidelines and other applicable provisions of the Companies Act, 2013 (including payment of the applicable fees, stamp duty and charges) for the alternation of name shall be complied with by Petitioner Company No. 2.
  - iv. With regard to Para 2(f) of the Report of the Regional Director, the Petitioner Company No. 1 undertakes and submits that the Petitioner Company No. 1 has complied with and shall continue to comply with the provisions of the Foreign Exchange Management Act, 1999 and the regulations made there under and the guidelines issued by the Reserve Bank of India in connection with the shares previously issued and proposed to be issued by the Petitioner Company No. 1 to the foreign corporate bodies.
  - v. With regard to Para 2(f) of the Report of the Regional Director, It is submitted that the intent of the provisions relating to the fractional entitlement of the shares as set out in Clause 12.4 and 28.4 of the Scheme is that the economic value in the fractional shareholding is acknowledged and the same should be paid to the shareholders.



However, given that it is not possible to issue shares in fractions, it is proposed that the fractional shares shall be consolidated and sold in the market (given that the shares of the Petitioner Company No. 1 are listed) and thereafter the sale proceeds shall be distributed in proportion to the respective fractional entitlement of the relevant shareholders. In this regard, it is humbly submitted that the Petitioner Company No. 1 shall ensure that the rights of the shareholders are not affected in any manner through the operation of the aforesaid clauses of the Scheme.

- vi. With regard to Para 2(g) of the Report of the Regional Director, it is submitted that the Petitioner Company No. 3 has complied with provisions of Section 134(3)(f) of the Companies Act, 2013 and the Board of Directors has adequately commented on qualification of the Statutory Auditor (pertaining to not providing gratuity in the balance sheet for the financial year 2017-2018) in their report appended to the financial statement of the Petitioner Company No. 3 for the year 2017-18. It is submitted that the liability of the gratuity is not material considering the size and volume of the business of the Petitioner Company No. 3 and the decision to provide the same on payment basis has refrained the Petitioner Company No. 3 from providing the gratuity as on the Balance Sheet date.
- vii. With regard to Para 2(h) of the Report of the Regional Director, it is hereby submitted that the Petitioner Companies shall comply with the requirements prescribed under Section 2(19AA) of the Income Tax Act, 1961 in connection with the demergers proposed under the Scheme.
- viii. With regard to Para 2(i) of the Report of the Regional Director, Petitioner Company No. 1 submits and undertakes that the Petitioner Company No. 1 shall pay the requisite fees to the Regional Director for preparing the Report and representing the Central Government.
- ix. With regard to Para 2(j) of the Report of the Regional Director which deals with the factual aspects i.e. it refers to the report received from the office of Registrar of Companies dated 05.02.2019 which states that there are no complaints pending against the petitioner companies and there is no complaint against the proposed demergers. Therefore, the same does not require any response.
11. As far as the response of the Petitioner Companies to the observations of the Regional Director are concerned, though this Tribunal is satisfied with the response of the Petitioner Companies, however, this Tribunal is of the considered view that Petitioner Company No. 3 has not complied with the requirements of Section 129(1) of the Companies Act, 2013 which state that financial statements of the Company shall give a true and fair view of the state of affairs of the company or companies, comply with the accounting standards notified under section 133 and shall be in the form or forms as may be provided for different class or classes of companies in Schedule III.

As per Accounting Standard 15,

- (i) every Company shall have Gratuity Liability to be accounted for and on accrual basis.
- (ii) Gratuity made on cash basis is not in conformity with Accounting Standard 15 (AS-15) (Revised 2005), which requires that Gratuity Liability to be accounted for and on accrual basis.
- (iii) The auditors of the Company in their Audit Report provide their opinion regarding non-compliance for Gratuity Liability as required by Accounting Standard 15 (AS-15) relating to Employees' Benefits.



12. The Petitioner Company No. 3 has not complied with the said provision of the Companies Act, as deliberated in the preceding para for the financial year 2017-18. The Petitioner Company No. 3 is hereby directed to approach Registrar of Companies for compounding of offence, if any, as discussed hereinabove.
13. As a result, the petition being CP(CAA) No. 17 of 2019 is hereby allowed. The Scheme which is at **Annexure I** to the petition is hereby sanctioned and it is declared to be binding on the Petitioner Companies, their shareholders and all concerned under the Scheme.
14. The amount towards legal fees/expenses incurred by the office of the Regional Director in respect of the petitioner companies is quantified as Rs. 37,500/- which shall be paid by the Petitioner Company No. 1 to the office of the Regional Director.
15. Filing and issuance of drawn up order is hereby dispensed with. All concerned authorities to act on a copy of this order along with the Scheme duly authenticated by the Registrar of this Tribunal. The Registrar of this Tribunal shall issue the authenticated copy of this order along with Scheme immediately.
16. The Company Petition is disposed of accordingly.

**CERTIFIED TO BE TRUE COPY  
OF THE ORIGINAL  
SD/-  
DEPUTY REGISTRAR  
NCLT, AHMEDABAD BENCH  
AHMEDABAD**

SD/-  
**MANORAMA KUMARI  
(MEMBER JUDICIAL)**

Date of pronouncement of Order:	10-06-2019
Date on which application for Certified Copy was made:	20-06-2019
Date on which Certified Copy was ready:	20-06-2019
Date on which Certified Copy delivered:	20-06-2019

**COMPOSITE SCHEME OF ARRANGEMENT**

616  
20-06-2019

**BETWEEN**

**NATIONAL COMPANY  
LAW TRIBUNAL  
AHMEDABAD**

**AARTI INDUSTRIES LIMITED**

**CERTIFIED TO BE TRUE COPY  
OF THE ORIGINAL  
SD/-  
DEPUTY REGISTRAR  
NCLT, AHMEDABAD BENCH  
AHMEDABAD**

**AND**

**ARTI SURFACTANTS LIMITED**

**AND**

**NASCENT CHEMICAL INDUSTRIES LIMITED**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS**

(UNDER SECTIONS 230-232 & READ WITH OTHER APPLICABLE PROVISIONS OF  
THE COMPANIES ACT, 2013)

**PART A - GENERAL**

1. Description of the Parties

- 1.1 Aarti Industries Limited (“**AIL**”) is a listed company incorporated on 28 September, 1984 under the provisions of the Companies Act, 1956 (Company Registration Number: 007301 and Corporate Identification Number: L24110GJI984PLC007301), having its registered office situated at Plot Nos. 801, 801/23, GIDC Estate, Phase III, Vapi, Gujarat, 396195. The main object of AIL is as follows:

*‘To carry on the business of manufacturers, producers, processors, buyers, sellers, importers, exporters and/or otherwise dealers in fine chemicals, industrial and pure chemicals, organic and inorganic chemicals and allied products, perfumes, flavours, pure drug solvents, dyes and drug intermediates cosmetics, insecticides pesticides, heavy chemicals, alkalies, acids, chemical, industrial preparations, chemicals for plastic, pigment, varnishes, paints, alcohols, dyes and colours, agrochemicals, petrochemicals, makers and dealers in preparatory formulations and articles of the above nature and of chemicals’.*

AIL is engaged in the business of manufacture and sale of speciality chemicals and intermediates for chemical and allied industries. ‘The details of the authorised, issued, subscribed and paid-up share capital of AIL have been set out below in the Scheme. The equity shares of AIL are listed on the BSE Limited (“**BSE**”) and the National Stock Exchange of India Limited (“**NSE**”).

- 1.2 Nascent Chemical Industries Limited (“**Nascent**”) is an unlisted public company incorporated on 4 May 1966 under the Companies Act, 1956 (Company Registration Number: 013490 and

Corporate Identification Number: U24100MH1966PLC013490), having registered office at 909, Raheja Centre, Nariman Point, Mumbai - 400021. The main object of Nascent is as follows:

*“To carry on the business of manufacturers of and dealers in agricultural chemicals, insecticides, fumigants, weedicides, pesticides, coloring materials, pigmen and lakes, paints, varnishes, lacquers, finishes, dyes, perfume and flavoring chemicals, rubber chemicals, plastic and resinous materials, elastomers, plasticizers, surface active agents, tanning agents coating resins, solvents, marine chemicals, synthetic fibers, and all types of industrial chemicals, acid, alkalis, hormones trace elements.”*

Nascent is engaged in the business of manufacturing and trading of speciality chemicals. The details of the authorized, issued, subscribed and paid-up share capital of Nascent have been set out below in the Scheme. AIL, owns 50.49% of Nascent through Aarti Corporate Services Limited, a wholly owned subsidiary of AIL.

- 1.3 Arti Surfactants Limited (“**ASL**”) is an unlisted public company incorporated on June 18, 2018 under the Companies Act 2013 (Company Registration Number. 102891 and Corporate Identification Number: U24100GJ2018PLC102891), having registered office at 801, 801/23 Phase III, GIDC Estate, Vapi, Dist. Valsad, Gujarat 396195. The main object of ASL is as follows:

*“To carry on the business of manufacturers, producers, processors, buyers, sellers, importers, exporters and/or otherwise dealers in surfactant and speciality chemicals and allied chemicals like fine chemicals, industrial and pure chemicals, organic an inorganic chemicals and allied products, perfumes, flavors, pure drug solvents, dyes and drug intermediates, cosmetics, insecticides, pesticides, heavy chemicals, alkalies, acids, chemical, industrial preparations, chemicals for plastic, pigment, varnishes, paints, alcohols, dyes and colours, agrochemicals, petrochemicals and chemical preparations required by different industries such as sugar tanning, textiles, metallurgical and process industries, proofing materials, disinfectants, oils, cotton, detergents, welling out agents, soap, tallow, gums, varnishes, synthetics, resins, catalytic agents, petro-chemicals and other petroleum products and articles and compounds, makers and dealers in preparatory formulations and articles of the above nature and of chemicals.*

ASL has been newly incorporated by AIL for the proposed demerger and absorption of the Home and Personal Care Undertaking in the manner set out under this Scheme. The details of the authorized, issued, subscribed and paid-up share capital of ASL have been set out below in the Scheme.

## 2. Objective of the Scheme

- 2.1 This composite scheme of arrangement (“**Scheme**”) is presented under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder, which provides for:
- (a) the demerger of the Home and Personal Care Undertaking (as hereinafter defined) of AIL (hereinafter also referred to as the “**Demerged Company A**”) into ASL (hereinafter also referred to as the “**Resultant Company A**”) and the subsequent listing of New Securities (as hereinafter defined) of the Resultant Company A on the BSE and the NSE; and
  - (b) the demerger of the Manufacturing Undertaking (as hereinafter defined) of Nascent (hereinafter also referred to as the “**Demerged Company B**”) into AIL (hereinafter also referred as the “**Resultant Company B**”).

- 2.2 Upon the demerger of the Home and Personal Care Undertaking of Demerged Company A into Resultant Company A, pursuant to this Scheme becoming effective on the Effective Date, the Resultant Company A will issue New Securities to the shareholders of the Demerged Company A in accordance with the Share Entitlement Ratio A (as hereinafter defined).
- 2.3 Upon demerger of the Manufacturing Undertaking of Demerged Company B into Resultant Company B, pursuant to this Scheme becoming effective on the Effective Date. Resultant Company B will issue and allot New Equity Shares (as hereinafter defined) to the Remaining Shareholders (as hereinafter defined) of the Demerged Company B in accordance with the Share Entitlement Ratio B.
- 2.4 The Residual Undertaking A (as hereinafter defined), after the demerger of the Home and Personal Care Undertaking shall be retained, managed and operated by Demerged Company A.
- 2.5 The Residual Undertaking B (as hereinafter defined), after the demerger of the Manufacturing Undertaking shall be retained, managed and operated by Demerged Company B.
- 2.6 After the effectiveness of the Scheme, the New Securities of Resultant Company A and New Equity Shares of Resultant Company B shall be listed on the NSE and BSE.

### **3. Rationale and purpose of the Scheme**

#### **3.1 Rationale for demerger of the Home and Personal Care Undertaking**

The demerger of the Home and Personal Care Undertaking is being undertaken due to the following reasons:

AIL basically has 3 (three) business verticals (i.e. speciality chemicals, pharmaceuticals and home and personal care chemicals) with divergent business profile, growth potential, risk-rewards, regulatory and capital requirements and are largely independent on each other. The home and personal care chemicals business, which constitutes of the Home and Personal Care Undertaking, is currently not ROE (return on equity) accretive. Therefore, in order to create overall value for the shareholders, the management has decided to restructure the home and personal care chemicals business by transferring the Home and Personal Care Undertaking into Resultant Company A. The shareholders of AIL, pursuant to the demerger, will be provided with an option to subscribe either to the equity shares or Redeemable Preference Shares (as defined hereinafter) of Resultant Company A in the manner set out under this Scheme.

