

SCHEME OF MERGER BY ABSORPTION
OF
BLUE CIRCLE ORGANICS PRIVATE LIMITED (“TRANSFEROR COMPANY”)
BY
JET CHEMICALS PRIVATE LIMITED (“TRANSFeree COMPANY”)
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

Under Sections 230 to 232 and other applicable provisions of the Companies Act 2013

A. PREAMBLE

This Scheme of Merger by Absorption (hereinafter referred to as “the Scheme”) is presented under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“the Act”) for merger by absorption of Blue Circle Organics Private Limited by Jet Chemicals Private Limited. This Scheme also provides for various other matters consequential or otherwise integrally connected therewith.

B. DESCRIPTION OF COMPANIES

a) **Blue Circle Organics Private Limited** (hereinafter referred to as the “**Transferor Company**” or “**BCOPL**”), is a private company limited by shares incorporated on April 07, 2003 under the Companies Act, 1956 bearing CIN: U15100MH2003PTC139929 and PAN: AACCB4918M and having registered office at 34, Empire Building, 1st Floor, D N Road, 146 Fort, Mumbai – 400001. The Transferor Company is engaged in the business of manufacturing of chemical products.

b) **Jet Chemicals Private Limited** (hereinafter referred to as the “**Transferee Company**” or “**JCPL**”), is a private company limited by shares incorporated on December 07, 1968 under the Companies Act, 1956 bearing CIN: U99999MH1968PTC014154 and PAN: AAACJ4203H and having registered office at 3/2, Mileshtone Kalyan, Murbad Road, Village Vapar, Shahad, Thane – 421103. The Transferee Company is engaged in the business of manufacturing of chemical products.

C. RATIONALE FOR THE SCHEME

The proposed Scheme will result into the financial, managerial and technical resources, personnel capabilities, skills, expertise and technologies of the Transferor Company and

Transferee Company pooled in the merged entity. The management of both the Transferor and Transferee Company believes that the proposed Scheme will be beneficial, advantageous and not prejudicial to the interest of the shareholders, creditors and other stakeholders, inter-alia, on account of the following reasons:

- Benefit of pooling of resources, improved allocation of capital and optimization of cash flows contributing to the overall growth prospectus of the combined entity;
- Clarity of the business operations in the minds of prospective investor;
- Creation of a larger asset base by consolidation of the assets and facilitation of access to better financial resources;
- Savings in cost due to rationalisation of administrative expenses, elimination of duplicate work, reduction in overheads, elimination of cross charging etc...;
- Enable greater / enhanced focus of the management on the business; and
- Creating enhanced value for shareholders and allow a focused strategy in operations.

In view of the aforesaid, the Board of Directors of the Transferor Company and Transferee Company has considered and proposed merger by absorption of the entire undertaking and business of the Transferor Company by the Transferee Company. Accordingly, the Board of Directors of the Transferor Company and the Transferee Company has formulated this Scheme for the transfer and vesting of the entire undertaking and business of the Transferor Company into the Transferee Company pursuant to the provisions of Sections 230 to 232 read with other applicable provisions of the Act.

D. PARTS OF THE SCHEME

The Scheme is divided into following parts:

- Part A – Deals with the Definitions, Share Capital and date of operation of the Scheme
- Part B – Deals with merger by absorption of Transferor Company by the Transferee Company; and
- Part C – Deals with general terms and conditions applicable to the Scheme and other matters consequential and integrally connected thereto.

PART A
DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meaning:

- 1.1 **“Act” or “the Act”** means the Companies Act, 2013 and rules and regulations made thereunder, and includes any statutory re-enactment or amendments(s) thereto, from time to time
- 1.2 **“Appointed Date”** means the 1st day of April 2019 or any other date as may be fixed or approved by the National Company Law Tribunal or such other competent authority;
- 1.3 **“Board of Directors”** means Board of Directors of the Transferor Company and / or the Transferee Company, as the case may be, and shall include any person authorised by the Board.
- 1.4 **“Effective Date”** means the last of the dates on which the certified or authenticated copies of the orders of the Tribunal sanctioning the Scheme are filed with the Registrar of Companies by the Transferor Company and the Transferee Company. Any references in this Scheme to the “date of coming into effect of this Scheme” or “effectiveness of this Scheme” or “Scheme taking effect” shall mean the Effective Date.
- 1.5 **“Law”** means any statute, law, regulation, ordinance, rule, judgment, notification, rule of common law, notice, order, decree, bye-law, Governmental approval, directive, guideline, requirement or other governmental restriction, or any similar form of decision of, or determination by, or any interpretation, policy or administration, having the force of law of any of the foregoing, any Governmental Authority having jurisdiction over the matter in question.
- 1.6 **“Merger by Absorption”** means the amalgamation of the Transferor Company with the Transferee Company in accordance with Section 2(1B) of the Income Tax Act, 1961, and the restructuring as contemplated by the Scheme in terms of Part B of the Scheme.
- 1.7 **“Record Date”** means the date as may be mutually decided by the Board of Directors of the Transferee Company in consultation with the Board of Directors of the Transferor Company

to determine the members of the Transferor Company to whom shares of the Transferee Company will be allotted as per Clause 12 of this Scheme.

