

SCHEME OF ARRANGEMENT
BETWEEN
GUJARAT FLUOROCHEMICALS LIMITED ('THE DEMERGED COMPANY' OR 'GFL 1')
AND
INOX FLUOROCHEMICALS LIMITED ('THE RESULTING COMPANY' OR 'GFL 2')
AND
THEIR RESPECTIVE SHAREHOLDERS

A) Preamble

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

B) Rationale for the Scheme

The Scheme shall achieve the following benefits:

- Segregation of Businesses: GFL 1 is engaged in the business of manufacturing chemicals, refrigerants, fluoropolymers, etc. Further, through investments in its subsidiaries, GFL 1 is also engaged in Wind Energy, Wind Farming, Entertainment and other businesses. Each of the business activities being carried out by GFL 1 are distinct and diverse in its business characteristics with different risk and return profiles, and capital and operational requirements. Thus the scheme will help in segregating different businesses having different risk and return profiles, thus providing investors with better flexibility to select investments which best suit their investment strategies and risk profile.



- Administrative efficiencies: the management of GFL 1 believes that the scheme will result in economies in business operations, provide optimal utilization of resources and greater administrative efficiencies.
- Focused growth strategy: the scheme will allow the management to have a focused growth strategy for each of the businesses.
- Investment opportunity: The management of GFL 1 believes that there may be a segment of investors who may wish to invest only in the Chemical business. These investors are presently deprived of the opportunity of investing in only a Chemical business, and the implementation of the scheme will provide them with this opportunity.
- Unlocking value: The proposed demerger of the Chemical business will unlock value for the existing shareholders.

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

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

C) Parts of the Scheme

The Scheme is divided into following parts:

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



PART A:

DEFINITIONS AND SHARE CAPITAL

1. In this Scheme unless repugnant to the meaning or context thereof, the following expressions shall have the following meanings:
 - 1.1. **“Act” or “the Act”** means the Companies Act, 2013 and Rules framed thereunder as in force from time to time;
 - 1.2. **“Applicable Law”** means any applicable statute, notification, bye laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, orders or instructions having the force of law enacted or issued by any Appropriate Authority, including any statutory modification or re-enactment thereof for the time being in force;
 - 1.3. **“Appointed Date”** means April 1, 2019 or such other date as may be fixed by the National Company Law Tribunal or the Board of Directors (as defined hereinafter);
 - 1.4. **“Appropriate Authority”** means any applicable Central, State or local Government, legislative body, regulatory, administrative or statutory authority, agency or commission or department or public or judicial body or authority, including, but not limited, to Securities and Exchange Board of India, Stock Exchanges, Regional Director, Registrar of Companies, National Company Law Tribunal and Reserve Bank of India;
 - 1.5. **“Board of Directors” or “Board”** in relation to the Demerged Company and the Resulting Company, as the case may be, means the Board of Directors of such company, and unless repugnant to the subject, context or meaning thereof, shall be deemed to include every committee (including any committee of directors) or any person authorized by the Board or by any such committee;



- 1.6. "Demerged Company" or "GFL 1" means Gujarat Fluorochemicals Limited, a company incorporated under the Companies Act, 1956 and validly subsisting under the Companies Act, 2013, and having its registered office at Survey No 16/3 26 27 Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, State Gujarat - 389380 India;
- 1.7. "Chemical Business Undertaking" shall mean undertaking, business, activities and operations pertaining to business of manufacturing of chemicals of the Demerged Company comprising of all the assets (movable, immovable, tangible and / or intangible) and liabilities which relate thereto, or are necessary therefore and including specifically the following:
- (a) All assets, title, properties (including leasehold land), interests, investments (including investments in subsidiaries, associates, joint ventures, shares, bonds, debentures, fixed deposits, mutual funds, alternate investment funds, other funds of any category or type, and art works etc. of the Demerged Company), loans, advances (including accrued interest) and rights, including rights arising under contracts, wherever located (including in the possession of vendors, third parties or elsewhere), whether real, personal or mixed, tangible, intangible or contingent, exclusively used or held for use in business, activities and operations, including but not limited to all land together with the buildings and structures standing thereon and rights and interests in all Land more specifically described in **Schedule I**, Factory and Office Building(s), equipment's, plant and machinery, offices, capital work in progress, furniture, fixtures, office equipment, appliances, accessories, receivables, vehicles, deposits, all stocks, assets, balances with banks, cash and cash equivalents, all customer contracts, contingent rights, benefits under income tax, such as credit for advance tax, tax deducted at source, unutilized deposits or credits (net of provisions there against), MAT credit whether or not recorded in the books, unabsorbed depreciation, unabsorbed business tax losses, credit for service tax, sales tax / value added tax / goods and service tax and / or any other statues, incentives, if any, advantages, privileges, exemptions, credits, holidays, remissions, reductions, etc. pertaining to its Chemical Business Undertaking (collectively, the "Chemical Business Undertaking Assets");