- The demerger will also result in Demerged Company A and the Resultant Company A achieving operational efficiencies by streamlining of the relevant businesses.
- The demerger of the Home and Personal Care Undertaking from the Demerged Company A would allow the management of the Resultant Company A to focus and adopt relevant strategies necessary for the turning around, and promoting growth and expansion of the Home and Personal Care Undertaking; and
- By demerger of the Home and Personal Care Undertaking into the Resultant Company A, the financial resources will be conveniently raised in accordance with the requirement of the business, leading to optimum utilization of resources towards expansion and growth of the business of the Resultant Company A.

### 3.2 Rationale for demerger of the Manufacturing Business

The demerger of the Manufacturing Undertaking is being undertaken due to the following reasons:

- Consolidation of the chemical manufacturing business under Resultant Company B.
- Post the demerger of the Manufacturing Undertaking, Demerged Company B will be able to focus only on the trading business.
- The demerger will eliminate the duplication of administrative costs and multiple record-keeping, thus resulting in cost savings: and
- The demerger will allow concentrated effort and focus by the senior management towards the growth of the trading business by eliminating duplicative communication and burdensome coordination efforts across multiple entities.

In consideration of the abovementioned business rationale and related benefits, this Scheme between Demerged Company A/Resultant Company B. Resultant Company A and Demerged Company B is being proposed in accordance with the terms set out hereunder.

## 4. Overview of the Scheme

The Scheme is divided into the following parts:

- **PART A** provides the general background, objective and the rationale of the Scheme;
- **PART B** deals with definitions and share capital;
- **PART C** deals with the provisions relevant to the demerger of the Home and Personal Care Undertaking;
- **PART D** deals with the demerger of the Manufacturing Undertaking; and
- **PART E** deals with other significant clauses applicable to the proposed demergers and sets forth certain additional arrangements that form a part of this Scheme.

### **PART B - DEFINITION AND SHARE CAPITAL**

#### 1. Definitions

In this scheme, unless repugnant to the meaning or context thereof, the following expression shall have the meaning mentioned herein below:

- 1.1. **“Act” or “the Act”** means the Companies Act, 2013 (to the extent applicable), and rules and regulations made thereunder and shall include any statutory modifications, amendments or re-enactment thereof for the time being in force, which may relate to or are applicable to amalgamation and arrangement;
- 1.2. **“Applicable Law(s)”** means any statute, bye laws, rules, regulations, listing agreements, notification, guidelines, rule or common law, policy, code, directives, ordinance, schemes, notices, orders or instructions law enacted or issued or sanctioned by any Appropriate Authority including any modification or re-enactment thereof for the time being in force;

- 1.3. **“Appointed Date”** more particularly for PART C (demerger of the Home and Personal Care Undertaking) means opening of the business hours on **April 1, 2018** or such other date as may be fixed or approved by the National Company Law Tribunal or any other appropriate authority and for PART D (demerger of the Manufacturing Undertaking) means opening of the business hours on **April 2, 2018** or such other date as may be fixed or approved by the National Company Law Tribunal or any other appropriate authority;
- 1.4. **“Appropriate Authority”** means any governmental, statutory, regulatory, departmental or public body or authority of the relevant jurisdiction, including but not limited to the Securities and Exchange Board of India, the NSE, the BSE, the relevant Registrar of Companies, and the NCLT;
- 1.5. **“Demerged Company A”** for Part C or **“Resultant Company B”** for PART D of the Scheme means, Aarti Industries Limited, a listed company incorporated on September 28, 1984 under the provisions of the Companies Act, 1956, having its Registered Office at Plot Nos. 801, 801/23, GIDC Estate, Phase III, Vapi, Gujarat, 396195;
- 1.6. **“Demerged Company B”** for PART D of the Scheme means, Nascent Chemical Industries Limited an unlisted company incorporated under the provisions of the Companies Act, 1956 on May 4, 1966 and having its Registered Office at 909 Raheja Centre, Nariman Point, Mumbai-400021;
- 1.7. **“Effective Date”** means the date on which this Scheme shall become effective which shall be the last of the dates on which the conditions specified in Clause 37 of the Scheme are fulfilled with respect to a particular Part of the Scheme. Upon fulfilment of the conditions set out in Clause 37 of the Scheme, the Scheme shall be deemed to be effective from the Appointed Date. References in this Scheme to the date of “coming into effect of this Scheme” or “upon the Scheme being effective” shall mean the Effective Date;
- 1.8. **“GST”** means Goods and Services Tax leviable on the supply of goods and/or services and includes Central Goods and Services Tax, State/Union Territory Goods and Services Tax, Integrated Goods and Services Tax, State (Compensation Cess, payable under Applicable Laws;
- 1.9. **“Home and Personal Care Undertaking”** shall mean the business and undertaking of Demerged Company A relating to its home and personal care chemicals business, operating as a going concern and includes (without limitation) the following:
- (a) All the assets and properties as on the Appointed Date in the Demerged Company A (hereinafter referred to as “the said assets”) pertaining to the Home and Personal Care Undertaking along with investments in Aarti Drugs Limited;
- (b) All the debts, liabilities, duties and obligations including contingent liabilities pertaining to the Home and Personal Care Undertaking;
- (c) Without prejudice to the generality of above, the Home and Personal Care Undertaking shall include rights over land, buildings, the movable properties covering plant and machinery, equipment, furniture, fixtures, vehicles, leasehold assets and other properties, real, corporeal and incorporeal, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, assets including cash in hand, bank balance, investments but other than those forming part of Residual Undertaking A, claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, licenses, contracts, agreements, engagements, arrangements, rights, credits, titles, interests, benefits, advantages, leasehold

rights, sub-letting tenancy rights, with or without the consent of the landlord as may be required, goodwill, other intangibles, permits, authorisations, trademarks, trade names, labels, brands, patents, patent rights, copyrights, designs, and other industrial and intellectual properties and rights of any nature whatsoever including labels, designs, know-how, domain names, or any applications for the above, assignments and grants in respect thereof, import quotas and other quota rights, right to use and avail of telephones, telex, facsimile and other communication facilities, connections, installations and equipment utilities, electricity and electronic and all other services of every kind, nature and description whatsoever, provisions, funds, and benefits of all agreements, arrangements, deposits, advances, recoverables and receivables, whether from government, semi-government, local authorities or any other person including customers, contractors or other counter parties, etc., all earnest monies and/or deposits, privileges, liberties, easements, advantages, benefits, exemptions permissions, and approvals of whatsoever nature (including but not limited to benefits of tax relief including under the Income-tax Act, 1961 such as credit for advance tax, taxes deducted at source, minimum alternate tax etc. unutilised deposits or credits, benefits under the Goods and Service Tax Law, VAT/Sales Tax law, VAT/ sales tax set off, unutilised deposits or credits, benefits of any unutilised MODVAT/CENVAT/Service tax credits, GST input credits etc.) and wheresoever situate, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by the Home and Personal Care Undertaking:

- (d) all permanent employees engaged in or in relation to the Home and Personal Care Undertaking as on the Effective Date; and
- (e) all records, files, papers, engineering and process information, computer programs, computer softwares, manuals, data catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, customers credit information, customers pricing information and other records, whether in physical form or electronic form in connection with or relating to the Home and Personal Care Undertaking.

**Explanation A:** Whether any particular asset or employee should be included as asset or employee of the Home and Personal Care Undertaking or otherwise shall be decided mutually by the Board of Directors or any committee thereof of Demerged Company A and Resultant Company A;

**Explanation B:** For the purpose of this Scheme, it is clarified that liabilities pertaining to the Home and Personal Care Undertaking shall comprise the liabilities, borrowings, debts and loans as agreed between Demerged Company A and Resultant Company A, which will cover:

- (a) The liabilities, which arise out of the activities or operations of the Home and Personal Care Undertaking; and
- (b) Specific loans and borrowings raised, incurred and utilized solely for the activities or operation of the Home and Personal Care Undertaking.

Liabilities other than those referred to in sub-clauses (a) and (b) above and not directly relatable to the Residual Undertaking A of Demerged Company A, being the amounts of general or multipurpose borrowings of Demerged Company A shall be allocated to the Home and Personal Care Undertaking of Demerged Company A in the same proportion in which the value of the assets transferred under this sub-clause bears to the total value of the assets of Demerged Company A immediately before giving effect to this Scheme.



Demerged Company A and Resultant Company A shall mutually agree upon the identification of the liabilities to be transferred to Resultant Company A as liabilities pertaining to the Home and Personal Care Undertaking.

Any question that may arise as to whether a specified liability pertains or does not pertain to the Home and Personal Care Undertaking of Demerged Company A or whether it arises out of the activities or operations of Home and Personal Care Undertaking of Demerged Company A shall be decided by mutual agreement between the Board of Directors or any Committee thereof of Demerged Company A and Resultant Company A.

- 1.10. **“Indian Accounting Standards”** or **“Ind-AS”** means the accounting standards notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015, as amended, modified or superseded from time to time;
- 1.11. **“Listing Regulations”** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and includes any notifications, amendments, modification or any enactment thereof;
- 1.12. **“Manufacturing Undertaking”** shall mean the business and undertaking of Demerged Company B relating to chemical manufacturing of Demerged Company B, operating as a going concern and includes (without limitation) the following:
- (a) All the assets and properties as on the Appointed Date in the Demerged Company B (hereinafter referred to as “the said assets”) pertaining to the Manufacturing Undertaking;
  - (b) All the debts, liabilities, duties and obligations including contingent liabilities pertaining to the Manufacturing Undertaking;
  - (c) Without prejudice to the generality of above, the Manufacturing Undertaking shall include rights over land, buildings, the movable properties covering plant and machinery, equipment, furniture, fixtures, vehicles, leasehold assets and other properties, real, corporeal and incorporeal, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, assets including cash in hand, bank balance, investments but other than those forming part of Residual Undertaking B, claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, licenses, contracts, agreements, engagements, arrangements, rights, credits, titles, interests, benefits, advantages, leasehold rights, sub-letting tenancy rights, with or without the consent of the landlord as may be required, goodwill, other intangibles, permits, authorisations, trademarks, trade names, labels, brands, patents, patent rights, copyrights, designs, and other industrial and intellectual properties and rights of any nature whatsoever including labels, designs, know-how, domain names, or any applications for the above, assignments and grants in respect thereof, import quotas and other quota rights, right to use and avail of telephones, telex, facsimile and other communication facilities, connections, installations and equipment, utilities, electricity and electronic and all other services of every kind, nature and description whatsoever, provisions, funds, and benefits of all agreements, arrangements, deposits, advances, recoverables and receivables, whether from government, semi-government, local authorities or any other person including customers, contractors or other counter parties, etc. all earnest monies and/or deposits, privileges, liberties, easements, advantages, benefits, exemptions, permissions, and approvals of whatsoever nature (including but not limited to benefits of tax relief including under the Income-tax Act, 1961 such as credit for advance tax, taxes deducted at source, minimum alternate tax etc. unutilised deposits or credits, benefits under the VAT/Sales Tax law, VAT/sales tax set off, GST, unutilised deposits or credits, benefits of any unutilised MODVAT/



CENVAT/Service tax credits, GST input credits etc.) and wheresoever situate, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by the Manufacturing Undertaking.

- (d) all permanent employees engaged in or in relation to the Manufacturing Undertaking as on the Effective Date; and
- (e) all records, files, papers, engineering and process information, computer programs, computer softwares, manuals, data catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, customers credit information, customers pricing information and other records, whether in physical form or electronic form in connection with or relating to the Manufacturing Undertaking.

**Explanation A:** Whether any particular asset or employee should be included as asset or employee of the Manufacturing Undertaking or otherwise shall be decided mutually by the Board of Directors or any committee thereof of Demerged Company B and Resultant Company B;

**Explanation B:** For the purpose of this Scheme, it is clarified that liabilities pertaining to the Manufacturing Undertaking shall comprise the liabilities, borrowings, debts and loans as agreed between Demerged Company B and Resultant Company B, which will cover:

- (a) The liabilities, which arise out of the activities or operations of Manufacturing Undertaking; and
- (b) Specific loans and borrowings raised, incurred and utilized solely for the activities or operation of the Manufacturing Undertaking.

Liabilities other than those referred to in sub-clauses (a) and (b) above and not directly relatable to the Residual Undertaking B of Demerged Company B, being the amounts of general or multipurpose borrowings of Demerged Company B shall be allocated to the Manufacturing Undertaking of Demerged Company B in the same proportion which the value of the assets transferred under this sub-clause bears to the total value of the assets of Demerged Company B immediately before giving effect to this Scheme. Demerged Company B and Resultant Company B shall mutually agree upon the identification of the liabilities to be transferred to Resultant Company B as liabilities pertaining to the Manufacturing Undertaking.