- 1.8 **“Scheme”** means this Scheme of Merger by Absorption, *inter alia*, for the absorption of the Transferor Company by the Transferee Company in its present form, submitted to the Tribunal for sanction with such modification(s), if any, made as per Clause 21.
- 1.9 **“The Tribunal”** means the National Company Law Tribunal, Mumbai bench as applicable or such other forum or authority as may be vested with any of the powers to sanction the present Scheme under the Act.
- 1.10 **“Transferee Company” or “JCPL”** means Jet Chemicals Private Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at 3/2, Mileshtone Kalyan, Murbad Road, Village Vapar, Shahad, Thane – 421103, bearing CIN: U99999MH1968PTC014154.
- 1.11 **“Transferor Company” or “BCOPL”** means Blue Circle Organics Private Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at 34, Empire Building, 1st Floor, D N Road, 146 Fort, Mumbai – 400001, bearing CIN: U15100MH2003PTC139929.
- 1.12 **“Undertaking”** means the whole of the undertaking of the Transferor Company, as a going concern, including:
- a) All the assets and properties (whether movable or immovable, tangible or intangible, real or personal, corporeal or incorporeal, present, future or contingent) of BCOPL, including but not limited to land (freehold/leasehold), plant and machinery, equipment, buildings and structures, offices, residential and other premises, furniture, fixtures, office equipment, appliances, accessories, depots, deposits, all stocks, assets, investments of all kinds (including shares, scrips, stocks, bonds, debenture stocks, units), and interests, cash balances or deposits with banks, loans, advances, disbursements, contingent rights or benefits, book debts, receivables, actionable claims, insurance claims, insurance policies, earnest moneys, advances or deposits paid by BCOPL, financial assets, leases (including lease rights), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, municipal

permissions, tenancies in relation to the office and/or residential properties for the employees or other persons, guest houses, godowns, warehouses, fixed and other assets, goodwill or any other intangible assets / rights, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, subsidiaries, joint ventures, associates, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights including, title, interests, other benefits (including tax benefits), easements, privileges, liberties, mortgages, hypothecations, pledges or other security interests created in favour of BCOPL and advantages of whatsoever nature and wheresoever situated in India or abroad, belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by BCOPL or in connection with or relating to BCOPL and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by BCOPL, whether in India or abroad and whether appearing in the books of BCOPL or not;

- b) all secured and unsecured debts, outstanding, liabilities, contingent liabilities, duties and all other obligations of whatsoever kind (if any) whether recorded in the books or not;
- c) Without prejudice to the generality of sub-clauses (a) and (b) above, the Undertaking of the Transferor Company shall include all their secured and unsecured debts, borrowings, liabilities including deferred tax liabilities (if any), duties and obligations and all the assets and properties, whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible (including, but not limited to trademarks, goodwill, business methodologies, etc.), present or contingent, all fixed assets, current assets, deferred tax assets (if any), investments, reserves, provisions, funds, Demat accounts with the Depositories (if any), Banks, etc., all the licenses / permits, registrations including registrations obtained under local or central statutes and / or regulations made under such statutes, benefits of agreements, contracts and arrangements, including insurance contracts, deposits, reserves, provisions, advances, funds, cash, bank balances and all other rights, claims and powers, of whatsoever nature and wheresoever situated belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company;
- d) All agreements, rights, contracts, entitlements, licenses, permits, permissions,

incentives, approvals, registrations, tax deferrals and benefits and credits, subsidies, concessions (including but not limited to direct and indirect tax concessions/ credits of any nature whatsoever), grants, rights, claims, leases, tenancy rights, liberties, and all other approvals of every kind, nature and description whatsoever relating to the business activities and operations of the Transferor Company;

- e) All staff and employees and other obligations of whatsoever kind, including liabilities of the Transferor Company with regard to its employees, with respect to the payment of gratuity, superannuation, pension benefits and contribution made towards any provident fund, employees state insurance or any other compensation or benefits, if any whether in the event of resignation, death, retirement, retrenchment or otherwise;
- f) Entitlements held by the Transferor Company or which may accrue or become due to it as on the Appointed Date or to which it may become so due or entitled to thereafter.
- g) Amounts claimed by the Transferor Company whether or not so recorded in its books of accounts as refund of any tax, duty, cess or of any excess payment from any Governmental authority, under any Law, Act or Rule in force.
- h) Right to any claim made or not preferred by the Transferor Company in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Company and any interest thereon, with regard to any Law, Act or Rule or Scheme made by the Governmental Authority, and in respect of deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, or any other or like benefits under the said Acts or under and in accordance with any Law or Act and tax credits (including but not limited to credits in respect of income-tax, tax on book profits, MAT credit, value added tax, sales tax, service tax, excise duty, goods and service tax, etc.).

It is intended that the definition of Undertaking as set out above would enable the transfer of all properties, assets, liabilities, employees etc. of the Transferor Company to the Transferee Company pursuant to the Scheme.