- (b) All debts (secured or unsecured), liabilities, guarantees, assurances, commitments and obligations of any nature or description, whether fixed, contingent or absolute, asserted or unasserted, matured or un-matured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising, (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability), deferred tax liability, etc. pertaining to the Chemical Business Undertaking activities (collectively, "Chemical Business Undertaking Liabilities") and for the avoidance of doubts, it excludes guarantees, assurances, commitments and obligations issued or undertaken by the Demerged Company to the banks and / or financial institutions for any business other than the Chemical Business Undertaking);
- (c) All contracts, agreements, licenses, leases, linkages, memoranda of undertakings, memoranda of agreement, memoranda of agreed points, letters of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, sales orders, purchase orders or other instruments of whatsoever nature to which the Demerged Company is a party, relating to the undertaking, business, activities and operations pertaining to the Chemical Business Undertaking or otherwise identified to be for the benefit of the same, including but not limited to the relevant licenses, water supply/ environment approvals, and all other rights and approvals, electricity permits, telephone connections, building and parking rights, pending applications for consents or extension, all incentives, tax benefits, minimum alternate taxes, deferrals, subsidies, concessions, benefits, grants, rights, claims, liberties, special status and privileges enjoyed or conferred upon or held or availed of by the Demerged Company in relation to its Chemical Business Undertaking, permits, quotas, consents, registrations, lease, tenancy rights in relation to offices and residential properties, permissions, incentives, if any, in relation to its Chemical Business Undertaking, and all other rights, title, interests, privileges and benefits of every kind in relation to its Chemical Business Undertaking (collectively, "Chemical Business Undertaking Contracts");
- (d) All registrations, brands, trademarks, trade names, service marks, copyrights, patents (except the patents applications made by/patents under the Patents Act, 1970, designs, domain names,



applications for trademarks, trade names, service marks, copyrights, designs and domain names exclusively used by or held for use by the Demerged Company in the Chemical Business Undertaking (collectively, "Chemical Business Undertaking IP");

- (e) All permits, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), environmental clearances, No Objection Certificates, Consent Orders, etc., consents, approvals, authorizations, quotas, rights, entitlements, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, easements, tenancies, privileges and similar rights, and any waiver of the foregoing, issued by any legislative, executive, or judicial unit of any Governmental or semi-Governmental entity or any department, commission, board, agency, bureau, official or other regulatory, local, administrative or judicial authority exclusively used or held for use by the Demerged Company in the undertaking, business, activities and operations pertaining to the Chemical Business Undertaking (collectively, "Chemical Business Undertaking Licenses");
- (f) All such permanent employees of the Demerged Company, employees/personnel engaged on contract basis and contract labourers and interns/ trainees, both on-shore and off-shore, as are primarily engaged in or in relation to the Chemical Business Undertaking, business, activities and operations pertaining to the Chemical Business Undertaking, at its respective offices, branches etc., and any other employees/personnel and contract labourers and interns/trainees hired by the Demerged Company after the date hereof who are exclusively engaged in or in relation to the Chemical Business Undertaking, business, activities and operations pertaining to the Chemical Business Undertaking (collectively, "Chemical Business Undertaking Employees");
- (g) All liabilities present and future (including contingent liabilities pertaining to or relating to the Chemical Business Undertaking of the Demerged Company), as may be determined by the Board of the Demerged Company;
- (h) All deposits and balances with Government, Semi-Government, local and other authorities and bodies, customers and other persons, earnest moneys and/ or security deposits paid or received



by the Demerged Company, directly or indirectly in connection with or in relation to the Chemical Business Undertaking of the Demerged Company;

- (i) All books, records, files, papers, directly or indirectly relating to the Chemical Business Undertaking of the Demerged Company, whether kept in electronic form or otherwise, but shall not include any portion of the remaining business of the Demerged Company; and
- (j) Any other asset / liability which is deemed to be pertaining to the Chemical Business Undertaking by the Board of the Demerged Company.

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

- 1.8. **"Effective Date" or "coming into effect of this Scheme" or "upon the scheme becoming effective" or "effectiveness of the scheme"** means the date on which the certified copies of the orders of National Company Law Tribunal sanctioning this Scheme, is filed by GFL 1 and GFL 2 with the jurisdictional Registrar of Companies;

- 1.9. **"National Company Law Tribunal" or "Tribunal" or "NCLT"** means the National Company Law Tribunal, Ahmedabad Bench as constituted and authorized as per the provisions of the Companies Act, 2013 for approving any scheme of arrangement, compromise or reconstruction of companies under Section 230 – 232 of the Companies Act, 2013 of the Companies Act, 2013;

- 1.10. **"Record Date"** shall be the date to be fixed by the Board of the Resulting Company in consultation with GFL 1 for the purpose of determining the equity shareholders of GFL 1 to whom Resulting Company would issue equity shares pursuant to this Scheme;



- 1.11. **"Reserve pertaining to the Chemical Business Undertaking"** means the reserves of the Demerged Company as on the Appointed Date relating to the Chemical Business Undertaking and transferred as a part of Chemical Business Undertaking;

- 1.12. **"Resulting Company" OR GFL2** means Inox Fluorochemicals Limited, company incorporated under the Act under Corporate Identification Number **U24304GJ2018PLC105479** and having registered office at Survey No 16/3 26 27 Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, State Gujarat - 389380 India. The Resulting Company is a wholly owned subsidiary of GFL 1;

- 1.13. **"Scheme" or "the Scheme" or "this Scheme"** means the Scheme of Arrangement in its present form (along with any annexures, schedules, etc., annexed/attached hereto) or with any modification(s) and amendments made under Clause 16 of this Scheme from time to time and with appropriate approvals and sanctions as imposed or directed by the Tribunal or such other competent authority, as may be required under the Act, as applicable, and under all other applicable laws;

- 1.14. **"SEBI"** means the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992;

- 1.15. **"SEBI Circular"** means the circular issued by the SEBI, being Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017 and any amendments thereof or modifications issued pursuant to regulations 11, 37 and 94 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015;

- 1.16. **"Share Entitlement Ratio"** means the ratio in which the equity shares of Resulting Company are to be issued and allotted to the shareholders of GFL 1 on demerger as per Part B of this Scheme;

- 1.17. **"Stock Exchanges"** means the BSE Limited ('BSE') and/ or wherever applicable, the National Stock Exchange of India Limited ('NSE');



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

In the Scheme, unless the context otherwise requires:

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

2. DATE OF TAKING EFFECT AND OPERATIVE DATE

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

3. SHARE CAPITAL

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



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

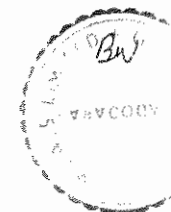
From March 31, 2018 until the date of the Scheme being approved by the Board of GFL 1, there has been no change in the authorised, issued, subscribed and paid up share capital of GFL 1.