Any question that may arise as to whether a specified liability pertains or does not pertain to the Manufacturing Undertaking of Demerged Company B or whether it arises out of the activities or operations of Manufacturing Undertaking of Demerged Company B shall be decided by mutual agreement between the Board of Directors or any Committee thereof of Demerged Company B and Resultant Company B.

- 1.13. “**National Company Law Tribunal**” or “**NCLT**” or “**Tribunal**” means the National Company Law Tribunal having applicable jurisdiction;
- 1.14. “**New Equity Shares**” means equity shares of Resultant Company B to be issued to the shareholders of Demerged Company B in accordance with Clause 27.1 of this Scheme;
- 1.15. “**New Securities**” means equity shares or Redeemable Preference Shares of Resultant Company A to be issued to the shareholders of Demerged Company A in accordance with Clause 11.1 of this Scheme;
- 1.16. “**Record Date A**” means such date to be mutually fixed by the Board of Directors of Resultant Company A in consultation with the Board of Directors of Demerged Company A after the

NATIONAL COMPANY LAW TRIBUNAL  
AHMEDABAD

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sanction of this Scheme by the NCLT or any Appropriate Authority empowered to sanction the Scheme, to determine the members of the Demerged Company A to whom equity shares or RPS of Resultant Company A will be allotted pursuant to Part C of this Scheme'

- 1.17. **“Record Date B”** means such date after Record Date A to be mutually fixed by the Board of Directors of Resultant Company B in consultation with the Board of Directors of Demerged Company B after the sanction of this Scheme by the NCLT or any Appropriate Authority empowered to sanction the Scheme, to determine the members of the Demerged Company B to whom equity shares of Resultant Company B will be allotted pursuant to Part D of this Scheme;
- 1.18. **“Redeemable Preference Shares”** or **“RPS”** means preference shares of Resultant Company A to be issued in accordance with Clause 11 of this Scheme. The terms of the Redeemable Preference Shares have been set out in Annexure 1 of this Scheme;
- 1.19. **“Remaining Shareholders”** means shareholders holding 49.51% equity shares of Nascent (i.e. all equity shareholders of Nascent other than Aarti Corporate Services Limited).
- 1.20. **“Residual Undertaking A”** means all the businesses and undertakings of Demerged Company A, other than the Home and Personal Care Undertaking.
- 1.21. **“Residual Undertaking B”** means all the businesses and undertakings of Demerged Company B, other than the Manufacturing Undertaking;
- 1.22. **“Resultant Company A”** for Part C of the Scheme means Arti Surfactants Limited;
- 1.23. **“Resultant Company B”** for Part D of the Scheme means Aarti Industries Limited;
- 1.24. **“Scheme”** or **“the Scheme”** or **“this Scheme”** means this Composite Scheme of Arrangement in its present form or with any modification(s) / amendment(s), if any made, as approved or imposed or directed by the NCLT or any other Appropriate Authority sanctioning this Scheme;
- 1.25. **“SEBI Circular”** means circular No CFD/DIL3/CIR/2017/12 dated March 10, 2017 or any amendments thereof issued by the Securities and Exchange Board of India (“SEBI”) in regards of the scheme of arrangement of the companies listed on the stock exchanges in India including but not limited to the circulars issued by the SEBI on 23 March 2017, 26 May 2017, 21 September 2017 and 3 January 2018;
- 1.26. **“Share Entitlement Ratio A”** means the ratio in which the New Securities of the Resultant Company A are to be issued and allotted to the shareholders of the Demerged Company A pursuant to the Valuation Report and in accordance with Clause 11.1;
- 1.27. **“Share Entitlement Ratio B”** means the ratio in which New Equity Shares of the Resultant Company B are to be issued and allotted to the Remaining shareholders of the Demerged Company B pursuant to the Valuation Report and in accordance with Clause 27.1; and
- 1.28. **“Valuation Report”** means valuation report dated 28th June, 2018 issued by N. M. Raiji & Co. Chartered Accountants, in connection with the Share Entitlement Ratio A and the Share Entitlement Ratio B; and

In this Part, unless the context otherwise requires:

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

- headings and bold type faces are only for convenience and shall be ignored for the purpose of interpretation;
- references to the word “include” or “including” shall be construed without limitation;
- a reference to an article, clause, section, paragraph or schedule is, unless indicated to the contrary, a reference to an article, clause, section, paragraph or schedule of this Scheme;
- reference to a document includes an amendment or supplement to, or replacement or novation of, that document; and
- word(s) and expression(s) which are used in this Scheme and not defined in part, shall, unless repugnant or contrary to the context or meaning hereof, and as the context may require, have the same meaning ascribed to them under the Act or the Securities Contracts (Regulations) Act, 1956 or Depositories Act, 1996 or other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

## 2. Share Capital

- 2.1. The authorized, issued and subscribed share capital of the Demerged Company A/Resultant Company B for the financial year ending March 31, 2018, being the latest audited financial statement of Demerged Company A/Resultant Company B, is as follows:

<b>PARTICULARS</b>	<b>AMOUNT IN Rs.</b>
Authorized Capital	
<b>23,01,50,320 Equity shares of Rs. 5/- each</b>	<b>115,07,51,600</b>
Issued, Subscribed and Paid-up Capital	
<b>8,13,00,000 Equity shares of Rs. 5/- each</b>	<b>40,65,00,000</b>
<b>Total</b>	<b>40,65,00,000</b>

There has been no change in the authorized, issued and subscribed Demerged Company A/Resultant Company B since March 31, 2018.

- 2.2 The authorized, issued and subscribed share capital of the Resultant Company A as of the date of its incorporation is as follows:

<b>PARTICULARS</b>	<b>AMOUNT IN Rs.</b>
Authorized Capital	
<b>50,000 Equity shares of Rs. 10/- each</b>	<b>5,00,000</b>
Issued, Subscribed and Paid-up Capital	
<b>50,000 Equity shares of Rs. 10/- each</b>	<b>5,00,000</b>
<b>Total</b>	<b>5,00,000</b>

There has been no change in the authorized, issued and subscribed share capital of Resultant Company A since the date of its incorporation.

- 2.3 The authorized, issued and subscribed share capital of the Demerged Company B for the financial year ending March 31, 2018, being the latest audited financial statement of Demerged Company B, is as follows:

<b>PARTICULARS</b>	<b>AMOUNT IN Rs.</b>
Authorized Capital	
<b>50,00,000 Equity shares of Rs. 10/- each</b>	<b>5,00,00,000</b>
Issued, Subscribed and Paid-up Capital	
<b>6,00,000 Equity shares of Rs. 10/- each</b>	<b>60,00,000</b>
<b>Total</b>	<b>60,00,000</b>

There has been no change in the authorized, issued and subscribed share capital of Demerged Company B since March 31, 2018.

### **3. Date of taking effect and Effective Date**

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

## **PART C - DEMERGER OF HOME AND PERSONAL CARE UNDERTAKING**

### **4. Transfer and vesting of the Home and Personal Care Undertaking**

- 4.1 With effect from the Appointed Date, the Home and Personal Care Undertaking of Demerged Company A shall, in accordance with Section 2(19AA) of the Income-tax Act, 1961, stand transferred to and vested in or deemed to be transferred to and vested in Resultant Company A, as a going concern and in the following manner:
- (a) With effect from the Appointed Date and upon the Scheme becoming effective, the whole of “Home and Personal Care Undertaking” and its properties, shall pursuant to the provisions contained in Sections 230-232 and all other applicable provisions, if any, of the Act in accordance with the provisions contained herein and related provisions contained in various other taxation laws in force in India on the Appointed Date including without limitation in relation to service tax, customs duty, excise duty, CENVAT credit or Value Added Tax, GST etc. and without any further act, deed, matter or thing, stand transferred to and vested in and / or be deemed to be transferred to and vested in Resultant Company A so as to vest in Resultant Company A all rights, titles and interests pertaining to the Home and Personal Care Undertaking. In addition, for the avoidance of doubt, the Residual Undertaking A and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Demerged Company A;
- (b) In respect of all such assets pertaining to the Home and Personal Care Undertaking that are movable in nature or incorporeal properties or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery, or by vesting and recordal including plants, machineries and equipments, pursuant to this Scheme, which are capable of being physically transferred including cash on hand, shall stand vested in and/or be deemed to be vested in the Resultant Company A wherever located and shall become the property and an integral part of the Resultant Company A. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly or shall be physically handed over by delivery to Resultant Company A to the end and intent that the

property therein passes to Resultant Company A. Such delivery and transfer shall be made on a date to be mutually agreed upon between the respective Board of Directors or Committees thereof of Demerged Company A and Resultant Company A;

- (c) In respect of other assets pertaining to the Home and Personal Care Undertaking including actionable claims, sundry debtors, outstanding loans, advances recoverable in cash or kind or for value to be received and deposits with the Government, semi-Government, local and other authorities and bodies and customers, Demerged Company A shall, on being so requested by Resultant Company A, issue notices in such form as Resultant Company A may specify stating that pursuant to this Scheme, the relevant debt, loan, advance, deposit or other asset, be paid or made good to, or be held on account of, Resultant Company A as the person entitled thereto, to the end and intent that the right of Demerged Company A to receive, recover or realize the same, stands transferred to Resultant Company A and that appropriate entries should be passed in their respective books to record the aforesaid changes. It is hereby clarified that investments and all the rights, title and interests if any, of the Home and Personal Care Undertaking in any leasehold properties without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Resultant Company A and/or be deemed to be demerged from the Demerged Company A and transferred to and vested in the Resultant Company A on the Appointed Date;
- (d) In respect of such of the assets belonging to the Home and Personal Care Undertaking other than those referred to in sub-clauses 4.1 (a) to (b), the same shall be transferred to and vested in and/or be deemed to be transferred to and vested in Resultant Company A on the Appointed Date;
- (e) With effect from the Appointed Date and upon the Scheme becoming effective, all debts (including rupee and foreign currency loans, time and demand liabilities, borrowings, bills payable), liabilities including accrued interest thereon, contingent liabilities, duties and obligations of every kind, nature and description, secured or unsecured, whether provided for or not in the books of account or disclosed in the balance sheets of the of Demerged Company pertaining to the Home and Personal Care Undertaking under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, and without any further act or deed, be transferred to or be deemed to be transferred to Resultant Company A, so as to become from the Appointed Date the debts, liabilities including accrued interest thereon, contingent liabilities, duties and obligations of Resultant Company A and 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 including accrued interest thereon, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause;
- (f) With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, permissions or approvals or consents held by Demerged Company A required to carry on operations of the Home and Personal Care Undertaking shall stand vested in or transferred to Resultant Company A subject to payment of applicable fees or charges (if any) and without any further act or deed shall be appropriately mutated by the statutory authorities concerned therewith in favour of Resultant Company A and the benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses etc. shall vest in and become available to Resultant Company A as if they were originally obtained by Resultant Company A. In so far as the various incentives, subsidies, rehabilitation schemes, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by Demerged Company A relating to the Home and Personal Care Undertaking, are concerned, the same shall vest with and be available to Resultant Company A on the same terms and conditions as applicable to

Demerged Company A, as if the same had been allotted and/or granted and/or sanctioned and/or allowed to Resultant Company A;

- (g) The transfer and vesting of the Home and Personal Care Undertaking as aforesaid shall be subject to the existing securities, charges, mortgages and other encumbrances if any, subsisting over or in respect of the properties and assets or any part thereof relating to the Home and Personal Care Undertaking to the extent such securities, charges, mortgages, encumbrances are created to secure the liabilities forming part of the Home and Personal Care Undertaking;
- (h) In so far as any securities, charges, hypothecation and mortgages over the assets comprised in the Home and Personal Care Undertaking are securities for liabilities of the Residual Undertaking A of the Demerged Company A, the same shall not be affected or abated pursuant to the Scheme and the same shall continue to be effective;

Provided further that the securities, charges, hypothecation and mortgages (if any subsisting) over and in respect of the assets or any part thereof of Resultant Company A shall continue with respect to such assets or any part thereof of Resultant Company A and this Scheme shall not operate to enlarge such securities, charges, hypothecation or mortgages and shall not extend or be deemed to extend, to any of the assets of the Home and Personal Care Undertaking vested in Resultant Company A, provided always that this Scheme shall not operate to enlarge the security of any loan, deposit or facility created by Demerged Company A in relation to the Home and Personal Care Undertaking which shall vest in Resultant Company A by virtue of the vesting of the Home and Personal Care Undertaking with Resultant Company A and there shall not be any obligation to create any further or additional security therefore after the Scheme has become effective;

Provided further that all the loans, advances and other facilities sanctioned to Demerged Company A in relation to the Home and Personal Care Undertaking by its bankers and financial institutions prior to the Appointed Date, which are partly drawn or utilized shall be deemed to be the loans and advances sanctioned to Resultant Company A and the said loans and advances may be drawn and utilized either partly or fully by Demerged Company A from the Appointed Date till the Effective Date and all the loans, advances and other facilities so drawn by Demerged Company A in relation to the Home and Personal Care Undertaking (within the overall limits sanctioned by their bankers and financial institutions) shall on the Effective Date be treated as loans, advances and other facilities made available to Resultant Company A and all the obligations of Demerged Company A in relation to the Home and Personal Care Undertaking under any loan agreement shall be construed and shall become the obligation of Resultant Company A without any further act or deed on the part of Resultant Company A; and

It is clarified that if any assets, (estate, claims, rights, title, interest in, or authorities relating to such assets) or any contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever in relation to the Home and Personal Care Undertaking which Demerged Company A owns or to which Demerged Company A is a party and which cannot be transferred to Resultant Company A or to its successor in business, for any reason whatsoever, Demerged Company A shall hold such assets or contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of Resultant Company A to which the Home and Personal Care Undertaking is being transferred in terms of this scheme, in so far as it is permissible so to do, till such time as the transfer is affected.