2. In this Scheme, unless the context otherwise requires:

- a) words denoting the singular shall include the plural and vice versa;
- b) headings and bold typefaces are only for convenience and shall be ignored for the purpose of interpretation;
- c) references to the word “include” or “including” shall be construed without limitation;

- d) a reference to a clause, section or part is, unless indicated to the contrary, a reference to a clause, section or part of this Scheme;
- e) unless otherwise defined, the reference to the word “days” shall mean calendar days;
- f) reference to a document includes an amendment or supplement to, or replacement or novation of that document;
- g) word(s) and expression(s) elsewhere defined in the Scheme shall have the meaning(s) respectively ascribed to them; and
- h) All terms and words used but not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be, or any statutory modification or re-enactment thereof for the time being in force.

3. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out here in its present form or with any modification(s) approved or imposed or directed by the Tribunal or in terms of this Scheme shall take effect from the Appointed Date but shall be operative from the Effective Date.

4. SHARE CAPITAL

- 4.1 The share capital structure of the Transferor Company, as per the last audited financial statements, as on March 31, 2019, is as follows:

Particulars	Amount (Rs.)
Authorised Share Capital	
30,00,000 Equity Shares of Rs. 10/- each	3,00,00,000/-
20,00,000 Preference Shares of Rs. 10/- each	2,00,00,000/-
Total	5,00,00,000/-
Issued, Subscribed and Paid-up Share Capital	
17,95,951 Equity Shares of Rs. 10/- each	1,79,59,510/-
15,00,000 Preference Shares 0.1% Redeemable of Rs. 10/- each	1,50,00,000/-
Total	3,29,59,510/-

There has been no change in the issued, subscribed and paid-up share capital of the Transferor Company subsequent to March 31, 2019.

- 4.2 The share capital structure of the Transferee Company, as per the last audited financial statements, as on March 31, 2019, is as follows:

Particulars	Amount (Rs)
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Authorised Share Capital	
1,00,000 Equity Shares of Rs. 100/- each	1,00,00,000/-
Total	1,00,00,000/-
Issued, Subscribed and Paid-up Share Capital	
60,000 Equity Shares of Rs. 100/- each	60,00,000/-
Total	60,00,000/-

There has been no change in the issued, subscribed and paid-up share capital of the Transferee Company subsequent to March 31, 2019.

PART B

MERGER BY ABSORPTION OF THE TRANSFEROR COMPANY BY THE TRANSFEEE COMPANY

5. MERGER BY ABSORPTION OF THE TRANSFEROR COMPANY

- 5.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Undertaking, pursuant to the sanction of this Scheme by the NCLT under and in accordance with the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, shall stand transferred to and be vested in or be deemed to have been transferred to and vested in the Transferee Company, as a going concern without any further act, instrument, deed, matter or thing to be made, done or executed so as to become, as and from the Appointed Date, the Undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme.
- 5.2 Subject to the provisions of this Scheme as specified hereinafter and with effect from the Appointed Date, the entire Undertaking of the Transferor Company, including all the debts, liabilities, losses, duties and obligations, including those arising on account of taxation laws and other allied laws of the Transferor Company of every description and also including, without limitation, all the movable and immovable properties and assets, tangible or Intangible assets (whether or not appearing in the books of account of the Transferor Company) of the Transferor Company comprising, amongst others, freehold land, leasehold land building, plants, motor vehicles, manufacturing facilities, laboratories, furniture and fixtures, computers, office equipment, electrical installations, generators, containers, telephones, telex, facsimile and other communication facilities, receivables, actionable claims, insurance claims, business licenses, licenses under Factories Act, manufacturing licenses, permits, deposits, authorisations, approvals, recognitions including US FDA EIR and registrations granted by the Department of Scientific & Industrial Research to the in-house

research and development units established, insurance cover of every description, lease, tenancy rights, permissions, incentives, if any, and all other rights, patents, know-how, trademark, trade secret, brands, registrations, licenses including marketing authorisations and other intellectual property rights, proprietary rights, title, interest, contracts, no objection certificates, deeds, bonds, consents, approvals and rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages and benefits, approvals, filings, dossiers, copyrights, industrial designs, goodwill, trade secrets, know-how, formulations, technology, methodology, manufacturing procedures and techniques, test procedures and domain names, and all other interests in connection with or relating to and product registrations, applications and authorisations for product registrations, and all other interests shall, under the provisions of Sections 230 to 232 of the Act, and pursuant to the order of the NCLT, sanctioning this Scheme and without further act, instrument or deed, but subject to the charges affecting the same as on the Effective Date, be transferred and/or deemed to be transferred to and vested in the Transferee Company, so as to become the properties, assets, rights, business, certificates and Undertaking of the Transferee Company.

5.3 **Transfer of Assets:**

Without prejudice to the generality of Clause 5.1 and 5.2 above, upon the coming into effect of this Scheme and with effect from the Appointed Date:

- a) All the assets and properties comprised in the Undertaking of whatsoever nature and wheresoever situated, shall, under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act or deed, be and stand transferred to and vested in the Transferee Company or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become the assets and properties of the Transferee Company.
- b) Without prejudice to the provisions of para (a) above, in respect of such of the assets and properties of the Undertaking as are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and/or delivery, the same shall be so transferred by the Transferor Company and shall, upon such transfer, become the assets and properties of the Transferee Company as an integral part of the Undertaking, without requiring any separate deed or instrument or conveyance for the same.
- c) In respect of movables other than those dealt with in para (b) above including sundry debts, receivables, insurance claims, bills, credits, loans and advances of the Undertaking, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any Governmental

Authority or with any company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Transferee Company.

