

MEGHMANI ORGANICS LIMITED



CORPORATE OFFICE: "MEGHMANI HOUSE", Behind Safal Profitaire, Corporate Road, Prahladnagar, Ahmedabad-380 015. Gujarat, (INDIA) Phone No.: +91 79 71761000, 29709600 Fax: +91 79 - 29709605 E-mail: helpdesk@meghmani.com Site: www.meghmani.com CIN: L24110GJ1995PLC024052



28/12/2020

| | |
|--|---|
| To, National Stock Exchange of India Limited "Exchange Plaza", Bandra-Kurla Complex, Bandra (East) <u>Mumbai 400 051</u> | To, BSE Limited Floor- 25, P J Tower, Dalal Street, <u>Mumbai 400 001</u> |
| SYMBOL:- MEGH | Scrip Code:- 532865 |

Dear Sir

Sub: Notice of the National Company Law Tribunal Convened Meeting of the Equity Shareholders of Meghmani Organics Limited.

This is to inform that the Hon'ble National Company Law Tribunal ("NCLT"), Ahmedabad Bench, vide its order dated 2nd December, 2020, has, inter-alia, directed a meeting of the Equity Shareholders of the Company to be held for the purpose of considering and if thought fit, approving, with or without modification(s), the proposed Composite Scheme of Arrangement in the nature of Demerger of Agrochemical and Pigment Undertaking of Meghmani Organics Limited to Meghmani Organochem Limited; and Amalgamation of remaining business undertaking of Meghmani Organics Limited with Meghmani Finechem Limited and their respective Shareholders and Creditors. ('Scheme').

In pursuance of the said Order and as directed therein, Notice is hereby given that a meeting of the Equity Shareholders of the Company will be held on **Thursday, 28th January, 2021 at 10:00 a.m. through Video conferencing or Other Audio-Visual Means.**

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the copy of the Notice along with the Explanatory Statement of the NCLT convened meeting of the Equity Shareholders of the Company

The Company is providing remote voting/ e-voting facility to the Equity Shareholders of the Company in connection with the resolution proposed in the aforesaid Notice of the NCLT convened meeting of the Equity Shareholders. The remote e-voting period will commence at 9.00 a.m. on Monday, 25th January, 2021 and will end at 5.00 p.m. on Wednesday, 27th January, 2021. The Company will also provide the facility of e-voting at the meeting. The Equity Shareholders of the Company, as at the cut-off date of 21st January, 2021, only shall be entitled to vote on the Scheme.

The said Notice along with the Explanatory Statement is also available on the website of the Company at www.meghmani.com.

You are requested to take the same on your records.

Thanking you.

Yours faithfully,
For Meghmani Organics Limited

K D Mehta
Company Secretary





MEGHMANI ORGANICS LIMITED

(CIN: L24110GJ1995PLC024052)

Registered office: Plot 184 Phase-II, GIDC, Vatva, Ahmedabad 382 445, Gujarat

Telephone: +91 79 71761000, 29709600 Fax: +91 79 29709605

Website: www.meghmani.com Email id: helpdesk@meghmani.com

NCLT Convened Meeting of Equity Shareholders

| | |
|------|--|
| Day | Thursday |
| Date | 28 th January, 2021 |
| Time | 10:00 am |
| Mode | Through Video Conferencing or Other Audio Video Means |

MEGHMANI ORGANICS LIMITED

(CIN: L24110GJ1995PLC024052)

Registered office: Plot 184 Phase-II, GIDC, Vatva, Ahmedabad 382 445, Gujarat
Telephone: +91 79 71761000, 29709600 Fax: +91 79 29709605
Website: www.meghmani.com Email id: helpdesk@meghmani.com

| REMOTE E-VOTIING | |
|-------------------------|---|
| Commencing on | Monday 25th January, 2021 09:00 AM |
| Ending on | Wednesday 27th January, 2021 05:00 PM |