- 3.2. The authorized, issued, subscribed and paid-up share capital of GFL 2 as on 06th December 2018 is as under:

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

PART B:

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



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

4.1. The Chemical Business Undertaking of the Demerged Company as defined in Clause 1.7 shall stand transferred to and vested in or deemed to be transferred to and vested in the Resulting Company, as a going concern, in accordance with Section 2(19AA) of the Income Tax Act, 1961 and in the following manner:

4.1.1. All Chemical Business Undertaking Assets that are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery or by operation of law pursuant to the vesting order of the NCLT sanctioning the Scheme and its filing with the Registrar of Companies concerned shall stand vested in the Resulting Company and shall be deemed to be and become the property and as an integral part of the Resulting Company by operation of law. The vesting order and sanction of the Scheme shall operate in relation to the movable property in accordance with its normal mode of vesting through the Resulting Company and as the context may provide, by physical or constructive delivery or novation, or by endorsement and delivery, or by mere operation of the vesting order and its record or registration with the Registrar in accordance with the Act, as appropriate to the nature of the movable property vested. Upon the Scheme becoming effective the title to such property shall be deemed to have been mutated and recognized as that of the Resulting Company.

4.1.2. All Chemical Business Undertaking Assets that are other movable properties, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, pursuant to the vesting order and by operation of law become the property of the Resulting Company, and the title thereof together with all rights, interests or obligations therein shall be deemed to have been mutated and recorded as that of the Resulting Company and any document of title pertaining to the



assets of the Chemical Business Undertaking shall also be deemed to have been mutated and recorded as titles of the Resulting Company to the same extent and manner as originally held by the Demerged Company and enabling the ownership, right, title and interest therein as if the Resulting Company was originally the Demerged Company. The Resulting Company shall subsequent to the vesting order be entitled to the delivery and possession of all documents of title of such movable property in this regard.

- 4.1.3. All immovable properties of the Chemical Business Undertaking (including but not limited to the immovable properties mentioned in Schedule I), including owned land, leasehold land, together with the buildings and structures standing thereon and rights and interests in immovable properties of the Chemical Business Undertaking, whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto shall stand vested in and/or be deemed to have been vested in the Resulting Company, by operation of law pursuant to the vesting order of the NCLT sanctioning the Scheme, and its filings with the concerned Registrar of Companies. Such assets shall stand vested in the Resulting Company and shall be deemed to be and become the property as an integral part of the Resulting Company by operation of law. The Resulting Company shall simultaneous with the filing and registration of the order of the NCLT sanctioning the Scheme be always entitled to all the rights and privileges attached in relation to such immovable properties and shall be liable to pay appropriate rent, rates and taxes and fulfil all obligations in relation thereto or as applicable to such immovable properties. Upon the Scheme becoming effective, the title to such properties shall deemed to have been mutated and recognised as that of the Resulting Company and the mere filing thereof with the appropriate Registrar or Sub-Registrar of Assurances or with the relevant Government shall suffice as record of continuing titles with the Resulting Company pursuant to the Scheme becoming effective and shall constitute a deemed mutation and substitution thereof. The Resulting Company shall subsequent to the vesting order be entitled to the delivery and possession of all documents of title to such immovable properties in this



regard. It is hereby clarified that all the rights, title and interest of the Chemical Business Undertaking in any leave & license, leasehold properties shall, pursuant to Section 232 of the Act and the provisions of this Scheme, without any further act, instrument or deed, be vested in or be deemed to have been vested in the Resulting Company.

- 4.1.4. Notwithstanding anything contained in this Scheme, in respect of the immovable properties pertaining to the Chemical Business Undertaking of the Demerged Company, whether owned or leased, the Board of the Resulting Company may determine, for the purpose inter alia of payment of stamp duty, and vesting unto the Resulting Company and if the Board of the Resulting Company so decide, the concerned parties, whether executed before or after the Effective Date, shall execute and register or cause so as to be done, separate deeds of conveyance or deed of assignment of lease, as the case may be, in favour of the Resulting Company in respect of such immovable properties. Each of the immovable properties, only for the payment of stamp duty, shall be deemed to be conveyed at a consideration being the ready-reckoner value of such properties. The execution of such conveyance shall form an integral part of the Scheme.

- 4.1.5. All Chemical Business Undertaking Liabilities including debts, liabilities (including deferred tax liability), contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not in the books of account or disclosed or not in the balance sheets of the Demerged Company shall stand vested in the Resulting Company and shall upon the scheme becoming effective be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company, and the Resulting Company shall undertake to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement

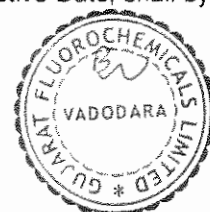


by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause.