- d) All interests of the Transferor Company in their respective subsidiaries as on the Appointed Date and subsisting on the Effective Date will become the interests and subsidiaries of the Transferee Company.
- e) All the licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether before or after the Appointed Date, shall, under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or be deemed to be transferred to and vested in and be available to the Transferee Company so as to become as and from the Appointed Date licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.
- f) The Transferor Company shall, if so required, also give notice in such form as it may deem fit and proper to the debtors, that pursuant to the sanction of this Scheme by NCLT, under and in accordance with Sections 230 and 232 and all other applicable provisions, if any, of the Act, the said debtors should pay to the Transferee Company the debt, loan or advance or make the same on account of the Transferor Company and the right of the Transferor Company to recover or realize the same stands extinguished.
- g) All assets and properties of the Transferor Company as on the Appointed Date, whether or not included in the books of the Transferor Company, and all assets and properties which are acquired by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets and properties of the Transferee Company, and shall under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme.

Provided however that no onerous assets shall have been acquired by the Transferor Company after the Appointed Date without the consent of the Transferee Company as provided for in this Scheme.

5.4 **Transfer of Liabilities:**

- a) Upon the coming into effect of this Scheme and with effect from the Appointed Date, all liabilities relating to and comprised in the Undertaking including all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations and undertakings of the Transferor Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised for its business activities and operations (herein referred to as the "**Liabilities**"), shall, pursuant to the sanction of this Scheme by the NCLT under and in accordance with the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, along with any charge, encumbrance, lien or security thereon, and the same shall be assumed by the Transferee Company to the extent they are outstanding as on the Effective Date so as to become as and from the Appointed Date the liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same and further 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 Liabilities have arisen in order to give effect to the provisions of this Clause.
- b) All debts, liabilities, duties and obligations of the Undertaking as on the Appointed Date, whether or not provided in the books of the Transferor Company, and all debts and loans raised, and duties, liabilities and obligations incurred or which arise or accrue to the Undertaking on or after the Appointed Date till the Effective Date, shall be deemed to be and shall become the debts, loans raised, duties, liabilities and obligations incurred by the Transferee Company by virtue of this Scheme.
- c) Where any such debts, loans raised, liabilities, duties and obligations of the Undertaking as on the Appointed Date have been discharged or satisfied by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge or satisfaction shall be deemed to be for and on account of the Transferee Company.
- d) Loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Transferor Company and the Transferee Company shall, *ipso facto*, stand discharged and come to an end and there shall be no liability in that behalf on any party and appropriate effect shall be given in the books of accounts and records of the Transferee Company.

- e) It is clarified that the Scheme shall not in any manner affect the rights and interests of the creditors of the Transferor Company or be deemed to be prejudicial to their interests.

6. ENCUMBRANCES

- 6.1 The transfer and vesting of the assets comprised in the Undertaking to and in the Transferee Company under Clause 5 of this Scheme shall be subject to the existing mortgages and charges, if any, affecting the same, as and to the extent hereinafter provided.
- 6.2 All the existing securities, mortgages, charges, encumbrances or liens (the "**Encumbrances**"), if any, as on the Appointed Date and created by the Transferor Company after the Appointed Date, over the assets comprised in the Undertaking or any part thereof transferred to the Transferee Company by virtue of this Scheme and in so far as such Encumbrances secure or relate to liabilities of the Transferor Company, the same shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to the Transferee Company, and such Encumbrances shall not relate or attach to any of the other assets of the Transferee Company.
- 6.3 The existing Encumbrances over the assets and properties of the Transferee Company or any part thereof which relate to the liabilities and obligations of the Transferee Company prior to the Effective Date shall continue to relate only to such assets and properties and shall not extend or attach to any of the assets and properties of the Undertaking transferred to and vested in the Transferee Company by virtue of this Scheme.
- 6.4 Any reference in any security documents or arrangements (to which the Transferor Company is a party) to the Transferor Company and their assets and properties, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferor Company transferred to the Transferee Company by virtue of this Scheme. Without prejudice to the foregoing provisions, the Transferor Company and the Transferee Company may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge(s), with the Registrar of Companies to give formal effect to the above provisions, if required.
- 6.5 Upon the coming into effect of this Scheme, the Transferee Company alone shall be liable to perform all obligations in respect of the Liabilities, which have been transferred to it in terms

of the Scheme.

- 6.6 It is expressly provided that, no other term or condition of the Liabilities transferred to the Transferee Company is modified by virtue of this Scheme except to the extent that such amendment is required statutorily or by necessary implication.
- 6.7 The provisions of this Clause 6 shall operate in accordance with the terms of the Scheme, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings shall be deemed to stand modified and/or superseded by the foregoing provisions.