## **5. Legal Proceedings**

- 5.1 All legal proceedings of whatsoever nature by or against Demerged Company A pending and/or arising before the Effective Date and relating to the Home and Personal Care Undertaking, shall not be abated 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 Demerged Company A, 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 Demerged Company A.
- 5.2 After the Effective Date, if any proceedings are taken against Demerged Company A in respect of the matters referred to in the Clause 5.1 above, it shall defend the same at the cost of Resultant Company A and Resultant Company A shall reimburse and indemnify Demerged Company A against all liabilities and obligations incurred by Demerged Company A in respect thereof.
- 5.3 Resultant Company A undertakes to have all respective legal or other proceedings initiated by or against Demerged Company A referred to in Clause 5.1 and/or 5.2 above transferred into its name and to have the same continued prosecuted and enforced by or against Resultant Company A as the case may be, to the exclusion of Demerged Company A.

## **6. Contracts, Deeds etc.**

- 6.1 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 Home and Personal Care Undertaking, shall continue in full force and effect against or in favour of Resultant Company A and may be enforced effectively by or against the Resultant Company A as fully and effectually as if, instead of Demerged Company A, the Resultant Company A had been a party thereto.
- 6.2 Resultant Company A, 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 favour of any party to and contract or arrangement to which Demerged Company A is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. Resultant Company A shall, be deemed to be authorised to execute any such writings on behalf of Demerged Company A and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of Demerged Company A.

## **7. Employees**

- 7.1 Upon the coming into effect of this Scheme all employees of Demerged Company A engaged in or in relation to the Home and Personal Care Undertaking and who are in such employment as on the Effective Date shall become the employees of Resultant Company A from Appointed Date or their respective Joining date, whichever is later and, subject to the provisions of this Scheme on terms and conditions not less favorable than those on which they are engaged by Demerged Company A and without any interruption of or break in service as a result of the transfer of the Home and Personal Care Undertaking.
- 7.2 In so far as the existing provident fund, gratuity fund and pension and/or superannuation fund, trusts, retirement fund or benefits and any other funds or benefits created by Demerged

Company A for the employees engaged in or in relation to the Home and Personal Care Undertaking (collectively referred to as the “Funds”) the Funds and such of the investments made by the Funds which are for employees engaged in or in relation to the Home and Personal Care Undertaking being transferred to Resultant Company A, in terms of the Scheme shall be transferred to Resultant Company A and shall be held for their benefit pursuant to this Scheme in the manner provided hereinafter. The Funds shall, subject to the necessary approvals and permissions and at the discretion of Resultant Company A, either be continued as separate funds of Resultant Company A for the benefit of the employees engaged in or in relation to the Home and Personal Care Undertaking or be transferred to and merged with other similar funds of Resultant Company A. In the event that Resultant Company A does not have its own funds in respect of any of the above, Resultant Company A may, subject to necessary approvals and permissions continue to contribute to relevant funds of Demerged Company A, until such time that Resultant Company A creates its own fund, at which time the Funds and the investments and contributions pertaining to the employees related to the Home and Personal Care Undertaking shall be transferred to the funds created by Resultant Company A. Subject to the relevant laws, rules and regulations applicable to the Funds, the Board of Directors or any committee thereof of Demerged Company A and Resultant Company A may decide to continue to make the said contributions to the Funds of Demerged Company A. It is clarified that the services of the employees of the Home and Personal Care Undertaking will be treated as having been continuous and not interrupted for the purpose of the said fund or funds.

- 7.3 Any question that may arise as to whether any employee belongs to or does not belong to the Home and Personal Care Undertaking shall be decided by the Board of Directors or Committee thereof of Demerged Company A.

## **8. Taxation Matters**

- 8.1 Resultant Company A will be the successors of Demerged Company A vis-a-vis the Home and Personal Care Undertaking. Hence, it will be deemed that the benefit of any tax credits whether central, state or local, availed vis-a-vis the Home and Personal Care Undertaking and the obligations, if any, for payment of the taxes on any assets forming part of the Home and Personal Care Undertaking or their erection and or installation etc. shall be deemed to have been availed by Resultant Company A or as the case may be deemed to be the obligations of Resultant Company A. Consequently, and as the Scheme does not contemplate removal of any asset by Resultant Company A from the premises in which it is installed, no reversal of any tax credit needs to be made or is required to be made by Demerged Company A.
- 8.2 With effect from the Appointed Date and upon the Scheme becoming effective all taxes, duties, cess payable/receivable by Demerged Company A relating to the Home and Personal Care Undertaking including all or any relating thereto shall be treated as the asset/liability or refunds/credit/claims as the case may be, of Resultant Company A.
- 8.3 Demerged Company A and Resultant Company A are expressly permitted to revise their respective tax returns including tax deducted at source (TDS) certificates, returns and to claim refunds, advance tax credits, GST credits, excise and service tax credits, set off, etc. on the basis of the accounts of the Home and Personal Care Undertaking of Demerged Company A as vested with Resultant Company A upon coming into effect of this Scheme, and its right to make such revisions in the related tax returns and related certificates, as applicable, and the right to claim refunds, adjustments, credits, set-offs, advance tax credits pursuant to the sanction of this Scheme and the Scheme becoming effective is expressly reserved.



- 8.4 With effect from the Appointed Date and upon the Scheme becoming effective, the brought forward loss of Demerged Company A relating to the Home and Personal Care Undertaking shall be carried forward to Resultant Company A in accordance with the provisions of the Income Tax Act, 1961.

**9. Saving of concluded transactions**

The transfer of assets, properties and liabilities above and the continuance of proceedings by or against Resultant Company A above shall not affect any transaction or proceedings already concluded in Demerged Company A, in relation to the Home and Personal Care Undertaking on or after the Appointed Date till the Effective Date, to the end and intent that Resultant Company A accepts and adopts all acts, deeds and things done and executed by Demerged Company A, in relation to the Home and Personal Care Undertaking in respect thereto as done and executed on their behalf.

**10. Conduct of business until the Effective Date**

- 10.1 Demerged Company A in respect of the Home and Personal Care Undertaking shall carry on and be deemed to have been carrying on the business and activities and shall stand possessed of and hold all of its properties and assets for and on account of and in trust for Resultant Company A. Demerged Company A hereby undertakes to hold the said assets with utmost prudence until the Effective Date.
- 10.2 With effect from the Appoint Date, all the profits or incomes accruing or arising to Demerged Company A in respect of the Home and Personal Care Undertaking or expenditure or losses arising to or incurred by Demerged Company A in respect of the Home and Personal Care Undertaking, shall for all purposes and intents be treated and be deemed to be accrued as the profits or incomes or expenditure or losses (as the case may be) of Resultant Company A.
- 10.3 Demerged Company A in respect of the Home and Personal Care Undertaking shall carry on the business and activities with reasonable diligence business prudence and shall not without the prior written consent of Resultant Company A, alienate, charge, mortgage, encumber or otherwise deal with or dispose of the Home and Personal Care Undertaking or any part thereof except in respect of activities in the ordinary course of business nor shall it undertake any new businesses within the home and Personal Care Undertaking or substantial expansion of the Home and Personal Care Undertaking.
- 10.4 Demerged Company A shall be entitled to issue further shares and securities, either by way of preferential allotment, rights or bonus issue or otherwise in compliance with Applicable Laws.
- 10.5 Demerged Company A, except for the ordinary course of business and consistent with the past practices, shall not vary the terms and conditions of service of the employees or conclude settlements with unions or employees, except in the ordinary course of business or consistent with past practices or pursuant to any pre-existing obligation, without the prior written consent of the Board of Directors of Resultant Company A.

**11. Consideration**

- 11.1 Upon this Scheme becoming effective, Resultant Company A shall issue either equity shares or Redeemable Preference Shares (i.e. New Securities) to the shareholders of Demerged Company A, credited as fully paid-up, to the extent indicated below and to such shareholders of Demerged Company A who are holding shares in Demerged Company A and whose name

appear in the Register of Members of Demerged Company A on the Record Date A or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the respective Board of Directors in the proportion set out below:

*For every 10 (Ten) equity shares held in Demerged Company A, the holder of such equity shares shall have the option to subscribe either of the following (the “**Share Entitlement Ratio A**”):*

- (i) 1 (One) equity share having face value of Rs. 10 each of the Resultant Company A; or
  - (ii) 1 (One) Redeemable Preference Share having face value of Rs. 10 each of the Resultant Company A.
- 11.2 The shareholders of the Demerged Company A shall exercise the option at their sole discretion (i.e. either to subscribe to the equity shares or the Redeemable Preference Shares of Resultant Company A) within the time-period which shall be adequate and reasonable notified to them. In case any shareholders of Demerged Company A fail to exercise the option then such shareholders shall be issued equity shares of the Resultant Company A.
- 11.3 Upon this Scheme coming into effect and upon vesting of the Home and Personal Care Undertaking in the Resultant Company A, Demerged Company A shall provide to the Resultant Company A, the list of equity shareholders of the Demerged Company A as on the Record Date A, who are entitled to receive fully paid-up New Securities in the Resultant Company A in terms of this Scheme.
- 11.4 Upon this Scheme coming into effect, the shareholders of the Demerged Company A as of the Record Date A shall be entitled to receive the New Securities of the Resultant Company A as detailed in this Clause 11 of Part C of this Scheme.
- 11.5 Upon this scheme becoming effective the Resultant Company A shall, without any further act or deed, issue and allot to the shareholders of the Demerged Company A whose name is recorded in the register of members of the Demerged Company A on the Record Date A, the New Securities of the Resultant Company A.
- 11.6 The Demerged Company A and the Resultant Company A has engaged N. M. Raiji & Co. as the valuer to provide the Valuation Report. The Share Entitlement Ratio A as mentioned in Clause 11.1 of the Scheme is arrived with the help of the Valuation Report.
- 11.7 The Demerged Company A had engaged Master Capital Services Limited as the merchant banker to provide a fairness Opinion on the Share Entitlement Ratio A adopted under the Scheme. In connection with such engagement, Master Capital Services Limited has issued a fairness opinion dated June 28, 2018.
- 11.8 Upon New Securities being issued and allotted by Resultant Company A to the shareholders of Demerged Company A in accordance with this Clause 11, the equity shares of Resultant Company A held by the Demerged Company A shall be deemed to have been reduced, cancelled and extinguished without any further act or deed on behalf of the shareholders of the Resultant Company A and be of no effect on and from such issue and allotment of the New Securities. The reduction of the share capital specified in this Clause 11 shall be effected as an integral part of this Scheme itself, in accordance with the provisions of Section 66 of the Act and the order of the NCLT sanctioning the Scheme shall be deemed to be also an order under

Section 66 of the Act for confirming the reduction and no separate procedure shall be followed under the Act.