4.1.6. The transfer and vesting as aforesaid of the debts / liabilities shall be subject to the existing charges/ hypothecation/ mortgages, if any, as may be subsisting and created over or in respect of the said assets or any part thereof, provided however, any reference in any security documents or arrangements with respect to Chemical Business Undertaking to which the Demerged Company is a party wherein the assets of the Chemical Business Undertaking have been or are offered or agreed to be offered as security for any financial assistance or obligations shall be construed as reference only to those assets pertaining to the Chemical Business Undertaking and vested in the Resulting Company by virtue of this Scheme to the end and intent that the charges shall not extend or deemed to extend to any other assets, if any of the Resulting Company

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

4.1.7. All Chemical Business Undertaking Contracts including contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies) for the purpose of carrying on the Chemical Business of the Demerged Company, and in relation thereto, and those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Chemical Business Undertaking, or to the benefit of which Chemical Business Undertaking may be eligible and which are subsisting or having effect immediately before the Effective Date, shall by



endorsement, delivery or by operation of law pursuant to the vesting order of NCLT sanctioning the Scheme, and its filing with the Registrar of Companies concerned, be deemed to be contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies) of the Resulting Company. Such properties and rights described hereinabove shall stand vested in the Resulting Company and shall be deemed to be the property and become the property by operation of law as an integral part of the Resulting Company. Such contracts and properties described above shall continue to be in full force and continue as effective as hitherto in favour of or against the Resulting Company and shall be the legal and enforceable rights and interests of the Resulting Company, which can be enforced and acted upon as fully and effectually as if, it were the Demerged Company, as the Resulting Company is its successor in interest. Upon the Scheme becoming effective, the rights, duties, obligations, interests flowing from such contracts and properties, shall be deemed to have been entered in and novated to the Resulting Company by operation of law and the Resulting Company shall be deemed to be its substituted party or beneficiary or obligor thereto. In relation to the same any procedural requirements required to be fulfilled solely by the Demerged Company (and not by any of its successors), shall be fulfilled by the Resulting Company as if it were the duly constituted attorney of the Demerged Company. Upon this Scheme becoming effective and with effect from the Appointed Date, any contract of the Demerged Company relating to or benefiting at present the Demerged Company and the Chemical Business Undertaking, shall be deemed to constitute separate contracts, thereby relating to and/or benefiting the Resulting Company, respectively

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



Demerged Company into the Resulting Company or of anything contained in this Scheme, but by virtue of the vesting and sanction order, such legal proceedings shall continue and any prosecution shall be enforced by or against the Resulting Company in the same manner and to the same extent as would or might have been continued, prosecuted and/or enforced by or against the Demerged Company, as if this Scheme had not been implemented.

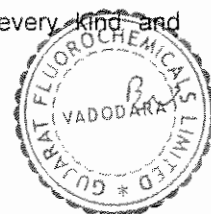
- 4.1.9. All the Chemical Business Undertaking employees shall become employees of and be employed / appointed by the Resulting Company pursuant to the vesting order and by operation of law, with effect from the Effective Date, on such terms and conditions as are no less favourable than those on which they are currently engaged by the Demerged Company, without any interruption of service as a result of this hiving-off, without any further act, deed or instrument on the part of the Demerged Company or the Resulting Company. With regard to provident fund, gratuity, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees, the Resulting Company shall stand substituted for the Demerged Company for all purposes whatsoever, upon this Scheme becoming effective, including with regard to the obligation to make contributions to relevant authorities, such as the Regional Provident Fund Commissioner or to such other funds maintained by the Demerged Company, in accordance with the provisions of applicable laws or otherwise. It is hereby clarified that upon this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to such employees and the services of all such employees of the Demerged Company for such purpose shall be treated as having been continuous.
- 4.1.10. All Chemical Business Undertaking IP including registrations, goodwill, licenses, brands, service marks, copyrights, domain names, applications for copyrights, trade names and trademarks pertaining to the Chemical Business Undertaking of the Demerged Company, if any, shall stand vested in the Resulting Company without any further act, instrument or



deed (unless filed only for statistical record with any appropriate authority or Registrar), upon filing of the order of the NCLT sanctioning the Scheme, with the Registrar of Companies concerned. Any other intellectual property rights (not specifically covered above) presently held by the Demerged Company, that relates to or benefit at present the Demerged Company and the Chemical Business Undertaking, shall be deemed to constitute separate intellectual property rights and the necessary substitution/ endorsement shall be made and duly recorded in the name of the Demerged Company and the Resulting Company, respectively, by the relevant authorities pursuant to the sanction of this Scheme by NCLT.

4.1.11. All taxes payable by or refundable to or relatable to the Chemical Business Undertaking of the Demerged Company, including all or any refunds or claims shall be treated as the tax liability or refunds/claims, as the case may be, of the Resulting Company, and any tax incentives including but not limited to benefits under income tax, such as credit for advance tax, tax deducted at source, unutilized deposits or credits (net of provisions there against), MAT credit whether or not recorded in the books, unabsorbed depreciation, unabsorbed business tax losses, credit for service tax, sales tax / value added tax / goods and service tax and / or any other statutes, incentives, if any, advantages, privileges, exemptions, credits, holidays, remissions, reductions, etc as would have been available to Chemical Business Undertaking of the Demerged Company, shall pursuant to this Scheme becoming effective, be available to the Resulting Company.

4.1.12. All Chemical Business Undertaking Licenses including approvals, consents, exemptions, Unique Identification Numbers, Legal Entity Identification Number, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), environmental clearances, No Objection Certificates, Consent Orders, approvals, etc., and certificates of every kind and