7. COMPLIANCE WITH TAX LAWS

- 7.1 This Scheme has been drawn up to comply with the conditions relating to “Amalgamation” as specified under Section 2(1B) of the Income-tax Act, 1961 (the “IT Act”) and other relevant provisions of the IT Act. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section at a later date including resulting from a retrospective amendment of law or for any other reason whatsoever, till the time the Scheme becomes effective, the provisions of the said section of the IT Act, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the IT Act and other relevant provisions of the IT Act.
- 7.2 On or after the Effective Date, the Transferee Company is expressly permitted to revise its financial statements and returns along with prescribed forms, filings and annexures under the IT Act (including for the purpose of re-computing minimum alternative tax and claiming other tax benefits), Service Tax law, VAT law, Goods and Service Tax law and other tax laws, and to claim refunds and / or credits for taxes paid (including tax on book profits, MAT credit and foreign tax credit) and to claim tax benefits etc. and for matters incidental thereto, if required to give effect to the provisions of the Scheme notwithstanding that the period of filing / revising such returns / forms may have lapsed and period to claim refund / credit also elapsed.
- 7.3 All tax assessment proceedings / appeals (including application and proceedings in relation to advance ruling) of whatsoever nature by or against the Transferor Company pending and / or arising at the Appointed Date and relating to the Transferor Company shall be continued and / or enforced until the Effective Date as desired by the Transferee Company. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against the

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

- 7.4 Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the Merger by Absorption of the Transferor Company by the Transferee Company or anything contained in the Scheme.
- 7.5 Any tax liabilities including but not limited to liabilities under the IT Act, Foreign Tax Credit, Tax Treaties, Customs Act 1962, Service Tax laws, VAT laws, Goods and Service Tax laws or other applicable laws / regulations dealing with taxes / duties / levies allocable or related to the business of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall also be transferred to the Transferee Company.
- 7.6 Any refund including but not limited to refund under the IT Act, Foreign Taxes, Customs Act 1962, Service Tax laws, VAT laws, Goods and Service Tax laws or other applicable laws / regulations dealing with taxes / duties / levies allocable or related to the business of the Transferor Company and due to the Transferor Company consequent to the assessment made on the Transferor Company before the Effective Date and for which no credit is taken in the accounts shall also belong to and be received by the Transferee Company.
- 7.7 All taxes including income-tax, minimum alternate tax, foreign taxes, custom duty, service tax, goods and service tax, etc. paid or payable by the Transferor Company in respect of its operations and / or the profits of the business before the Appointed Date, shall be on account of the Transferor Company and, in so far as it relates to the tax payment (including, without limitation, income-tax, minimum alternate tax, custom duty, service tax, goods and service tax, etc.) whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of its profits or activities or operation of the business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly. Further, any tax deducted at source by the Transferor Company / Transferee Company on payables to the Transferee Company / Transferor Company on account of inter-se transactions which has been deemed not to be accrued, shall be deemed to be advance taxes paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.
- 7.8 Obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company including but not limited to obligation under the IT Act, Service Tax

laws, Customs law, Goods and Service tax law or other applicable laws / regulations dealing with taxes / duties / levies shall be made or deemed to have been made and duly complied with by the Transferee Company.

- 7.9 Without prejudice to the generality of the above, all benefits, incentives, losses, credit for tax including on book profits, accumulated losses, credits (including, without limitation income tax, excise duty, service tax, applicable state value added tax, cenvat credit, goods and service tax credit, etc.) to which the Transferor Company is entitled, shall be available to and vest in the Transferee Company, if eligible as per the provisions of the IT Act on and after the Appointed Date, even if such credits have not been availed off in the books as on the date of transfer. Also, the Transferee Company will be entitled to avail Cenvat Credit / Goods and Service Tax Credit after the Appointed Date in respect of all duties / taxes where the documents are in the name of the Transferor Company. Further, licenses issued to the Transferor Company by any regulatory authorities, if any, and all benefits and tax credits, if any, including recognition of the In-house Research and Development unit with the Department of Scientific & Industrial Research or any Government Authority and benefits under investment incentive schemes and policies including deduction under Section 35(2AB) of IT Act or concessions relating to the Undertaking under any tax law or applicable law, associated with it shall stand transferred to the Transferee Company upon the Scheme becoming effective.

8. LEGAL PROCEEDINGS

On and from the Appointed Date, all suits, actions and legal proceedings, if any, instituted and / or pending and / or arising by or against the Transferor Company shall be continued and / or enforced until the Effective Date as directed by the Transferee Company and on and from the Effective Date, shall be continued and / or enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been instituted and / or were pending and / or arising by or against the Transferee Company.

9. CONTRACTS, DEEDS, ETC.

- 9.1 Upon coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, including contracts for tenancies and licenses, deeds, bonds, agreements, incentives, benefits, exemptions, entitlements, arrangements, escrow arrangements and other instruments of whatsoever nature in relation to the Transferor Company to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall

be in full force and effect on or against or in favour, as the case may be, of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto.

9.2 The Transferee Company may, at any time after coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds, confirmations or other writings, confirmations or novations or tripartite arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions.