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**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
AHMEDABAD BENCH
C A (CAA) NO. 69 OF 2020**

In the matter of the Companies Act, 2013;

AND

In the matter of Sections 230 to 232 read with Sections 66 and other applicable provisions of the Companies Act, 2013;

AND

In the matter of Composite Scheme of Arrangement in the nature of Demerger of Agrochemical and Pigment Undertaking of Meghmani Organics Limited to Meghmani Organochem Limited; and Amalgamation of remaining business undertaking of Meghmani Organics Limited with Meghmani Finechem Limited

Meghmani Organics Limited.
(CIN L24110GJ1995PLC024052)
A company incorporated under the
Companies Act, 1956 and having
its registered office at
Plot 184, Phase-II, GIDC, Vatva,
Ahmedabad 382 445,
In the State of Gujarat

...Applicant Demerged/Transferor Company

**NOTICE CONVENING THE MEETING OF EQUITY SHAREHOLDERS OF THE
APPLICANT COMPANY PURSUANT TO THE ORDER DATED 2nd DECEMBER, 2020 BY
THE NATIONAL COMPANY LAW TRIBUNAL, AHMEDABAD BENCH**

To,
All the Equity Shareholders of Meghmani Organics Limited

NOTICE is hereby given that by an Order dated 2nd December, 2020 ('Order'), the Ahmedabad Bench of the National Company Law Tribunal ('NCLT') has directed that a meeting of Equity Shareholders of the Applicant Company be convened and held on Thursday, 28th January, 2020 at 10:00 am through Video Conferencing or Other Audio Visual Means ('VC/OAVM') for the purpose of considering, and if thought fit, approving with or without modification(s), the proposed Composite Scheme of Arrangement in the nature of Demerger of Agrochemical and Pigment Undertaking of Meghmani Organics Limited to Meghmani Organochem Limited; and Amalgamation of remaining business undertaking of Meghmani Organics Limited with Meghmani Finechem Limited and their respective Shareholders and Creditors ('Scheme').



In pursuance of the Order read with General Circular issued by Ministry of Corporate Affairs ('MCA') viz. Circular No. 14 of 2020 dated April 08, 2020, Circular No. 17 of 2020 dated April 13, 2020 and Circular No. 20 of 2020 dated May 05, 2020 (collectively referred to as 'MCA Circulars'), a meeting of Equity Shareholders of the Applicant Company will be held on Thursday, 28th January, 2021 at 10:00 am, through VC/OAVM.

Take Further Notice that the Applicant Company has appointed **Central Depository Services Limited ('CDSL')** for providing VC/OAVM facility and remote e-voting as well as e-voting facility for the meeting of the Equity Shareholders to consider and approve the Scheme by passing the below mentioned resolution.

Take Further Notice that a copy of the Scheme, Notice along with Explanatory Statement and other Annexures as stated in the Index are enclosed herewith. Copy of the Scheme and the said Explanatory Statement can be obtained free of charge from the Registered Office of Applicant Company and/or from the office of the Advocate **Mrs. Swati Saurabh Soparkar, 301, Shivalik-10, Opp. SBI Zonal Office, S. M. Road, Ambavadi, Ahmedabad- 380015**, during normal business hours (**10:30 am to 6:30 pm**) from Monday to Friday upto the date of the meeting.

The Hon'ble Tribunal has appointed **Shri Mukeshbhai Khandwala**, an Independent Practicing Chartered Accountant and failing him **Shri Ashish Doshi** Independent Practicing Company Secretary, as **Chairman** of the said meeting including for any adjournment(s) thereof.