description whatsoever in relation to the Chemical Business Undertaking, or to the benefit of which the Chemical Business Undertaking may be eligible/entitled, and which are subsisting or having effect immediately before the Effective Date, shall by endorsement, delivery or by operation of law pursuant to the vesting order of NCLT sanctioning the Scheme, and its filing with the Registrar of Companies concerned, be deemed to be approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description of whatsoever nature of the Resulting Company, and shall be in full force and effect in favour of the Resulting Company and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligor thereto. Such of the other permits, licenses, consents, approvals, authorizations, quotas, rights, entitlements, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, easements, tenancies, privileges and similar rights, and any waiver of the foregoing, as are held at present by the Demerged Company, but relate to or benefitting the Demerged Company and the Chemical Business Undertaking, shall be deemed to constitute separate permits, licenses, consents, approvals, authorizations, quotas, rights, entitlements, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, easements, tenancies, privileges and similar rights, and any waiver of the foregoing, and the necessary substitution/endorsement shall be made and duly recorded in the name of the Resulting Company, respectively, by the relevant authorities pursuant to the sanction of this Scheme by NCLT. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall take on record the drawn up order of NCLT sanctioning the Scheme on its file and make and duly record the necessary substitution or endorsement in the name of the Resulting Company as successor in interest, pursuant to the sanction of this Scheme by NCLT, and upon this Scheme



becoming effective in accordance with the terms hereof. For this purpose, the Resulting Company shall file certified copies of such sanction order, and if required file appropriate applications, forms or documents with relevant authorities concerned for statistical, information and record purposes only, and there shall be no break in the validity and enforceability of approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description of whatsoever nature.

4.1.13. Benefits of any and all corporate approvals as may have already been taken by the Demerged Company with respect to the Chemical Business Undertaking, whether being in the nature of compliances or otherwise, including without limitation, approvals under Sections 180, 185, 186, 188, etc; of the Act read with the rules and regulations made there under, shall stand vested in the Resulting Company and the said corporate approvals and compliances shall, upon this Scheme becoming effective, be deemed to have been taken/complied with by the Resulting Company.

4.1.14. All estates, assets, rights, title, interests and authorities accrued to and/or acquired by the Demerged Company in relation to the Chemical Business Undertaking shall be deemed to have been accrued to and/or acquired for and on behalf of the Resulting Company and shall, upon this Scheme coming into effect, pursuant to the provisions of Section 232 and other applicable provisions of the Act, without any further act, instrument or deed be and stand vested in or be deemed to have been vested in the Resulting Company to that



extent and shall become the estates, assets, right, title, interests and authorities of the Resulting Company.

4.1.15. For avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified that with effect from the Effective Date and till such time that the name of the bank accounts of the Demerged Company, in relation to or in connection with the Chemical Business Undertaking, have been replaced with that of the Resulting Company, the Resulting Company shall be entitled to operate the bank accounts of the Demerged Company, in relation to or in connection with the Chemical Business Undertaking, in the name of the Demerged Company in so far as may be necessary. All cheques and other negotiable instruments, payment orders received or presented or issued for encashment which are in the name of the Demerged Company, in relation to or in connection with the Chemical Business Undertaking, after the Effective Date shall be accepted by the bankers of the Resulting Company and credited / debited to the account of the Resulting Company, if presented or issued by the Resulting Company. The Resulting Company shall be allowed to maintain bank accounts in the name of the Demerged Company for such time as may be determined to be necessary by the Resulting Company for presentation and deposition of cheques and pay orders that have been issued by or in the name of the Demerged Company, in relation to or in connection with the Chemical Business Undertaking. It is hereby expressly clarified that any legal proceedings by or against the Demerged Company, in relation to or in connection with the Chemical Business Undertaking, in relation to the cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Demerged Company shall be instituted, or as the case maybe, continued by or against the Resulting Company after coming into effect of the Scheme.

4.1.16. This Part of the Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under Section 2(19AA) of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions



of the said Section of the Income Tax Act, 1961, at a later date, the provisions of the said Section of the Income Tax Act, 1961, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(19AA) of the Income Tax Act, 1961. Such modification will however not affect the other parts of the Scheme.

5. CONSIDERATION

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

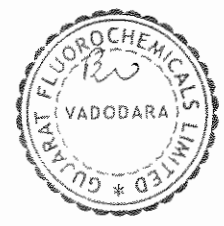
" 1 (One) fully paid up Equity Share of face value of Re. 1 each of the Resulting Company shall be issued and allotted as fully paid up for every 1 (One) Equity Share of face value of Re. 1 each fully paid up held in the Demerged Company."

5.2. In the event that the Demerged Company/ the Resulting Company restructures its equity share capital by way of share split/consolidation/issue of bonus shares during the pendency of the Scheme, the Share Entitlement Ratio shall be adjusted accordingly to take into account the effect of any such corporate actions.

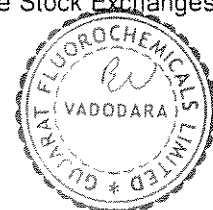
5.3. The Resulting Company shall take necessary steps to increase or alter or re-classify, if necessary, its authorized share capital suitably to enable it to issue and allot the shares required to be issued and allotted by it under this Scheme.



- 5.4. The shares to be issued and allotted as above shall be subject to the Scheme and in accordance with the Memorandum and Articles of Association of the Resulting Company.
- 5.5. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholders of the Demerged Company, the Board of Directors of the Demerged Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of equity shares in the Demerged Company, after the effectiveness of this Scheme.
- 5.6. The equity shares issued and allotted by the Resulting Company in terms of this Scheme shall rank pari-passu in all respects with the existing equity shares of the Resulting Company.
- 5.7. The issue and allotment of equity shares as provided in Clause 5.1, is an integral part hereof and shall be deemed to have been carried out under the orders passed by the Tribunal without requiring any further act on the part of the Resulting Company or the Demerged Company or their shareholders and as if the procedure laid down under the Act and such other Applicable Laws as may be applicable were duly complied with. It is clarified that the approval of the members and creditors of the Resulting Company and/ or the Demerged Company to this Scheme, shall be deemed to be their consent/ approval for the issue and allotment of equity shares, as the case may be, pursuant to the aforesaid Clause 5.1.
- 5.8. The Resulting Company shall to the extent required, increase its authorized share capital to facilitate issue of equity shares under this Scheme. The approval of this Scheme by the shareholders of the Demerged Company and the Resulting Company under Sections 230 and 232 of the Act shall be deemed to be the approval under Sections 13 and 14 of the Companies Act, 2013 and other applicable provisions of the Act and any other consents and approvals required in this regard.