9.3 On the Scheme becoming effective, such contracts / escrow arrangements / deeds / any other arrangements shall stand transferred to or deemed to be transferred to the Transferee Company without any further act or instrument or deed and further it shall not be necessary to obtain the consent of any third party or other person who is party to any such contract / escrow arrangements / deeds / any other arrangement.

10. EMPLOYEES

10.1 On the coming into effect of this Scheme, all employees, if any, of the Transferor Company who are in employment of the Transferor Company, as on the Effective Date, shall become the employees of the Transferee Company with effect from the Effective Date without any break or interruption in service and on the same terms and conditions as to employment and remuneration on which they are engaged or employed by the Transferor Company. It is clarified that the employees of the Transferor Company who become employees of the Transferee Company by virtue of this Scheme, shall not be entitled to the employment policies and shall not be entitled to avail of any schemes and benefits that may be applicable and available to any of the employees of the Transferee Company unless otherwise determined by the Transferee Company. The Transferee Company undertakes to continue to abide by any agreement / settlement, if any, entered into by any of the Transferor Company with any union / employee. After the Effective Date, the Transferee Company shall be entitled to vary the terms and conditions as to employment and remuneration of the said employees or any of them on the same basis as it may do for the employees of the Transferee Company.

10.2 It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund or Trusts created or existing for the

benefit of the employees of the Transferor Company shall become funds / trusts of the Transferee Company for all purposes whatsoever in relation to the administration or operation of such funds / trusts in relation to the obligation to make contributions to the said funds / trusts in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such funds / trusts shall become those of the Transferee Company. It is clarified that the services of the employees of the Transferor Company will be treated as having been continuous for the purpose of the said funds / trusts and for computing any other employee benefits.

11. SAVING OF CONCLUDED TRANSACTIONS

The Merger by Absorption of the Transferor Company pursuant to this Scheme shall not affect any transaction or proceedings already concluded or liabilities incurred, or any liabilities discharged by the Transferor Company, on or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company shall accept and adopt all acts, deeds and things made, done and executed by the Transferor Company as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

12. CONSIDERATION

- 12.1 Upon the Scheme becoming effective, the Transferor Company shall, in consideration for and without any further application or deed, issue and allot to shareholders (other than the Transferee Company) of the Transferor Company, whose name appears in the Register of Members of the Transferor Company as on the Record Date, in the following manner:

Equity Shareholders

“540 equity shares of INR 100 each fully paid up shall be issued in exchange of every 1,000 equity shares of INR 10 each fully paid up held in BCOPL”

Preference Shareholders:

“One preference share of JCPL of face value INR 10 each fully paid up shall be issued in exchange of every One preference share of INR 10 each fully paid up held in BCOPL”

- 12.2 Shares to be issued to the members of the Transferor Company (other than the Transferee Company) in the Transferee Company shall be subject to the Memorandum and Articles of Association of the Transferee Company and shall rank pari passu in all respects, including dividend, with the existing shares of the Transferee Company.

- 12.3 In case any member's holding in the Transferor Company is such that the member becomes entitled to a fraction of a share of the Transferee Company, the Transferee Company shall round off such fraction to the nearest integer and accordingly issue shares/share certificate.
- 12.4 The Transferee Company shall, if and to the extent required, apply for and obtain any approvals from the relevant regulatory authorities for the issue and allotment of shares as per Clause 12.1 above. It is clarified that the issuance of shares as per Clause 12.1 above will be undertaken after effectuation of increase in authorized share capital of the Transferee Company as provided in Clause 14 below.
- 12.5 The issue and allotment of the shares by the Transferee Company as provided in this Scheme is an integral part hereof and shall be deemed to have been carried out without any further act or deed by the Transferee Company as if the procedure laid down under the relevant applicable provisions of the Act were duly complied with.

13. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEE COMPANY

- 13.1 Upon the coming into effect of this Scheme, the Transferee Company shall account for the amalgamation in its financial statement in accordance with "Purchase Method" as prescribed in Accounting Standard -14 'Accounting for Amalgamations' issued by Institute of Chartered Accountants of India.
- 13.2 The Transferee Company shall, upon the Scheme becoming effective, record the assets (including intangible assets, if any, whether or not recorded/recognized in the books of Transferor Company) and liabilities of the Undertaking vested in it pursuant to this Scheme at the respective fair values in the same form as appearing in the books of the Transferor Company.
- 13.3 The Transferee Company shall record issuance of equity shares at fair value and accordingly credit to its share capital account, the aggregate face value of the shares issued by it pursuant to Clause 12 of this Scheme. The excess of fair value of equity shares over the face value of shares issued shall be credited to Securities Premium Account.
- 13.4 The value of investments held by the Transferee Company in the Transferor Companies shall stand cancelled pursuant to Scheme.