## **12. Share issue mechanics and other provisions**

- 12.1 The equity shares to be issued and allotted by the Resultant Company A pursuant to this Scheme shall be subject to the provisions of the Memorandum of Association and the Articles of Association of the Resultant Company A and shall rank pari passu in all respects with the existing equity shares of the Resultant Company A.
- 12.2 All shareholders of the Demerged Company A holding equity shares in the Demerged Company A in dematerialised form, as on the Record Date A, shall be issued New Securities in the Resultant Company A in dematerialised form. All shareholders of the Demerged Company A holding equity shares in the Demerged Company A in physical form, as on the Record Date A, shall be issued New Securities in the Resultant Company A in physical form.
- 12.3 All certificates for the New Securities held in physical form shall be sent by the Resultant Company A to the shareholders of Demerged Company A as on the Record Date A at their respective registered addresses as appearing in the register of members of Demerged Company A (or in the case of joint holders to the address of such joint holder whose name stands first in such register of members in respect of such joint holding) and the Resultant Company A shall not be responsible for any loss in transmission.
- 12.4 For the purpose of the allotment of the New Securities in the Resultant Company A, in case any member's holding in the Demerged Company A is such that the member becomes entitled to a fraction of a New Security of the Resultant Company A, the Resultant Company A shall not issue fractional New Security to such members but shall consolidate such fractions and issue consolidated New Securities to separate trustees nominated respectively by the Resultant Company A in that behalf, who shall sell such shares and distribute the net sale proceeds (after deduction of the expenses incurred) to the members respectively entitled to the same, in proportion to the respective fractional entitlements in the Resultant Company A.
- 12.5 On the approval of the Scheme by the members of the Resultant Company A it shall be deemed that the members have accorded their consent under Section 62(1)(a) or any other applicable provision of the Act, as may be applicable. The Resultant Company A shall, if and to the extent required, apply for and obtain any approvals from the concerned regulatory authorities including the SEBI and the NSE and the BSE, for the issue and allotment by the Resultant Company A of the New Securities of Resultant Company A to the members of Demerged Company A pursuant to the Scheme.
- 12.6 All New Securities of the Resultant Company A issued in terms of this Scheme or otherwise shall, subject to the execution of the listing agreement, compliance with Applicable Laws and payment of the appropriate fees, be listed on the NSE and the BSE and on such other recognised stock exchange(s) in India, and/or admitted to trading in any, as may be decided by the Board of Directors of the Resultant Company A.
- 12.7 In the event of there being any pending and valid share transfers, whether lodged or outstanding, of any shareholder of the Demerged Company A, the Board of Directors, or any Committee thereof, of the Demerged Company A shall be empowered in appropriate cases, even subsequent to the Record Date A, as the case may be, to effectuate such a transfer in the Demerged Company A, as if such changes in registered holder were operative as on the Record Date A, in order to remove any difficulties arising to the Demerged Company A or Resultant Company A, as the case may be, in respect of such shares.

- 12.8 Unless otherwise determined by the Board of Directors, or any Committee thereof, of the Demerged Company A and the Board of Directors, or any Committee thereof, of the Resultant Company A, allotment of New Securities in terms of this part of the Scheme shall be completed within 60 (Sixty) days from the Effective Date.
- 12.9 Subject to any dispensation granted by the SEBI, the BSE and/or the NSE, the New Securities allotted pursuant to Clause 11 of the Scheme shall remain frozen in the depositories system until permission for listing, trading is granted by the BSE and the NSE.

**13. Accounting treatment in the books of Demerged Company A**

On the Scheme becoming effective and with effect from the Appointed Date, the Demerged Company A shall account for demerger in its books of accounts in accordance with the accounting standards prescribed under Section 133 of the Act in the following manner:

- 13.1 The Demerged Company A shall reduce the book value of assets (net of diminution/depreciation if any) and liabilities relating to the “Home and Personal Care Undertaking”, transferred to the Resultant Company A in accordance with the provisions of Section 2(19AA) of the Income Tax Act, 1961.
- 13.2 The excess of book value of the assets transferred (net of diminution/depreciation, if any) over the book value of the liabilities of the Home and Personal Care Undertaking, to the Resultant Company A, shall be debited proportionately to all free reserves and surpluses of the Demerged Company A.
- 13.3 The approval granted by the shareholders of the Demerged Company A to this Scheme shall be deemed to be approval required under the provisions of the Act.
- 13.4 For the sake of compliance with Indian Accounting Standards (Ind-AS) 10, the Demerged Company A shall debit the fair value of the Home and Personal Care Undertaking to the reserves as stated in Clause 13.2 above and create a corresponding liability. The difference between the book value of the net assets so debited and the liability recognized shall be recognized in the statement of profit and loss account for the period in accordance with Annexure A to Ind-AS 10.

**14. Accounting treatment in the books of Resultant Company A**

On the Scheme becoming effective and with effect from the Appointed Date, the Resultant Company A shall account for demerger in its books of accounts in accordance with the accounting standards prescribed under Section 133 of the Act in the following manner:

- 14.1 The Resultant Company A shall record the assets and liabilities (the difference between the assets and liabilities hereinafter being referred to as the “Net Assets”) vested in it pursuant to this Scheme, at the respective book values thereof, as appearing in the books of the Demerged Company A, relating to “Home and Personal Care Undertaking” at the close of business of the day immediately preceding the Appointed Date in accordance with the provisions of Section 2(19AA) of the Income Tax Act, 1961.
- 14.2 The Resultant Company A shall credit to its share capital and the Securities Premium Account (if applicable) in its books of account, the aggregate of face value of the New Securities and premium on the RPS issued by it to the members of the Demerged Company A pursuant to this Scheme.

- 14.3 The excess of the Net Assets over the face value of the New Securities and premium on the RPS allotted in accordance with the Scheme shall be credited to the respective reserves and surpluses, in the same proportion as debited in the books of the Demerged Company A.
- 14.4 In case the Resultant Company A is required to follow accounting policies that are different from that of the Demerged Company A for any regulatory reasons, the effect of the difference in the accounting policies between the Demerged Company A and the Resultant Company A, will be quantified and adjusted in the opening reserve (other than the securities premium account), to ensure that the financial statements of the Resultant Company A reflect the financial position on the basis of consistent accounting policy.
- 14.5 Notwithstanding the above, the Board of Directors of the Resultant Company A is authorised to account for any of these balances in any manner whatsoever, as may be deemed fit, in accordance with the accounting standards specified under Section 133 of the Act read with the rules made thereunder including but not limited to Indian Accounting Standards (Ind-AS) 103 'Business Combination' and Generally Accepted Accounting Principles.

**15. Residual Undertaking A of Demerged Company A**

15.1 It is clarified that the Residual Undertaking A of Demerged Company A shall continue with Demerged Company A in the following manner:

- (a) The Residual Undertaking A of Demerged Company A and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be managed by Demerged Company A.
- (b) All legal and other proceedings by or against Demerged Company A under any statute, whether pending on the Appointed Date or which may be initiated in future, whether or not in respect of any matter arising before the Effective Date and relating to the Residual Undertaking A of Demerged Company A (including those relating to any property, right, power, liability, obligation or duty, of Demerged Company A in respect of the Residual Undertaking A of Demerged Company A) shall be continued and enforced by or against Demerged Company A.

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

- (a) Demerged Company A shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Residual Undertaking A of Demerged Company A for and on its own behalf; and
- (b) All profit accruing to Demerged Company A thereon or losses arising or incurred by it relating to the Residual Undertaking A of Demerged Company A shall, for all purposes, be treated as the profit, or losses, as the case may be of Demerged Company A.

**16. Alteration to the Memorandum and Articles of Association of Resultant Company A**

16.1 Increase of the Authorised Share Capital of Resultant Company A

Upon the Scheme becoming effective, the authorized share capital of Resultant Company A as specified in Clause 2.2 of Part B of the Scheme, shall automatically stand increased with the number of the New Securities (i.e. either the equity shares or Redeemable Preference Shares, as the case may be) to be issued to the shareholders of Demerged Company A in accordance with the Share Entitlement Ratio A. The resolution approving the Scheme shall be deemed to

be the approval of increase and re-classification in the authorised share capital of Resultant Company A under Section 61 and other applicable provisions of the Act. Accordingly, upon sanction of this Scheme and from the date of this Scheme becoming effective, the authorised share capital of Resultant Company A shall automatically stand increased without any further act, instrument or deed on the part of Resultant Company A after payment of stamp duty and payment of fees payable to the Registrar of Companies.

- 16.2 Accordingly, Clause V of the Memorandum of Association of Resultant Company A relating to authorized share capital shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Section 13, 14 and 61 of the Act in the following manner:

<b>PARTICULARS</b>	<b>AMOUNT IN Rs.</b>
Authorized Capital	
<b>81,30,000 Equity shares of Rs. 10/- each</b>	<b>8,13,00,000</b>
<b>81,30,000 redeemable preference shares of Rs. 10/- each</b>	<b>8,13,00,000</b>
<b>Total</b>	<b>16,26,00,000</b>

- 16.3 Under the accepted principle of Single Window Clearance, it is hereby provided that the aforesaid alteration viz, change in the Capital Clause, referred above, shall become operative upon the Scheme becoming effective by virtue of the fact that the shareholders of Resultant Company A, while approving the scheme as a whole, have also resolved and accorded the relevant consents as required respectively under Section 13, 14 and 61 of the Act and Section 230 to 232 of the Act, or any other provisions of the Act, and there shall not be a requirement to pass separate resolutions as required under the Act.

#### **17. Compliance with Applicable Laws**

- 17.1 Part C of this Scheme is presented and drawn up to comply with the provisions / requirements of Sections 230 to 232 of the Companies Act, 2013, for the purpose of demerger of the Home and Personal Care Undertaking to the Resultant Company A.
- 17.2 Part C of this Scheme has been drawn up to comply with the conditions relating to “demerger” as specified under the tax laws, including Section 2(19AA) and other relevant sections of the Income Tax Act, 1961. If any terms or provisions of PART C of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the Income Tax Act, 1961 shall prevail. The Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme. The power to make such amendments as may become necessary shall vest with the Board of Directors of the Demerged Company A and the Resultant Company A, which power shall be exercised reasonably in the best interests of the companies concerned and their stakeholders.
- 17.3 Upon the Scheme becoming effective, the Demerged Company A and the Resultant Company A are expressly permitted to revise their financial statements. The order of the NCLT sanctioning the Scheme shall be deemed to be an order of the NCLT permitting the Demerged Company A and the Resultant Company A to revise their financial statements and books of accounts and no further act shall be required to be undertaken by the Demerged Company A and the Resultant Company A.



**18. Consequential matters relating to tax**

- 18.1 Upon the Scheme coming into effect, notwithstanding anything to the contrary contained in the provisions of this Scheme, all accumulated tax loss, unabsorbed losses and corresponding deferred tax assets, unabsorbed tax depreciation, minimum alternate tax credit, if any, of the Home and Personal Care Undertaking as on the Appointed Date, respectively shall, for all purposes, be treated as accumulated tax losses, unabsorbed losses and corresponding deferred tax assets, unabsorbed tax depreciation and of the Resultant Company A.
- 18.2 Upon the Scheme becoming effective, the Resultant Company A shall be entitled to claim refunds or credits, including Input tax credits, with respect to taxes paid by, for, or on behalf of, Home and Personal Care Undertaking under Applicable Laws, whether or not arising due to any inter se transaction, even if the prescribed time limits for claiming such refunds or credits have lapsed.
- 18.3 Upon the Scheme becoming effective, any TDS certificates issued by the Demerged Company A to, or for the benefit of, the Home and Personal Care Undertaking under the Income Tax Act, 1961 with respect to the inter se transactions would be available to the Resultant Company A to seek refund from the tax authorities in compliance with Applicable Laws. Further, TDS deposited, TDS certificates issued or TDS returns filed by the Demerged Company A pertaining to the Home and Personal Care Undertaking on transactions other than inter se transactions shall continue to hold good as if such TDS amounts were deposited, TDS certificates were issued and TDS returns were filed by the Resultant Company A. Any TDS deducted by, or on behalf of the Home and Personal Care Undertaking on inter-se transactions will be treated as advance tax deposited by the Resultant Company A.
- 18.4 The Resultant Company A is also expressly permitted to claim refunds, credits, including restoration of input CENVAT credit, tax deduction in respect of nullifying of any transaction between or amongst the Home and Personal Care Undertaking and the Resultant Company A.
- 18.5 The obligation for deduction of tax at source on any payment made by or to be made by the Demerged Company A pertaining to the Home and Personal Care Undertaking under the Income Tax Act, 1961, GST laws, service tax laws, central sales tax, state value added tax or other Applicable Laws and/or regulations dealing with taxes, duties or levies shall be deemed to have been made and duly complied with on behalf of the Resultant Company A.
- 18.6 Upon the Scheme becoming effective the Resultant Company A is also expressly permitted to revise its income-tax returns, withholding tax returns, GST returns, sales tax returns excise & CENVAT returns, service tax returns, other tax returns, to obtain TDS certificates, including TDS certificates relating to transactions between or amongst the Home and Personal Care Undertaking and the Resultant Company A and to claim refunds, advance tax and withholding tax credits, benefit of carry forward of accumulated losses etc., pursuant to the provisions of this Scheme.
- 18.7 In accordance with the applicable provisions of GST laws and rules, as are prevalent on the Effective Date, the unutilised credits relating to GST paid on inputs/capital goods/input services lying in the accounts of the Demerged Company A pertaining to the Home and Personal Care Undertaking shall be permitted to be transferred to the credit of the Resultant Company A, as if all such unutilised credits were lying to the account of the Resultant Company A. The Resultant Company A shall accordingly be entitled to set off all such unutilised credits against the GST payable by it. Without prejudice to the generality of the foregoing, all benefits, incentives, losses, credits (including without limitation income tax, tax on book profits, wealth tax, GST, service tax, excise tax, custom duty and value added tax), to which the Home and Personal

Care Undertaking of the Demerged Company A is entitled to in terms of Applicable Laws, shall be available to and vest in the Resultant Company A.