- 5.9. The equity shares shall be issued in dematerialized form, to those shareholders who hold shares of the Demerged Company in dematerialized form, into the account in which the Demerged Company shares are held or such other account as is intimated by the shareholders to the Demerged Company and / or its Registrar before the Record Date. All those shareholders who hold shares of the Demerged Company in physical form shall also have the option to receive the equity shares, as the case may be, in dematerialized form provided the details of their account with the Depository Participant are intimated in writing to the Demerged Company and/or its Registrar before the Record Date. The shareholders who fail to provide such details shall be issued equity shares in physical form.
- 5.10. Inter-company holding, if any, as on the Appointed Date, between the Demerged Company and the Resulting Company, shall be cancelled pursuant to this Scheme.
- 5.11. The Board of Directors of the Resulting Company shall, if and to the extent required, apply for and obtain any approvals from concerned Government/Regulatory authorities and undertake necessary compliance for the issue and allotment of equity shares to the members of the Demerged Company pursuant to Clause 5.1 of the Scheme.
- 5.12. The equity shares issued and/or allotted pursuant to Clause 5.1, in respect of such of the equity shares of Demerged Company which are held in abeyance under the provisions of Section 126 of the Act shall, pending settlement of dispute by order of court or otherwise, be held in abeyance by Resulting Company.
- 5.13. The equity shares to be issued by the Resulting Company to the members of the Demerged Company pursuant to Clause 5.1 of this Scheme will be listed and/or admitted to trading in terms of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 or Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (as applicable) on all the Stock Exchanges



on which shares of the Demerged Company are listed on the Effective Date. The Resulting Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for the Resulting Company for complying with the formalities / requirements of the said Stock Exchanges. The equity shares of the Resulting Company allotted pursuant to the Scheme shall remain frozen in the depositories system till listing and trading permission is given by the designated Stock Exchanges. There shall be no change in the shareholding pattern or control in the Resulting Company between the Record Date and the listing which may affect the status of approvals received from the Stock Exchanges. The Resulting Company shall not issue/ reissue any other shares under this Scheme, except as expressly stated herein below..

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



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

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

7. ACCOUNTING TREATMENT

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

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

7.1.1. Upon the Scheme becoming effective and with effect from the Appointed Date, the Demerged Company shall reduce the book value of all assets, liabilities and reserves pertaining to the Chemical Business Undertaking of Demerged Company from its books of accounts.

7.1.2. Loans and advances, receivables, payables and other dues outstanding between the Demerged Company and the Resulting Company, if any, relating to the Chemical Business



Undertaking will stand cancelled and there shall be no further obligation / outstanding in that behalf.

7.1.3. The Demerged Company, as on the Appointed Date, shall transfer the balances of all the reserves (except Capital Redemption Reserve) to the Resulting Company, in the proportion of Net Assets transferred to the Resulting Company and Net Assets retained by the Demerged Company ("Transferred Reserves"). The Transferred Reserves shall consist of the entire balance of Capital Reserve and Cash Flow Hedge Reserve, part or the entire balance of General Reserve as may be required and balance, if any, from Retained Earnings.

7.1.4. The Capital Redemption Reserve and part of General Reserve and / or Retained Earnings not forming part of Transferred Reserves pursuant to clause 7.1.3 shall be retained by the Demerged Company.

7.1.5. The difference, if any, between the Net Assets and Transferred Reserves (transferred pursuant to clause 7.1.3) pertaining to the Chemical Business Undertaking demerged from Demerged Company pursuant to this Scheme shall be adjusted against the balance in General Reserves or Retained Earnings of the Demerged Company.

7.1.6. Investments in the equity share capital of the Resulting Company as on the Appointed Date will stand cancelled and be debited to Retained Earnings.

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

7.2. In the Books of the Resulting Company:-

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

7.2.1. The Resulting Company shall record the assets and liabilities pertaining to the Chemical Business Undertaking, transferred to and vested in it pursuant to this Scheme at their respective carrying values as appearing in the books of the Demerged Company:



7.2.2. Loans and advances, receivables, payables and other dues outstanding between the Demerged Company and the Resulting Company relating to the Chemical Business Undertaking, if any, will stand cancelled and there shall be no further obligation / outstanding in that behalf;

7.2.3. The Resulting Company shall credit to its share capital in its books of account, the aggregate face value of the equity shares issued by it to the members of the Demerged Company pursuant to Clause 5.1 of this Scheme; and

7.2.4. The identity of the reserves (including Capital Reserve, Cash Flow Hedge Reserve, General Reserve and Retained Earnings, as may be applicable) transferred by GFL 1 to GFL 2 pertaining to the Chemical Business Undertaking of GFL 1 pursuant to clause 7.1.3 above shall be preserved and vested in it and shall appear in the financial statements of GFL 2 in the same form and manner, in which they appeared in the financial statements of GFL 1, prior to Scheme becoming effective.

7.2.5. Upon coming into effect of the Scheme, the pre-demerger shareholding of the Demerged Company in the Resulting Company shall be cancelled and the amount of such share capital, as stands cancelled, be credited to Capital Reserve.

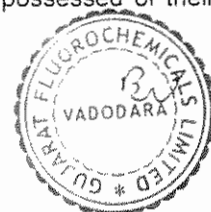
7.2.6. The difference between the Net Assets transferred from Demerged Company pursuant to Clause 7.2.1 and aggregate of the share capital issued pursuant to Clause 7.2.3, the Transferred Reserves and after giving effect to inter-company balances, if any, as per Clause 7.2.2, shall be adjusted against Capital Reserve transferred from the demerged company in accordance with accounting principles prescribed in Ind AS 103.