- 13.5 The excess of value of assets over the liabilities after adjusting for the consideration recorded as per Clause 13.3 above and after adjusting the cancellation of investment as per clause 13.5 above, shall be debited to “Goodwill account” or credited to “Capital Reserve account” as the case may be, in the books of Transferee Company.
- 13.6 The goodwill and / or intangible assets (if any) transferred / arising on merger by absorption of the Transferor Company as aforesaid, shall be amortised /tested for impairment in the books of the Transferee Company in accordance with applicable accounting standards.
- 13.7 The inter-company deposits, loans & advances and other balances if any, in the books of the account of the Transferee Company and the Transferor Company shall stand discharged and come to an end and the same shall be eliminated by giving appropriate elimination effect in the books of account and records of the Transferee Company.
- 13.8 In case there is any difference in the accounting policies adopted by the Transferor Company and the Transferee Company, the accounting policies followed by the Transferee Company will prevail and the difference will be quantified and adjusted in the reserves to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.
- 13.9 Notwithstanding the above accounting treatment, the Board of Directors of the Transferee Company is authorized to account for any of these transactions / balances in any manner whatsoever, as may be deemed fit, in accordance with the generally applicable Indian Accounting Standards.
- 13.10 In addition, the Transferee Company shall pass such accounting entries, as may be necessary, in connection with the Scheme, to comply with any of the applicable accounting standards and generally accepted accounting principles adopted in India.

14. COMBINATION OF AUTHORISED SHARE CAPITAL OF TRANSFEROR COMPANY

- 14.1 Upon the Scheme becoming effective, the authorised share capital of the Transferor Company shall stand transferred, re-organised, credited and merged with that of the Transferee Company without payment of additional fees and stamp duty as the said fees and stamp duty have already been paid by the Transferor Company and the authorised share capital of the Transferee Company will be increased to that effect by just filing requisite forms and no

separate procedure shall be followed under the Act. Consequently, the Memorandum of Association of the Transferee Company shall without any further act, instrument or deed be and stand altered, modified and amended pursuant to Sections 13, 61 and other applicable provisions of the Act.

- 14.2 Accordingly, the words and figures in Clause V of the Memorandum of Association of the Transferee Company shall stand modified and be substituted to read as follows:

“The Share Capital of the Company shall consist of Rs. 60,000,000/- (Rupees Six Crore) divided into 3,00,000 (Three Lac) equity shares of Rs. 100/- (Rupees One Hundred) and 2,000,000 (Twenty Lac) preference shares of Rs. 10/- (Rupees Ten) each with a power for the Company to increase or reduce such capital and to issue any part of its capital original or increased with or without any preference, priority or special privilege or subject to postponement of rights or to any conditions or restrictions and so that unless the conditions of issue otherwise expressly declared, any issue of shares whether declared to be preference or otherwise shall be subject to power, herein before contained as may be permitted by the Companies Act, 2013.”

- 14.3 The approval of this Scheme under Sections 230 to 232 of the Companies Act, 2013 shall be deemed to have the approval under Sections 13, 61 and other applicable provisions of the Companies Act, 2013, and any other consents and approvals required in this regard. It is clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be their consent approval also to the alteration to the Memorandum of Association of the Transferee Company as may be required under the Act.

15. CHANGE OF NAME

With effect from the Effective Date, the name of the Transferee Company shall be changed to Blue Circle Organics Private Limited. The change in the name of the Transferee Company shall be effected without any further act or deed and as an integral part of the Scheme itself and the approval of the Scheme by shareholders of the Transferee Company and the order of the NCLT sanctioning this Scheme shall be deemed to be a sufficient compliance of the provisions of the Act and no further resolution(s) under section 13, section 14 and section 16 of the Act or any other applicable provisions of the Act is required would be required to be passed. However, Transferee Company will make necessary filings to the concerned Registrar of Companies to amend the memorandum of association and articles of association.

16. WINDING-UP OF THE TRANSFEROR COMPANY

On the Scheme becoming effective, the Transferor Company shall stand dissolved without being wound up and without any further acts by any party.

17. CONDUCT OF BUSINESS TILL EFFECTIVE DATE

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

- a) The Transferor Company shall stand possessed of all the estates, assets, rights, title, interest, authorities, contracts, investments and shall take strategic decisions for and on account of, and in trust for the benefit of the Transferee Company.
- b) All income, profits, costs, charges, expenses and taxes accruing to the Transferor Company or losses arising or incurred by it (including the effect of taxes if any thereon), relating to the Transferor Company shall for all purposes, be treated as the income, profits, costs, charges, expenses and taxes or losses, as the case may be, of the Transferee Company.

17.2 The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require to carry on the business of the Transferor Company.

17.3 For the avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified that with effect from the Effective Date and till such time that the name of the bank accounts of the Transferor Company have been replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company in the name of the Transferor Company in so far as may be necessary. All cheques and negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company. Similarly, till the time any regulatory registrations of the Transferor Company are closed / suspended and regulatory filings are required to be done on such registrations, the Transferee Company shall be entitled to do so to comply with the relevant regulations.