Equity Shareholders are requested to consider the following resolution and if thought fit, to pass with requisite majority, with or without modification(s):

"RESOLVED THAT pursuant to the provision of Sections 230 to 232 read with Section 66 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and enabling provisions in the Memorandum and Articles of Association of the Company and subject to compliance with various Securities and Exchange Board of India (SEBI) Regulations including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the observation letters issued by National Stock Exchange of India Limited and BSE Limited dated 4th September, 2020 respectively, and other applicable laws/regulations/rules and the sanction of the National Company Law Tribunal, Ahmedabad bench ("NCLT" or "Tribunal") and/or such other competent authority, as may be applicable, and subject to such conditions and modifications as may be prescribed or imposed by NCLT or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted



by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution), the arrangement embodied in the Composite Scheme of Arrangement between Meghmani Organics Limited , Meghmani Organochem Limited and Meghmani Finechem Limited and their respective Shareholders and Creditors ("**Scheme**"), which inter alia envisages Demerger of Agrochemical and Pigment Undertaking of Meghmani Organics Limited to Meghmani Organochem Limited, on a going concern basis; Change of terms of OCRPS issued by Meghmani Finechem Limited and Amalgamation of remaining business undertaking of Meghmani Organics Limited with Meghmani Finechem Limited, on a going concern basis, consequential de-listing of Singapore Depository Shares of MOL-1 at Singapore Exchange Securities Trading Limited ('SGX-ST') and for matters consequential, supplemental and / or otherwise integrally connected therewith as per the terms and conditions mentioned in the Scheme, be and is hereby approved."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Tribunal while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as the Board may deem fit and proper."

The Scheme, if approved in the aforesaid meeting, will be subject to the subsequent approval of NCLT.

The Shareholders may refer to the notes to this Notice for further details on e-voting.

Dated this 14th December, 2020

Place: Ahmedabad

Sd/-
Mukesh Khandwala
Chairman appointed for the meeting

Registered Office:
Plot 184 Phase-II,
GIDC, Vatva,
Ahmedabad 382 445,
in the state of Gujarat



Notes for the meeting of the Equity Shareholders of the Applicant Company:

1. As per NCLT Order dated 2nd December, 2020 ('Order') read with General Circular issued by Ministry of Corporate Affairs ('MCA') viz. circular No. 14 of 2020 dated April 08, 2020, Circular No. 17 of 2020 dated April 13, 2020 and Circular No. 20 of 2020 dated May 05, 2020 (collectively referred to as 'MCA Circulars'), Meeting of Equity Shareholders of Applicant De-merged/Transferor Company will be held through Video Conferencing/Other Audio Visual Means ('VC/OAVM'). The detailed procedure for participation in the meeting through VC/OAVM is as per **Note No.20**.
2. Since, the Meeting is being held pursuant to NCLT Order and MCA Circulars through VC/OAVM, physical attendance of the Equity Shareholders has been dispensed with. Accordingly, the facility for appointment of proxies by the Equity Shareholders will not be available for meeting.
3. The quorum for the meeting of the Equity Shareholders of the Applicant Company shall be 30 (Thirty) in number as fixed by the NCLT, Ahmedabad Bench. Equity Shareholders or Authorised Representative of Body Corporate attending the meeting through VC/OAVM shall be counted for the purpose of reckoning the quorum.
4. Corporate Shareholders intending to authorize their representatives to participate and vote through e voting on their behalf during the meeting are requested to send copy of the Board Resolution/ Authorisation letter together with attested specimen signature of the duly authorized signatory who are authorized to vote 48 hours before the Meeting to the Company at the Registered office of the Company or via email to helpdesk@meghmani.com
5. In compliance with the provisions of (i) Section 230 read with Sections 108 of the Companies Act, 2013; (ii) Rule 6(3)(xi) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016; (iii) Rule 20 and other applicable provisions of the Companies (Management and Administration) Rules, 2014; (iv) Regulation 44 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (v) Circular No. CFD/DIL3/ CIR/2017/21 dated 10th March, 2017 (as amended) issued by the Securities and Exchange Board of India, the Applicant Company has provided the facility of remote e-voting so as to enable the Equity Shareholders including Public Shareholders (as defined in the Note below), to consider and approve the Scheme by way of the aforesaid resolution. Accordingly, voting by Equity Shareholders of the Applicant Company to the Scheme shall be carried out through remote e-voting system as well as e-voting at the time of the meeting.
6. Each Equity Shareholders can opt for only one mode of e-voting i.e. either at the VC Meeting of the Equity Shareholders of the Company or by remote e-voting. If you opt for remote e-voting then you may attend the VC Meeting but cannot vote at VC Meeting and vice-versa. In case of Shareholders exercising their right to vote via both modes, i.e. at the VC Meeting of the Equity Shareholders of the Company as well as remote e-voting, then remote e-voting shall prevail over voting by the said Shareholders at the venue of the Meeting of the Equity Shareholders and votes cast at the venue of the Meeting by that Shareholders shall be treated as invalid. It is clarified that the votes cast by means of remote e-voting does not disentitle an Equity Shareholder as on the cut-off date from attending the Meeting.



7. Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017 ("SEBI Circular") issued by the Securities and Exchange Board of India ("SEBI"), inter alia, provides that approval of Public Shareholders of the Applicant Company to the Scheme shall be obtained and that the Applicant Company shall provide for voting through e-voting. Since the Applicant Company is seeking the approval of its Equity Shareholders to the Scheme by way of e-voting, no separate procedure for voting through e-voting would be required to be carried out by the Applicant Company for seeking approval to the Scheme by its Public Shareholders in terms of the SEBI Circular. The aforesaid notice sent to the Equity Shareholders of the Applicant Company would be deemed to be the notice sent to the Public Shareholders of the Applicant Company. For this purpose, the term "Public" shall have the meaning assigned to it in Rule 2(d) of the Securities Contracts (Regulations) Rules, 1957 and the term "Public Shareholders" shall be construed accordingly. In terms of SEBI Circular, the Applicant Company has provided the facility of voting by e-voting to its Public Shareholders.
8. The Equity Shareholders can join the meeting through VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the meeting by following the procedure mentioned in the Notice. The facility of participation during the Meeting through VC/OAVM will be made available for **1,000 Equity Shareholders** on first come first serve basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc, who are allowed to attend the meeting without restriction on account of first come first serve basis. Institutional Investors who are members are encouraged to attend the meeting and vote in respect of the proposed resolution.
9. The Explanatory Statement pursuant to Section 102 read with Sections 230 to 232 of the Companies Act, 2013 ('Act') and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 in respect of the business set out above is annexed hereto. All documents referred to in the accompanying Notice and the Explanatory Statement along with the Statutory Registers maintained by the Company will be available for inspection by the Equity Shareholders at the Registered Office of the Applicant Company during normal business hours (9:30 am to 5:00 pm) from Monday to Friday upto the date of the meeting.
10. Electronic Copy of Notice is being sent to all the Equity Shareholders of Applicant Company as on cut-off date being 02nd December 2020, whose e-mail addresses are registered with the Company/Depository Participants, for communication purpose. Equity Shareholders who have not registered their email addresses, physical copy is being sent by Registered Post/Speed Post at their registered addresses. In case e-mail addresses of any Equity Shareholder is not registered with the Company/Depository Participant may register the same by following below process:
Process for those shareholders whose email ids are not registered :
 - a) For Physical shareholders - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share Certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.
 - b) For Demat shareholders - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, Client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to Company/RTA email id.



| | |
|-------------------------|--|
| Physical Holding | <p>By clicking on the below link, Shareholders may register his/her email address, mobile number and bank details https://web.linkintime.co.in/EmailReg/Email_Register.html</p> <p>After clicking the link, Shareholders have to fill relevant details and attach documents as mentioned above</p> |
| Demat Holding | <p>By clicking on the below link, Shareholders may register his/her email address, mobile number and bank details https://web.linkintime.co.in/EmailReg/Email_Register.html</p> <p>After clicking the link, Shareholders have to fill relevant details and attach documents as mentioned above</p> |