**19. Declaration of Dividends**

19.1 The Demerged Company A and the Resultant Company A shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date:

- (a) The holders of the shares of the Demerged Company A and the Resultant Company A shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends.
- (b) It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Demerged Company A and/or the Resultant Company A to demand or claim any dividends which, subject to the provisions of the Companies Act, 2013, shall be entirely at the discretion of the respective Boards of Directors of the Demerged Company A and the Resultant Company A respectively and subject to the approval of the shareholders of the Demerged Company A and the Resultant Company A respectively.

**PART D — DEMERGER OF THE MANUFACTURING UNDERTAKING**

**20. Transfer and vesting of the Manufacturing Undertaking**

20.1 With effect from the Appointed Date, the Manufacturing Undertaking of Demerged Company B shall, in accordance with Section 2(19AA) of the Income-tax Act, 1961, stand transferred to and vested in or deemed to be transferred to and vested in Resultant Company B, as a going concern and in the following manner:

- (a) With effect from the Appointed Date and upon the Scheme becoming effective, the whole of Manufacturing Undertaking and its properties, shall pursuant to the provisions contained in Sections 230-232 and all other applicable provisions, if any, of the Act in accordance with the provisions contained herein and related provisions contained in various other taxation laws in force in India on the Appointed Date including without limitation in relation to service Laws, customs duty, excise duty, CENVAT credit or Value Added Tax, GST etc. and without any further act, deed, matter or thing, stand transferred to and vested in and / or be deemed to be transferred to and vested in Resultant Company B so as to vest in Resultant Company B, all rights, titles and interests pertaining to the Manufacturing Undertaking. In addition, for the avoidance of doubt, the Residual Undertaking B and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Demerged Company B;
- (b) In respect of all such assets pertaining to the Manufacturing Undertaking that are movable in nature or incorporeal properties or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery, or by vesting and recordal including plants, machineries and equipments, pursuant to this Scheme, which are capable of being physically transferred including cash on hand, shall stand vested in and/or be deemed to be vested in the Resultant Company B wherever located and shall become the property and an integral part of the Resultant Company B. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly or shall be physically handed



over by delivery to Resultant Company B to the end and intent that the property therein passes to Resultant Company B. Such delivery and transfer shall be made on a date to be mutually agreed upon between the respective Board of Directors or Committees thereof of Demerged Company B and Resultant Company B;

- (c) In respect of other assets pertaining to Manufacturing Undertaking including actionable claims, sundry debtors, outstanding loans, advances recoverable in cash or kind or for value to be received and deposits with the Government, semi-Government, local and other authorities and bodies and customers Demerged Company B shall, on being so requested by Resultant Company B, issue notices in such form as Resultant Company B may specify stating that pursuant to this Scheme the relevant debt, loan, advance, deposit or other asset, be paid or made good to, or be held on account of, Resultant Company B as the person entitled thereto, to the end and intent that the right of Demerged Company B to receive, recover or realize the same, stands transferred to Resultant Company B and that appropriate entries should be passed in their respective books to record the aforesaid changes. It is hereby clarified that investments and all the rights, title and interests if any, of the Manufacturing Undertaking in any leasehold properties without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Resultant Company B and/or be deemed to be demerged from the Demerged Company B and transferred to and vested in the Resultant Company B on the Appointed Date;
- (d) In respect of such of the assets belonging to the Manufacturing Undertaking other than those referred to in sub-clauses 20.1(a) to (b), the same shall be transferred to and vested in and/or be deemed to be transferred to and vested in Resultant Company B on the Appointed Date;
- (e) With effect from the Appointed Date and upon the Scheme becoming effective, all debts (including rupee and foreign currency loans, time and demand liabilities, borrowings, bills payable), liabilities including accrued interest thereon, contingent liabilities, duties and obligations of every kind, nature and description, secured or unsecured, whether provided for or not in the books of account or disclosed in the balance sheets of the Demerged Company B pertaining to the Manufacturing Undertaking under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, and without any further act or deed, be transferred to or be deemed to be transferred to Resultant Company B, so as to become from the Appointed Date the debts, liabilities including accrued interest thereon, contingent liabilities, duties and obligations of Resultant Company B and 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 including accrued interest thereon, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause;
- (f) With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, permissions or approvals or consents held by Demerged Company B required to carry on Operations of the Manufacturing Undertaking shall stand vested in or transferred to Resultant Company B subject to payment of applicable fees or charges (if any) and without any further act or deed shall be appropriately mutated by the statutory authorities concerned therewith in favour of Resultant Company B and the benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses etc. shall vest in and become available to Resultant Company B as if they were originally obtained by Resultant Company B. In so far as the various incentives, subsidies, rehabilitation schemes, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person or availed of by Demerged Company B relating to the Manufacturing Undertaking, are concerned the same shall vest with and be available to Resultant Company B on the same terms and conditions as applicable to Demerged Company

B, as if the same had been allotted and/or granted and/or sanctioned and/or allowed to Resultant Company B;

- (g) The transfer and vesting of the Manufacturing Undertaking as aforesaid shall be subject to the existing securities charges, mortgages and other encumbrances if any, subsisting over or in respect of the properties and assets or any part thereof relating to the Manufacturing Undertaking to the extent such securities, charges, mortgages encumbrances are created to secure the liabilities securing part of the Manufacturing Undertaking;
- (h) In so far as any securities charges, hypothecation and mortgages over the assets comprised in the Manufacturing Undertaking are securities for liabilities of the Residual Undertaking B of the Demerged Company B, the same shall not be affected or abated pursuant to the Scheme and the same shall continue to be effective;

Provided further that the securities, charges, hypothecation and mortgages (if any subsisting) over and in respect of the assets or any part thereof of Resultant Company B shall continue with respect to such assets or any part thereof of Resultant Company B and this Scheme shall not operate to enlarge such securities, charges, hypothecation or mortgages and shall not extend or be deemed to extend, to any of the assets of the Manufacturing Undertaking vested in Resultant Company B, provided always that this Scheme shall not operate to enlarge the security of any loan, deposit or facility created by Demerged Company B in relation to the Manufacturing Undertaking which shall vest in Resultant Company B by virtue of the vesting of the Manufacturing Undertaking with Resultant Company B and there shall not be any obligation to create any further or additional security therefore after the Scheme has become effective.

Provided further that all the loans, advances and other facilities sanctioned to Demerged Company B in relation to the Manufacturing Undertaking by its bankers and financial institutions prior to the Appointed Date, which are partly drawn or utilized shall be deemed to be the loans and advances sanctioned to Resultant Company B and the said loans and advances may be drawn and utilized either partly or fully by Demerged Company B from the Appointed Date till the Effective Date and all the loans, advances and other facilities so drawn by Demerged Company B in relation to the Manufacturing Undertaking (within the overall limits sanctioned by their bankers and financial institutions) shall on the Effective Date be treated as loans, advances and other facilities made available to Resultant Company B and all the obligations of Demerged Company B in relation to the Manufacturing Undertaking under any loan agreement shall be construed and shall become the obligation of Resultant Company B without any further act or deed on the part of Resultant Company B; and

It is clarified that if any assets, (estate, claims, rights, title, interest in, or authorities relating to such assets) or any contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever in relation to any of the Manufacturing Undertaking which Demerged Company B owns or to which Demerged Company B is a party and which cannot be transferred to Resultant Company B or to its successor in business, for any reason whatsoever Demerged Company B shall hold such assets or contract, deeds, bonds, agreements, schemes, arrangement or other instruments of whatsoever nature in trust for the benefit of Resultant Company B to which the Manufacturing Undertaking is being transferred in terms of this scheme, in so far as it is permissible so to do, till such time as the transfer is affected.

## **21. Legal Proceedings**

- 21.1 All legal proceedings of whatsoever nature by or against Demerged Company B pending and/or arising before the Effective Date and relating to the Manufacturing Undertaking, shall not be abated or be discontinued or be in any way prejudicially affected by reason of the Scheme or

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by anything contained in this Scheme but shall be continued and enforced by or against Demerged Company B, 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 Demerged Company B.

- 21.2 After the Effective Date if any proceedings are taken against Demerged Company B in respect of the matters referred to in the Clause 21.1 above, it shall defend the same at the cost of Resultant Company B and Resultant Company B shall reimburse and indemnify Demerged Company B against all liabilities and obligations incurred by Demerged Company B in respect thereof.
- 21.3 Resultant Company B undertakes to have all respective legal or other proceedings initiated by or against Demerged Company B referred to in Clause 21.1 and/or 21.2 above transferred into its name and to have the same continued, prosecuted and enforced by or against Resultant Company B as the case may be, to the exclusion of Demerged Company B.

## **22. Contracts, Deeds etc.**

- 22.1 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 Manufacturing Undertaking shall continue in full force and effect against or in favour of Resultant Company B and may be enforced effectively by or against Resultant Company B as fully and effectively as if, instead of Demerged Company B, Resultant Company B had been a party thereto.
- 22.2 Resultant Company B, 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 favour of any party to any contract or arrangement to which Demerged Company B is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. Resultant Company B shall, be deemed to be authorised to execute any such writings on behalf of Demerged Company B and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of Demerged Company B.

## **23. Employees**

- 23.1 Upon the coming into effect of this Scheme, all employees of Demerged Company B engaged in or in relation to the Manufacturing Undertaking and who are in such employment as on the Effective Date shall become the employees of Resultant Company B from Appointed Date or their respective joining date, whichever is later and, subject to the provisions of this Scheme, on terms and conditions not less favorable than those on which they are engaged by Demerged Company B and without any interruption of or break in service as a result of the transfer of the Manufacturing Undertaking.
- 23.2 In so far as the existing provident fund, gratuity fund and pension and/or superannuation fund, trusts, retirement fund or benefits and any other funds or benefits created by Demerged Company B for the employees engaged in or in relation to the Manufacturing Undertaking (collectively referred to as the "Funds") the Funds and such of the investments made by the Funds which are for employees engaged in or in relation to the Manufacturing Undertaking being transferred to Resultant Company B, in terms of the Scheme shall be transferred to Resultant Company B and shall be held for their benefit pursuant to this Scheme in the manner provided hereinafter. The Funds shall, subject to the necessary approvals and permissions and at the discretion of Resultant Company B, either be continued as separate funds of Resultant

Company B for the benefit of the employees related to the Manufacturing Undertaking or be transferred to and merged with other similar funds of Resultant Company B. In the event that Resultant Company B does not have its own funds in respect of any of the above, Resultant Company B may, subject to necessary approvals and permissions continue to contribute to relevant funds of Demerged Company B, until such time that Resultant Company B creates its own fund, at which time the Funds and the investments and contributions pertaining to the employees engaged in or in relation to the Manufacturing Undertaking shall be transferred to the funds created by Resultant Company B. Subject to the Applicable Laws, rules and regulations applicable to the Funds, the Board of Directors or any committee thereof of Demerged Company B and Resultant Company B may decide to continue to make the said contributions to the Funds of Demerged Company B. It is clarified that the services of the employees of the Manufacturing Undertaking will be treated as having been continuous and not interrupted for the purpose of the said fund or funds.

- 23.3 Any question that may arise as to whether any employee belongs to or does not belong to the Manufacturing Undertaking shall be decided by the Board of Directors or Committee thereof of Demerged Company B.

#### **24. Taxation Matters**

- 24.1 Resultant Company B will be the successors of Demerged Company B vis-a-vis the Manufacturing Undertaking. Hence, it will be deemed that the benefit of any tax credits whether central, state or local, availed vis-a-vis the Manufacturing Undertaking and the obligations if any, for payment of the taxes on any assets forming part of the Manufacturing Undertaking or their erection and / or installation, etc. shall be deemed to have been availed by Resultant Company B or as the case may be deemed to be the obligations of Resultant Company B. Consequently and as the Scheme does not contemplate removal of any asset by Resultant Company B from the premises in which it is installed, no reversal of any tax credit needs to be made or is required to be made by Demerged Company B.

- 24.2 With effect from the Appointed Date and upon the Scheme becoming effective, all taxes, duties, cess payable/receivable by Demerged Company B relating to the Manufacturing Undertaking including all or any refunds/credit/claims relating thereto shall be treated as the asset/liability or refunds/credit/claims as the case may be, of Resultant Company B.

- 24.3 Demerged Company B and Resultant Company B are expressly permitted to revise their respective tax returns including tax deducted at source (TDS) certificate/ returns and to claim refunds advance tax credits, GST credits, excise and service tax credits, set off, etc., on the basis of the accounts of the Manufacturing Undertaking of Demerged Company B as vested with Resultant Company B upon coming into effect of this Scheme, and its right to make such revisions in the related tax returns and related certificates, as applicable, and the right to claim refunds, adjustment, credits, set-offs, advance tax credits pursuant to the sanction of this Scheme and the Scheme becoming effective is expressly reserved.