18. TRANSITION PERIOD

- 18.1 Upon coming into effect of this Scheme, the Transferee Company shall, with reasonable dispatch immediately apply for change of name, transition/ transfer of all licenses, product registrations, market authorizations, permits, quotas so as to ensure business continuity. The period of six months from the Effective Date will be considered as "Transition Period" for the Transferee Company to give effect to change of name, transitions of all the licenses, product registrations, market authorizations, permits, quotas or such other approvals as may deem fit by the Board of Directors of the Transferee Company. With a view to avoid any disruption of business and to ensure continuity of operations and to maintain same quality of products, during the Transition Period, the business of the Undertaking shall be carried on or deemed to have been carried on by the Transferee Company under the name and style of 'Blue Circle Organics Private Limited'.
- 18.2 During the Transition Period, the Transferee Company shall procure or use or manufacture all material and product including the packing material, art work, label goods, cartons, stickers, wrappers, labels, containers, point of sale material, sign board, samples, closures, publicity materials in the name and form/format of the Transferor Company.

19. INTER-SE TRANSACTIONS

- 19.1 Without prejudice to Clauses 5 and 17, all inter-se transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes from the Appointed Date or from the transaction date whichever is later and on the coming into effect of this Scheme, the same shall stand cancelled without any further act, instrument or deed.
- 19.2 Further, it is clarified that the above clause has no impact whatsoever on any taxes in the form of income-tax, goods and service tax, service tax, works contract tax, value added tax etc. paid on account of such transactions. The taxes paid shall be deemed to have been paid by or on behalf of the Transferee Company and on its own account and therefore, the Transferee Company will be eligible to claim the credit / refund of the same and is also entitled to revise returns, as may be necessary, to give effect to the same.

PART C
GENERAL TERMS AND CONDITIONS

20. APPLICATION TO THE TRIBUNAL

The Transferor Company and the Transferee Company, with all reasonable dispatch, shall make necessary applications / petitions before the Tribunal for the sanction of this Scheme under Sections 230 to 232 and other applicable provisions of the Act.

21. MODIFICATIONS / AMENDMENTS TO THE SCHEME

The Transferee Company and the Transferor Company through their respective Board of Directors may make and / or consent to any modifications / amendments to this Scheme or to any conditions or limitations that the Tribunal or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them or the Board, including the withdrawal of this Scheme or part thereof. The Board of Directors of the Transferee Company shall take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions, including interpretation of the Scheme, 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. The power of the Board to modify / amend the Scheme shall be subject to the approval of the Tribunal.

22. SCHEME CONDITIONAL ON APPROVALS / SANCTIONS

22.1 The Scheme is conditional upon and subject to:

- a) Approval by the requisite majority of the respective members and creditors of the Transferor and Transferee Company as may be directed by the Tribunal;
- b) Sanctions and orders under the provisions of the Act being obtained by the Transferor and Transferee Company from the Tribunal;
- c) Certified copies of the orders of the Tribunal, sanctioning the Scheme being filed with the Registrar of Companies by the Transferor and Transferee Company;
- d) Approvals, if any from any governmental or regulatory authority, or contracting party or from such other authorities, as the Board of Directors may consider relevant, to ensure that business of the Undertaking subsequent to the transfer to the Transferee Company could be carried on in an effective manner; and
- e) All other sanctions and approvals as may be required by law in respect of this Scheme being obtained.

23. EFFECT OF NON-RECEIPT OF APPROVALS

23.1 In the event of any of the said sanctions and approvals referred to in Clause 22 above not being obtained (unless otherwise released by the Board of Directors) and / or the Scheme not being sanctioned by the Tribunal or such other competent authority as aforesaid, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and / or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

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

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

23.4 If any part / clause of this Scheme hereof becomes invalid or ruled illegal by Tribunal or any other competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Transferor Company and the Transferee Company that such part / clause shall be severable from the remainder of the Scheme. Further, if the deletion of such part / clause of this Scheme may cause this Scheme to become materially adverse to the Transferor Company and / or the Transferee Company, then in such case the Transferor Company and / or the Transferee Company shall attempt to bring about a modification in the Scheme, as will best preserve for the Transferor Company and the Transferee Company the benefits and obligations of the Scheme, including but not limited to such part.

24. COSTS

All costs, charges, levies and expenses of the Transferor and the Transferee Company respectively in relation to or in connection with or incidental to this Scheme or the implementation thereof shall be borne and paid for by the Transferee Company, unless otherwise determined by the Boards of Directors of the Transferor and the Transferee Company.

SCHEDULE I

TERMS AND CONDITIONS FOR ISSUE OF REDEEMABLE PREFERENCE SHARES

Dividend Rate	0.1%
Accumulation of Dividend	Non-cumulative
Convertibility	Non-cumulative
Payment of Dividend	At the discretion of the board
Tenure	15 years
Voting Rights	No
Redemption Terms	<ul style="list-style-type: none">▪ Redemption of preference shares shall be done at par▪ Redemption will be made out of the proceeds of a fresh issue of shares or out of the Securities Premium Account or out of the profits of the Company▪ No such shares when due for redemption shall be redeemed except out of profits of the company which would otherwise be available for dividend▪ No such share shall be redeemed unless they are fully paid up at the time of redemption▪ Terms and conditions as to the redemption shall be governed by the provisions of the Section 80 of the Companies Act 2013 and Articles of Association of the Company
Redemption Option	The Company will also have an option to redeem the preference shares at any time at any time after 2 years from the date of allotment of shares