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

8. CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE

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

(a) The Demerged Company shall carry on and be deemed to have carried on the business and activities in relation to Chemical Business Undertaking and shall stand possessed of their



properties and assets relating to Chemical Business Undertaking for and in trust for the Resulting Company and all the profits/losses accruing on account of the Chemical Business Undertaking shall for all purposes be treated as profits/losses of the Resulting Company.

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

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

9. **STAFF, WORKMEN & EMPLOYEES**

- 9.1. All the permanent employees of the Demerged Company engaged in or in relation to the Chemical Business Undertaking of the Demerged Company, who are in service on the date immediately preceding the Effective Date shall, on and from the Effective Date become and be engaged as the employees of the Resulting Company, without any break or interruption in service as a result of the



transfer and on terms and conditions not less favourable than those on which they are engaged by the Demerged Company immediately preceding the Effective Date.

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

9.3. It is provided that as far as the Provident Fund, Gratuity Fund and Pension and/ or Superannuation Fund or any other special fund created or existing for the benefit of the staff, workmen and other employees of the Demerged Company pertaining to the Chemical Business Undertaking are concerned, upon the Scheme becoming effective, the Resulting Company shall stand substituted for the Demerged Company in respect of the employees transferred with the Chemical Business Undertaking for all purposes whatsoever relating to the administration or operation of such Funds or Trusts or in relation to the obligation to make contribution to the said Funds or Trusts in accordance with the provisions of such Funds or Trusts as provided in the respective Trust Deeds or other documents. It is the aim and the intent of the Scheme that all the rights, duties, powers and obligations of the Chemical Business Undertaking of the Demerged Company in relation to such Funds or Trusts shall become those of the Resulting Company. The Trustees including the Board of Directors of the Demerged Company and the Resulting Company or through any committee/person duly authorized by the Board of Directors in this regard shall be entitled to adopt such course of action in this regard as may be advised provided however that there shall be no discontinuation or breakage in the services of the employees of the Demerged Company.



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

10. LEGAL PROCEEDINGS

10.1. All legal proceedings of whatsoever nature by or against the Demerged Company pending and/or arising before the Effective Date and relating to the Chemical Business Undertaking, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against the Resulting Company, as the case may be in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company. Any cost pertaining to the said proceedings between the Appointed Date and the Effective date incurred by the Demerged Company shall be reimbursed by the Resulting Company.

10.2. After the Effective Date, if any proceedings are taken against the Demerged Company in respect of the matters referred to in the Clause 10.1 above, they shall defend the same at the cost of the Resulting Company, and the Resulting Company shall reimburse and indemnify the Demerged Company against all liabilities and obligations incurred by the Demerged Company in respect thereof.

10.3. The Resulting Company undertakes to have all legal or other proceedings initiated by or against the Demerged Company referred to in Clauses 10.1 or 10.2 above transferred into its name and to have the same continued, prosecuted and enforced by or against the Resulting Company as the case may be, to the exclusion of the Demerged Company

11. CONTRACTS, DEEDS AND OTHER INSTRUMENTS



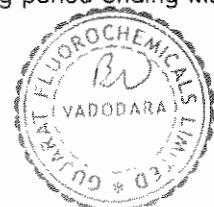
- 11.1. Notwithstanding anything to the contrary contained in the contract, deed, bond, agreement or any other instrument, but subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature and subsisting or having effect on the Effective Date and relating to the Chemical Business Undertaking of the Demerged Company, shall continue in full force and effect against or in favor of the Resulting Company and may be enforced effectively by or against the Resulting Company as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party thereto.
- 11.2. The Resulting Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, enter into, or issue or execute deeds, writings, confirmations, novations, declarations, or other documents with, or in favor of any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Resulting Company shall, be deemed to be authorised to execute any such writings on behalf of the Demerged Company and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of the Demerged Company.

12. **SAVING OF CONCLUDED TRANSACTIONS**

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

13. **PROFITS AND DIVIDENDS**

- 13.1. The Demerged Company and the Resulting Company shall be entitled to declare and pay dividends, to their respective shareholders in respect of the accounting period ending March 31,



2019 consistent with the past practice or in ordinary course of business, whether interim or final. Any other dividend shall be recommended/declared only by the mutual consent of the Demerged Company and the Resulting Company.

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

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

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

Upon sanction of this Scheme, the name of the Resulting Company shall automatically stand changed without any further act, instrument or deed on the part of the Resulting Company, to "Gujarat Fluorochemicals Limited" or such other name as may be approved by the concerned Registrar of Companies, unless already effected prior to sanction of the Scheme and the Memorandum of Association and Articles of Association of the Resulting Company shall, without



any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Section 13, 14 and 16 of the Companies Act, 2013 or any other applicable provisions of the Act, would be required to be separately passed.

PART D
GENERAL TERMS AND CONDITIONS

15. APPLICATION TO NCLT

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

16. MODIFICATION OR AMENDMENTS TO THE SCHEME

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

17. CONDITIONS PRECEDENT



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

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

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

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

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

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

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

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



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

- 18.2. The Demerged Company and the Resulting Company through their respective Board shall each be at liberty to withdraw from this Scheme (i) in case any condition or alteration imposed by any Appropriate Authority / person is unacceptable to any of them or (ii) they are of the view that coming into effect of the respective parts to this Scheme could have adverse implications on the respective companies.
- 18.3. In the event of revocation/withdrawal under Clauses 18.1 and 18.2 above, no rights and liabilities whatsoever shall accrue to or be incurred inter se the Demerged Company and the Resulting Company or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or in accordance with the Applicable Law and in such case, the Demerged Company and the Resulting Company shall bear its own costs, unless otherwise mutually agreed.