- 24.4 With effect from the Appointed Date and upon the Scheme becoming effective, the brought forward loss of Demerged Company B relating to the Manufacturing Undertaking shall be carried forward to Resultant Company B, in accordance with the provisions of the Income Tax Act, 1961.

#### **25. Saving of Concluded transactions**

The transfer of assets, properties and liabilities above and the continuance of proceedings by or against Resultant Company B above shall not affect any transaction or proceedings already

concluded in Demerged Company B in relation to the Manufacturing Undertaking on or after the Appointed Date till the Effective Date, to the end and intent that Resultant Company B accepts and adopts all acts, deeds and things done and executed by Demerged Company B in relation to the Manufacturing Undertaking in respect thereto as done and executed on their behalf.

## **26. Conduct of business until the Effective Date**

- 26.1 Demerged Company B in respect of the Manufacturing Undertaking, shall carry on and be deemed to have been carrying on the business and activities and shall stand possessed of and hold all of its properties and assets for and on account of and in trust for Resultant Company B. Demerged Company B hereby undertakes to hold the said assets with utmost prudence until the Effective Date;
- 26.2 With effect from the Appointed Date, all the profits or incomes accruing or arising to Demerged Company B in respect of the Manufacturing Undertaking or expenditure or losses arising to or incurred by Demerged Company B in respect of the Manufacturing Undertaking, shall for all purposes and intents be treated and be deemed to be deemed as the profits or incomes or expenditure or losses (as the case may be) of Resultant Company B;
- 26.3 Demerged Company B in respect of the Manufacturing Undertaking shall carry on the business and activities with reasonable diligence business prudence and shall not without the prior written consent of Resultant Company B alienate, charge, mortgage encumber or otherwise deal with or dispose of the Manufacturing Undertaking or any part thereof except in respect of activities in the ordinary course of business nor shall it undertake any new businesses within the Manufacturing Undertaking or substantial expansion of the Manufacturing Undertaking;
- 26.4 Demerged Company B shall be entitled to issue further shares and securities either by way of preferential allotment, rights or bonus issue or otherwise in compliance with Applicable Laws;
- 26.5 Demerged Company B, except for the ordinary course of business and consistent with the past practices, shall not vary the terms and conditions of service of the employees or conclude settlements with unions or employees, except in the ordinary course of business or consistent with past practices or pursuant to any pre-existing obligation, without the prior written consent of the Board of Director's of Resultant Company B.

## **27. Consideration**

- 27.1 Upon this Scheme becoming effective, Resultant Company B shall issue equity shares (i.e. New Equity Shares) to the Remaining Shareholders of Demerged Company, B, credited as fully paid-up, to the extent indicated below and who are holding shares in Demerged Company B and whose name appear in the Register of Members of Demerged Company B on the Record Date B or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the respective Board of Directors in the proportion set out below ("Share Entitlement Ration B");

151 equity Share having face value of Rs. 5 each of the Resultant Company B for 100 equity share having face value of Rs. 10 each of the Demerged Company B, each equity share being fully paid-up.

- 27.2 Upon this Scheme coming into effect and upon vesting of the Manufacturing Undertaking in the Resultant Company B, Demerged Company B shall provide to the Resultant Company B, the list of the Remaining Shareholders of the Demerged Company B as on the Record Date B, who



are entitled to receive fully paid-up New Equity Shares in the Resultant Company B in terms of this Scheme.

- 27.3 Upon this Scheme coming into effect, the Remaining Shareholders of the Demerged Company B as of the Record Date B shall be entitled to receive the New Equity Shares of the Resultant Company B as detailed in this Clause 27 of Part D of this Scheme.
- 27.4 Upon this Scheme becoming effective, the Resultant Company B shall, without any further act or deed, issue and allot to the Remaining Shareholders of the Demerged Company B whose name is recorded in the register of members of the Demerged Company B on the Record Date B the New Equity Share of Resulting Company B.
- 27.5 The Demerged Company B and the Resultant Company B has engaged N. M. Raiji & Co., as the valuer to provide the Valuation Report. The Share Entitlement Ratio B as mentioned in Clause 27.1 of the Scheme is arrived with the help of the Valuation Report.
- 27.6 The Demerged Company B had engaged Master Capital Services Limited as the merchant bankers to provide a fairness opinion on the Share Entitlement Ratio B adopted under the Scheme. In connection with such engagement, Master Capital Services Limited has issued a fairness opinion dated June 28, 2018.

## **28. Share issue mechanics and other provisions**

- 28.1 The New Equity Shares to be issued and allotted by the Resultant Company B shall be subject to the provisions of the Memorandum of Association and the Articles of Association of the Resultant Company B and shall rank pari passu in all respects with the existing equity shares of the Resultant Company B.
- 28.2 The Remaining Shareholders of the Demerged Company B holding shares in the Demerged Company B in dematerialised form, as on the Record Date B, shall be issued New Equity Shares in the Resultant Company B in dematerialised form. The Remaining Shareholders of the Demerged Company B holding shares in the Demerged Company B in physical form, as on the Record Date B, shall be issued New Equity Shares in the Resultant Company B in physical form.
- 28.3 All certificates for the New Equity Shares held in physical form shall be sent by the Resultant Company B to the Remaining Shareholders of Demerged Company B as on the Record Date B at their respective registered addresses as appearing in the register of members of Demerged Company B (or in the case of joint holders to the address of such joint holder whose name stands first in such register of members in respect of such joint holding) and the Resultant Company B shall not be responsible for any loss in transmission.
- 28.4 For the purpose of the allotment of the New Equity Shares in the Resultant Company B, in case any member's holding in the Demerged Company B is such that the member becomes entitled to a fraction of a New Equity Share of the Resultant Company B, the Resultant Company B shall not issue fractional New Equity Shares to such members but shall consolidate such fractions and issue consolidated New Equity Shares to separate trustees nominated respectively by the Resultant Company B in that behalf, who shall sell such shares and distribute the net sale proceeds (after deduction of the expenses incurred) to the members respectively entitled to the same, in proportion to the respective fractional entitlement in the Resultant Company B.

- 28.5 On the approval of the Scheme by the members of the Resultant Company B it shall be deemed that the members have accorded their consent under Section 62(1)(a) of the Act or any other applicable provision of the Act, as may be applicable. The Resultant Company B shall, if and to the extent required, apply for and obtain any approvals from the concerned regulation authorities including the SEBI and the NSE and the BSE, for the issue and allotment by the Resultant Company B of the New Equity Shares of Resultant Company B to the members of Demerged Company B pursuant to the Scheme.
- 28.6 All New Equity Shares of the Resultant Company B issued in terms of this Scheme or otherwise shall, subject to the execution of the listing agreement, compliance with Applicable Laws and payment of the appropriate fees, be listed on the NSE and the BSE and on such other recognised stock exchange(s) in India, and/or admitted to trading if any, as may be decided by the Board of Directors of the Resultant Company B.
- 28.7 In the event of there being any pending and valid share transfers, whether lodged or outstanding, of any of the Remaining Shareholder of the Demerged Company B, the Board of Directors, or any Committee thereof, of the Demerged Company B shall be empowered in appropriate cases, even subsequent to the Record Date B, as the case may be, to effectuate such a transfer in the Demerged Company B, as if such changes in registered holder were operative as on the Record Date B, in order to remove any difficulties arising to the Demerged Company B or Resultant Company B, as the case may be, in respect of such shares.
- 28.8 Unless otherwise determined by the Board of Directors or any Committee thereof, of the Demerged Company B and the Board of Directors, or any Committee thereof, of the Resultant Company B, allotment of New Equity Shares in terms of this part of the Scheme shall be completed within 60 (Sixty) days from the Effective Date.
- 28.9 Subject to any dispensation granted by the SEBI, the BSE and/or the NSE, the New Equity Shares allotted pursuant to Clause 28 of the Scheme shall remain frozen in the depositories system until permission for listing/trading is granted by the BSE and the NSE.

**29. Accounting treatment in the books of Demerged Company B**

On the Scheme becoming effective and with effect from the Appointed Date, the Demerged Company B shall account for demerger in its books of accounts in accordance with the accounting standards prescribed under Section 133 of the Act in the following manner:

- 29.1 The Demerged Company B shall reduce the book value of assets (net of diminution/depreciation/revaluation, if any) and liabilities relating to the “Manufacturing Undertaking”, transferred to the Resultant Company B in accordance with the provisions of Section 2(19AA) of the Income Tax Act, 1961.
- 29.2 The excess of book value of the assets transferred (net of diminution / depreciation / revaluation, if any) over the book value of the liabilities of the Manufacturing Undertaking, to the Resultant Company B, shall be debited proportionately to all free reserves and surpluses of the Demerged Company B.
- 29.3 The approval granted by the shareholders of the Demerged Company B to this Scheme shall be deemed to be approval required under the provisions of the Act.
- 29.4 For the sake of compliance with Indian Accounting Standards (Ind-AS) 10, the Demerged Company B shall debit the fair value of the Manufacturing Undertaking to the reserves as



stated in Clause 29.2 above and create a corresponding liability. The difference between the book value of the net assets so debited and the liability recognized shall be recognized in the statement of profit and loss account for the period in accordance with Annexure A to Ind-AS 10.

**30. Accounting treatment in the books of Resultant Company B**

On the Scheme becoming effective and with effect from the Appointed Date, the Resultant Company B shall account for demerger in its books of accounts in accordance with the accounting standards prescribed under Section 133 of the Act in the following manner :

- 30.1 The Resultant Company B shall record the assets and liabilities (the difference between the assets and liabilities hereinafter being referred to as the Net Assets”) vested in it pursuant to this Scheme, at the respective book values thereof, as appearing in the books of the Demerged Company B, relating to “Manufacturing Undertaking” at the close of business of the day immediately preceding the Appointed Date in accordance with the provisions of Section 2(19AA) of the Income Tax Act, 1961;
- 30.2 The Resultant Company B shall credit to its share capital in its books of account, the aggregate face value of the New Equity Shares issued by it to the members of the Demerged Company B pursuant to this Scheme;
- 30.3 The excess of the Net Assets over the face value of New Equity Shares allotted in accordance with the Scheme shall be credited to the respective reserves and surpluses, in the same proportion as debited in the books of the Demerged Company B;
- 30.4 In case the Resultant Company B is required to follow accounting policies that are different from that of the Demerged Company B for any regulatory reasons, the effect of the difference in the accounting policies between the Demerged Company B and the Resultant Company B, will be quantified and adjusted in the opening reserve (other than the securities premium account), to ensure that the financial statements of the Resultant Company B reflect the financial position on the basis of consistent accounting policy.
- 30.5 Notwithstanding the above, the Board of Directors of the Resultant Company B is authorised to account for any of these balances in any manner whatsoever, as may be deemed fit, in accordance with the accounting standards specified under Section 133 of the Act read with the rules made thereunder including but not limited to Indian Accounting Standards (Ind-AS) 103 ‘Business Combination’ and Generally Accepted Accounting Principles.

**31. Residual Undertaking B of Demerged Company B**

- 31.1 It is clarified that the Residual Undertaking B of Demerged Company B shall continue with Demerged Company B in the following manner:
- (a) The Residual Undertaking B of Demerged Company B and all the assets liabilities and obligations pertaining thereto shall continue to belong to and be managed by Demerged Company B.
- (b) All legal and other proceedings by or against Demerged Company B under any statute, whether pending on the Appointed Date or which may be initiated in future, whether or not in respect of any matter arising before the Effective Date and relating to the Residual Undertaking B of Demerged Company B (including those relating to any property, right, power, liability, obligation or duty, of Demerged Company B in respect of the Residual Undertaking B of Demerged Company B) shall be continued and enforced by or against Demerged Company B.

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

- (a) Demerged Company B shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Residual Undertaking B of Demerged Company B for and on its own behalf; and
- (b) All profit accruing to Demerged Company B thereon or losses arising or incurred by it relating to the Residual Undertaking B of Demerged Company B shall, for all purposes, be treated as the profit, or losses, as the case may be, of Demerged Company B.

### **32. Compliance with Applicable Laws**

32.1 Part D of this Scheme is presented and drawn up to comply with the provisions/requirements of Sections 230 to 232 of the Companies Act, 2013, for the purpose of demerger of the Manufacturing Undertaking to the Resultant Company B.

32.2 Part D of this Scheme has been drawn up to comply with the conditions relating to ‘demerger’ as specified under the tax laws, including Section 2(19AA) and other relevant sections of the Income Tax Act, 1961. If any terms or provisions of PART D of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the Income Tax Act, 1961 shall prevail. The Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme. The power to make such amendments as may become necessary shall vest with the Board of Directors of the Demerged Company B and the Resultant Company B, which power shall be exercised reasonably in the best interests of the companies concerned and their stakeholders.

32.3 Upon the Scheme becoming effective, the Demerged Company B and the Resultant Company B expressly permitted to revise their financial statements. The order of the NCLT sanctioning the Scheme shall be deemed to be an order of the NCLT permitting the Demerged Company B and the Resultant Company B to revise their financial statements and books of accounts and no further act shall be required to be undertaken by the Demerged Company B and the Resultant Company B.

### **33. Consequential matters relating to tax**

33.1 Upon the Scheme coming into effect, notwithstanding anything to the contrary contained in the provisions of this Scheme, all accumulated tax loss, unabsorbed losses and corresponding deferred tax assets, unabsorbed tax depreciation, minimum alternate tax credit, if any, of the Manufacturing Undertaking as on the Appointed Date, respectively shall, for all purposes, be treated as accumulated tax losses, unabsorbed losses and corresponding deferred tax assets, unabsorbed tax depreciation and minimum alternate tax credits of the Resultant Company B.

33.2 Upon the Scheme becoming effective, the Resultant Company B shall be entitled to claim refunds or credits, including input tax credits, with respect to taxes paid by, for, or on behalf of, Manufacturing Undertaking under Applicable Laws, whether or not arising due to any inter se transaction, even if the prescribed time limits for claiming such refunds or credits have lapsed.

33.3 Upon the Scheme becoming effective, any TDS certificates issued by the Demerged Company B to, or for the benefit of the Manufacturing Undertaking under the Income Tax Act, 1961 with respect to the inter se transactions would be available to the Resultant Company B to seek refund of from the tax authorities in compliance with Applicable Laws. Further, TDS deposited,

TDS certificates issued or TDS returns filed by the Demerged Company B pertaining to the Manufacturing Undertaking on transactions other than inter se transactions shall continue to hold good as if such TDS amounts were deposited, TDS certificates were issued and TDS returns were filed by the Resultant Company B. Any TDS deducted by, or on behalf of the Manufacturing Undertaking on inter-se transactions will be treated as advance tax deposited by the Resultant Company B.

- 33.4 The Resultant Company B is also expressly permitted to claim refunds, credits, including restoration of input CENVAT credit, tax deduction in respect of nullifying of any transaction between or amongst the Manufacturing Undertaking and the Resultant Company B.
- 33.5 The obligation for deduction of tax at source on any payment made by or to be made by the Demerged Company B pertaining to the Manufacturing Undertaking under the Income Tax Act, 1961, GST law, service tax laws, central sales tax, state value added tax or other Applicable Laws and/or regulations dealing with taxes, duties or levies shall be deemed to have been made and duly complied with on behalf of the Resultant Company B.
- 33.6 Upon the Scheme becoming effective, the Resultant Company B is also expressly permitted to revise its income-tax returns, withholding tax returns, GST returns, sales tax returns, excise & CENVAT returns, service tax returns, other tax returns, to obtain TDS certificates including TDS certificates relating to transactions between or amongst the Manufacturing Undertaking and the Resultant Company B and to claim refunds, advance tax and withholding tax credits, benefit of carry forward of accumulated losses etc., pursuant to the provisions of this Scheme.
- 33.7 In accordance with the applicable provisions of GST laws and rules, as are prevalent on the Effective Date, the Unutilised credits relating to GST paid on inputs/capital goods/input services lying in the accounts of the Demerged Company B pertaining to the Manufacturing Undertaking shall be permitted to be transferred to the credit of the Resultant Company B, as if all such unutilised credits were lying to the account of the Resultant Company B. The Resultant Company B shall accordingly be entitled to set off all such unutilised credits against the GST payable by it. Without prejudice to the generality of the foregoing, all benefits, incentives, losses, credits (including without limitation income tax, tax on book profits, wealth tax, GST, service tax, excise tax, custom duty and value added tax), to which the Manufacturing Undertaking of the Demerged Company B is entitled to in terms of Applicable Laws, shall be available to and vest in the Resultant Company B.

#### **34. Declaration of Dividend**

- 34.1 The Demerged Company B and the Resultant Company B shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date.
- (a) The holders of the shares of the Demerged Company B and the Resultant Company B shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends.
- (b) It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Demerged Company B and/or the Resultant Company B to demand or claim any dividends which, subject to the provisions of the Companies Act, 2013, shall be entirely at the discretion of the respective Boards of Directors of the Demerged Company B and the Resultant Company B respectively and subject to the approval of the shareholders of the Demerged Company B and the Resultant Company B respectively.

**PART E — OTHER SIGNIFICANT CLAUSES RELATING TO THE SCHEME**

**35. Application to NCLT**

- 35.1 The Demerged Company A/Resultant Company B, Resultant Company A and Demerged Company B shall, as may be required make necessary applications and/or petitions to the NCLT under Sections 230 to 232 of the Companies Act, 2013 and other provisions of the along with the applicable provisions of the Companies Act, 2013 seeking orders for dispensing with or convening, holding and conducting of the meetings of members and/or creditors and for sanction of this Scheme with such modification as may be approved by the NCLT and all matters ancillary or incidental thereto.
- 35.2 Upon this Scheme being approved by the requisite majority of the shareholders and creditors of the Demerged Company A/Resultant Company B, Resultant Company A and Demerged Company B respectively (wherever required), the Demerged Company A/Resultant Company B, Resultant Company A and Demerged Company B shall, with all reasonable dispatch, file respective petitions before the NCLT for sanction of this Scheme under Sections 230-232 of the Companies Act, 2013 and other provisions of the NCLT Rules, 2016 along with applicable provisions of the Companies Act, 2013 and for such other order or orders, as the NCLT may deem fit for putting this Scheme into effect.
- 35.3 Upon this Scheme becoming effective, the shareholders of the Demerged Company A/ Resultant Company B, Resultant Company A and Demerged Company B shall he deemed to have also accorded their approval under all relevant provisions of the Companies Act, 2013 for giving effect to the provisions contained in this Scheme.

**36. Modification or amendment to the Scheme**

- 36.1 Demerged Company A/Resultant Company B, Resultant Company A and Demerged Company B by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize including any committee or subcommittee thereof, may make and/or consent to any modifications/amendments to the Scheme or to any conditions or limitations that the NCLT or any other authority may deem fit to direct or impose or which may otherwise be considered necessary desirable or appropriate by them. Demerged Company A/ Resultant Company B, Resultant Company A and Demerged Company B by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize including any committee or sub-committee thereof, shall be authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith. In case, post approval of the Scheme by the NCLT, there is any confusion in interpreting any clause of this Scheme, or otherwise, Board of Directors of the Demerged Company A/Resultant Company B, Resultant Company A and Demerged Company B respectively will have complete power to take the most sensible interpretation so as to render the Scheme operational.
- 36.2 For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the Board of Directors of the Demerged Company A/Resultant Company B, Resultant Company A and Demerged Company B respectively may give and are hereby authorised to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

**37. Effectiveness of the Scheme**

37.1 Subject to the provisions of this Scheme, this Scheme shall become effective on the later of the following dates (the “Effective Date”):

- (a) the Scheme being agreed to by the respective requisite majorities of the various classes of members and creditors (where applicable) of the Demerged Company A / Resultant Company B, Resultant Company A and Demerged Company B as required under the Companies Act, 2013, and the requisite orders of the NCLT and other authorities being obtained;
- (b) receipt of such other sanctions and approvals including sanction of any Appropriate authority including the SEBI, the BSE, the NSE or from any other authority from whom sanction or approval may be required under Applicable Laws in respect of the Scheme being obtained; and
- (c) the certified copies of the NCLT orders referred to in this Scheme being filed with the Registrar of Companies.

**38. Conditionality to the Scheme**

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

- (a) The Scheme being approved by the requisite majority in number and value of such classes of persons including the respective members and/or creditors of the Demerged Company A/ Resultant Company B, Resultant Company A and Demerged Company B as may be directed by the NCLT;
- (c) The sanction of the NCLT under Sections 230-232 of the Companies Act, 2013 in favour of the Demerged Company A/Resultant Company B, Resultant Company A and Demerged Company B being obtained.
- (d) Approval of the Scheme, by the Stock Exchanges, pursuant to Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, between such Stock Exchanges.
- (e) Approval of the Scheme by the SEBI in terms of SEBI Circulars; and
- (f) Certified or authenticated copy of the order of the NCLT sanctioning the Scheme being filed with the relevant Registrar of Companies, by the Demerged Company A/Resultant Company B, Resultant Company A and Demerged Company B, as may be applicable.
- (g) The compliance with Para III(A)(1)(b) of Annexure I of SEBI Circular No. CFD/DII3/CIR/2017/21 dated March 10, 2017 and provided that the Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it.
- (h) The Scheme being approved by shareholders of the Demerged Company A by way of postal ballot and e-voting in terms of Para 9 of Annexure – 1 to the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and provided that the Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it.

38.2 Each Section of the Scheme shall be given effect as per the chronology in which it has been provided for in the Scheme. Each Section is independent of the other Section of the Scheme and is severable. The Scheme shall be effective upon sanction of the NCLT. However, failure

of any one part of one Section for lack of necessary approval from the shareholders / creditors / statutory regulatory authorities or for any other reason that the Board of Directors may deem fit then this shall not result in the whole Scheme failing. It shall be open to the concerned Board of Directors to consent to sever such part(s) of the Scheme and implement the rest of the Scheme with such modification.

**39. Change of Name**

- 39.1 Upon the Scheme becoming effective, without any further act or deed, the Resultant Company A shall be re-named as “Aarti Surfactants Limited”.
- 39.2 The name of the Resultant Company A wherever it occurs in the respective Memorandum and Articles of Association shall be substituted by the new name “Aarti Surfactants Limited”.
- 39.3 The Scheme being sanctioned by the NCLT in terms of Sections 230 to 232 read with section 66 of the Act and other relevant provisions of the Act and the requisite orders of the NCLT.
- 39.4 It is further clarified that the Resultant Company A shall not be required to pass any resolution under Section 13 and other applicable provisions, if any of the Act, for Change of Name of the Resultant Company A as envisaged in this Clause 39 of the Scheme and that the members of the Resultant Company A shall be deemed to have accorded their consent under various provisions of the Act and Rules made there under to the change of name in terms of this Scheme.

**40. Effect of non-receipt of approvals**

In the event of any of the consents, approvals, permission, resolutions, agreements, sanctions or conditions enumerated in the Scheme not being obtained or complied, or for any other reason, this Scheme cannot be implemented, then the Board of Directors of Demerged Company A/Resultant Company B, Resultant Company A and Demerged Company B shall mutually waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement the Scheme shall become null and void and each party shall bear and pay their respective costs, charges and expenses in connection with this Scheme.

**41. Costs, Charges and Expenses**

All costs, charges and expenses including stamp duty and registration fee of any deed. Document, instrument or NCLT's order including this Scheme or in relation to or in connection with negotiations leading upto the Scheme and of carrying out and implementing the terms and provisions of this Scheme and incidental to the completion of arrangement in pursuance of this Scheme and all other expenses, if any, (save as expressly otherwise agreed) shall be borne and paid by the Demerged Company A/Resultant Company B.

**42. Miscellaneous**

Till the event of this Scheme being effective AIL, Nascent and ASI shall continue to hold their respective Annual General Meeting and other meetings in accordance with the relevant laws and shall continue to comply with all their statutory obligations in the same manner, as if this scheme does not exist.

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**ANNEXURE I**

**Terms and conditions of the Redeemable Preference Shares**

Dividend Rate	Zero Percent / Nil
Issuance	RPS to be issued at the fair value of the Home and Personal Care Undertaking
Face Value	Rs. 10/-
Credit Rating	Given that the Resultant Company A is newly incorporated, Credit Rating will be obtained after the transfer of the Manufacturing Undertaking as the Resultant Company A.
Listing	RPS will listed on the Stock Exchange where the equity shares of Demerged Company A are listed i.e. the BSE and the NSE.
Tenure of RPS	7 Years i.e. 84 (Eighty-Four) Months
Redemption Terms of RPS	RPS can be redeemed at any time after the expiry of minimum period as required under SEBI circular from the date of allotment during the tenure at the option of Resultant Company A at a price that would give 4% annualized return on face value of Rs. 10/- and premium of Rs. 157.70.

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AHMEDABAD**

**CERTIFIED TO BE TRUE COPY  
OF THE ORIGINAL  
SD/-  
DEPUTY REGISTRAR  
NCLT, AHMEDABAD BENCH  
AHMEDABAD**

Date of Pronouncement of Order:

Date on which applicable for Certified Copy was made: 20-06-2019

Date on which Certified Copy was ready: 20-06-2019

Date on which Certified Copy delivered: 20-06-2019