19. **COSTS, CHARGES & EXPENSES**

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



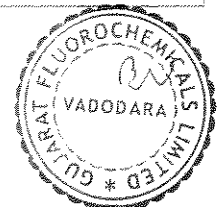
SCHEDULE I

LIST OF IMMOVABLE PROPERTIES OF THE COMPANY

Sr. no.	Details of Immovable Property	Location	Area
1	Owned Office Building (Land on lease)	Inox Towers, 17, Sector 16-A, Institutional Area, Noida, State Uttar Pradesh	Plot area 43056 sq ft Tower A + B - 66870 sq ft
2	Owned Office (Land on lease)	612-618, Narain Manzil, 23, Barakhamba Road, New Delhi – 110 003	3798 Sq. ft and four allotted car parking in the building
3	Owned Office (Land on lease)	7 th floor, Ceejay House, Dr. Annie Besant Road, Worli, Mumbai 400 018 State Maharashtra	4651 sq feet (super built up area)
4	Office Premises	Survey no 1834 & 1837, ABS Towers, Second Floor, Old Padra Road, Vadodara 390 007, State Gujarat	5405 sq ft
5	Office Premises	Survey No 1834 & 1837, ABS Towers, Third Floor, Old Padra Road, Vadodara 390007, State Gujarat	5405 sq ft
6	Office Premises	Survey No 1834 & 1837, ABS Towers, Fourth Floor, Old Padra Road, Vadodara 390007, State Gujarat	5405 sq ft
7	Other property (Owned)	3, Charotar Society, Old Padra Road, Vadodara 390007, State Gujarat	Plot area 5690 sq ft Construction area 5246 sq ft



8	Factory Land (Owned)	Survey no 16/3, Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, State Gujarat	13962 sq. mt
9	Factory Land (Owned)	Survey no 26 & 27 Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, State Gujarat	154097 sq mt
10	Factory Land (Owned)	Survey no 25/1 Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, , State Gujarat	Hectare Acre 3 -33 Guntha (15415 sq mtr)
11	Factory Land (Owned)	Survey no 25/2 (part) Village Ranjitnagar, Taluka Ghoghamba, District, Panchmahal, State Gujarat	Hectare 0 -99-15 (9915 sq mtr)
12	Factory land (Owned)	Survey no 25/2 Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, State Gujarat	Hectare 0 -99-15 (9915 sq mtr)
13	Factory land (Owned)	Land bearing Revenue Survey no 71/1 and 72/1 at Village Devpara, Taluka Chotila, District Surenderanagar, State Gujarat	71/1 -2774 sq mt 72/1 – 7714 sq mt.
14	Common Road for use for Land	Land bearing Revenue Survey no 71/1 and 72/1 at Village Devpara, Taluka Chotila, District Surenderanagar, State Gujarat	
15	Factory Land on lease from Gujarat Industrial	Land bearing following located at Dahej Industrial Estate, Taluka Vagra, District Bharuch, State Gujarat	



Development Corporation	1. Industrial Plot no 12-A	410587.78 sq mt
	2. Adjoin plot to Industrial Plot no 12 - A	11750.40sq mt
	3. Industrial Plot no D-2/CH-173	426352.03 sq mt
	4. Industrial Plot no D-2/CH-222	64115.14 sq mt.
	5. Residential Plot no A-49, A 68 and 69	13670.09 sq mt.
	Survey no.135/1, Village Jivapar ,Taluka Chotila, Moje Jivapar, State Gujarat (Wind Mill no GGM -113)	4.0 hectare i.e 40,000 sq mt
	Survey No. 15/2 , Village Sakhpar ,Taluka Chotila, Moje Sakhpar, State Gujarat (Wind Mill no GGM 21)	2.00 hectare i.e. 20,000 sq. mt.
	Survey no.40, Survey No.80/6(part),	3.0 hectare 1.0 hectare
	Survey no.84, Survey No.92, Village Tajpar ,Taluka Chotila, Moje Tajpar, State Gujarat (Wind Mill no GGM-129)	1.0 hectare 1.0 hectare Aggregating to 6.00 hectare i.e.60,000 sq mt.
	Survey No.134/2 (part), Village Jivapar, Taluka Chotila, Moje Jivapar (Anandpar) State Gujarat (Wind Mill no GGM -114 & 116)	4.00 hectare i.e 40,000 sq mt..
	Survey No.24/1, Village Sakhpur, Taluka Chotila, Moje Sakhpar	2.00 hectare i.e 20,000 sq mt..



		State Gujarat (Wind Mill no GGM -23 & 24)	
		Survey No.101/3, Survey No 101/4, Village Golida, Taluka Chotila, Moje Golida State Gujarat (Wind Mill no GGM – 106,107, 108)	2.0 hectare 1.0 hectre Aggregating to 3.00 hectare i.e. 30,000 sq mt.
		Survey No.405/45 (part), Survey No 270, Survey No.405/11 (part), Village Dhokadva, Taluka Chotila, Moje Dhokadva,State Gujarat (Wind Mill no GGM – 134,135,136,137,138,139)	3.0 hectare 3.0 hectare 2.0 hectare Aggregating to 8.00 heactare i.e 80,000 sq. mt.
		Survey No.60/10 (part), Taluka Chotila, Village Anandpar-Bhadla Moje Anandpar – Bhadla ,State Gujarat (Wind Mill no GGM – 89,90,91,92,93,94,,96,97,98)	10.00 hectare i.e. 100,000 sq mt.