11. This Notice will also be available on the Company's website i.e. www.meghmani.com, websites of the Stock Exchanges i.e. National Stock Exchange of India Limited at www.nseindia.com and BSE Limited and www.bseindia.com respectively and on the website of Central Depository Services Limited (CDSL) at www.evotingindia.com
12. The Notice convening the meeting will be published through an advertisement in '**Business Standard**', Ahmedabad edition in English language and '**Sandesh**', Ahmedabad and Vadodara edition in Gujarati language.
13. Pursuant to NCLT Order read with MCA Circulars, the Company is pleased to provide e-voting facility through CDSL to its Equity Shareholders. The Equity Shareholders of the Applicant Company whose names appear in the records of the Applicant Company as on **Thursday, January 21, 2021** shall be eligible to vote for the meeting of the Equity Shareholders of the Applicant Company ('cut-off date for e-voting'). It is hereby clarified that it is mandatory for Equity Shareholders to vote using the e-voting facility only, subject to compliance with the instructions for e-voting. The voting right may be exercised either by remote e-voting within prescribed period OR by e-voting during the meeting being convened through VC/OAVM.

Any person who becomes a Shareholder of the Applicant Company after dispatch of the Notice and whose names appear in the records of the Applicant Company as on the cut-off date for e-voting may cast his vote by following the instructions of remote e-voting and voting during the meeting provided in this Notice.

The information and other instructions regarding remote e-voting and e-voting during the meeting are detailed in **Note No. 20** As directed by Hon'ble Tribunal, **Mr. K.J. Shah, Practicing Company Secretary (Membership No 2420)**, has been appointed as the Scrutinizer to scrutinize the e-voting during the meeting and remote e-voting process in a fair and transparent manner.

14. The **Scrutinizer shall, immediately after and not later than 48** hours from conclusion of the meeting, **make a consolidated Scrutinizer's Report** of the total votes cast in favour and against the resolution and invalid votes, if any, **to the Chairman of the meeting, in writing**, who shall countersign the same.



15. The result of the voting shall be announced by the Chairman of the meeting in writing upon receipt of the Scrutinizer's Report. The results announced, along with the Scrutinizer's Report, shall be displayed at the Registered Office of the Applicant Company and its website viz. www.meghmani.com in and on the website of CDSL, immediately after declaration. The results shall also be immediately forwarded to the stock exchanges where the Company's equity shares are listed i.e. National Stock Exchange of India Limited and BSE Limited
16. The voting rights of the Equity Shareholders shall be in proportion to their shareholding in the Applicant Company as on cut-off date for e-voting.
17. The Scheme shall be considered approved by the Equity Shareholders of the Applicant Company if the resolution mentioned above in the Notice has been approved by majority of persons representing three-fourths in value of the Equity Shareholders in terms of Sections 230 to 232 of the Act.
18. Since the meeting will be held through VC/OAVM in accordance with the NCLT Order and MCA Circulars, the route map, proxy form and attendance slip are not attached to this Notice.
19. Voting Process and other instructions regarding e-voting before and during the Meeting and attending Meeting are given below:

THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:

The voting period begins on Monday, January 25, 2021 at 9.00 a.m. and ends on Wednesday, January 27, 2021 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date January 21, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

The Equity Shareholders should follow the following steps to cast their votes electronically.

- 1 The shareholders should log on to the e-voting website www.evotingindia.com.
- 2 Click on Shareholders.
- 3 Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

OR

- 4 Enter the Image Verification as displayed and Click on '**LOGIN**'

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - **Myeasi** using your login credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on e-Voting option and proceed directly to cast your vote electronically.
- 5 If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.



6 If you are a first time user follow the steps given below:

| For Members holding shares in Demat Form and Physical Form | |
|---|---|
| PAN | <ul style="list-style-type: none">• Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)• Members who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number, which is printed on the Address Sticker in case of physical copy and as mention in covering email in case of soft copy |
| Dividend Bank Details OR Date of Birth (DOB) | <ul style="list-style-type: none">• Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (3). |

7 After entering these details appropriately, click on "SUBMIT" tab.

8 Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field.

Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

9 For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

10 Click on the EVSN for the relevant **MEGHMANI ORGANICS LIMITED** on which you choose to vote.

11 On the voting page, you will see "**RESOLUTION DESCRIPTION**" and against the same the option "**YES/NO**" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

12 Click on the "**RESOLUTIONS FILE LINK**" if you wish to view the Notice

13 After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

14 Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.



- 15 If a demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

Shareholders can also cast their vote using CDSL's mobile app m-Voting. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

Note for Non – Individual Shareholders and Custodians

- 1 Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- 2 A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cDSLindia.com.
- 3 After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- 4 The list of accounts linked in the login should be mailed to helpdesk.evoting@cDSLindia.com and on approval of the accounts they would be able to cast their vote.
- 5 A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- 6 Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, atleast 48 hours before the to the Company at helpdesk@meghmani.com, if voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

THE INSTRUCTIONS FOR SHAREHOLDERS VOTING ON THE DAY OF THE NCLT CONVENED MEETING ON e-VOTING SYSTEM ARE AS UNDER: -

1. The procedure for e-Voting on the day of the meeting is same as the instructions mentioned above for Remote e-voting.
2. Only those Members/ shareholders, who will be present in the meeting through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available in the meeting.
3. If any Votes are cast by the members through the e-voting available during the meeting and if the same members have not participated in the Meeting through VC/OAVM facility, then the votes cast by such members shall be considered invalid as the facility of e-voting during the Meeting is available only to the members participating in the Meeting.
4. Members who have voted through remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the meeting.



20. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE NCLT CONVENED MEETING THROUGH VC/OAVM AREAS UNDER:

1. Member will be provided with a facility to attend the NCLT convened meeting through VC/OAVM through the CDSL e-Voting system. Members may access the same at <https://www.evotingindia.com> under shareholders / members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Members are encouraged to join the Meeting through Laptops/Personal Computers for better experience
3. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the Meeting.
4. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network.

It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the Meeting may register themselves as a speaker by sending their request 7 days prior to Meeting mentioning their name, demat account number/folio number, email id, mobile number at ir@meghmani.com and register themselves as speaker. Only those who have registered themselves as a speaker will be allowed to express their views/ask questions during the meeting.

If you have any queries or issues regarding attending e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to **Mr. Rakesh Dalvi, Manager, (CDSL)** Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

Members holding shares in physical form are requested to intimate Registrar and Transfer Agents of the Company viz., **Link Intime India Private Limited**, changes, if any, in their Bank details, registered address, Email ID, etc. along with their Pin Code. Members holding shares in electronic form may update such details with their respective Depository Participant.

Members holding shares in single name and in Physical form are advised to make nomination in respect of their shareholding in the Company.

* * *



EXPLANATORY STATEMENT UNDER SECTION 102 READ WITH SECTION 230 TO 232 OF THE COMPANIES ACT, 2013; AND RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATION) RULES, 2016

1. Pursuant to the Order dated 2nd December, 2020 passed by the National Company Law Tribunal, Ahmedabad Bench in the Company Application **No. CA (CAA) NO. 69 OF 2020** referred to a meetings of the Equity Shareholders, of Meghmani Organics Limited is being convened on **Thursday, 28th January, 2021** at 10.00 a.m., through VC/OAVM facility, for the purpose of considering and if thought fit, approving with or without modification(s), the proposed Composite Scheme of Arrangement between Meghmani Organics Limited, Meghmani Organochem Limited and Meghmani Finechem Limited and their respective Shareholders and Creditors, which inter alia envisages Demerger of Agrochemical and Pigment Undertaking of Meghmani Organics Limited (MOL-1) to Meghmani Organochem Limited, (MOL-2) on a going concern basis; Change of terms of OCRPS issued by Meghmani Finechem Limited. Amalgamation of remaining business undertaking of Meghmani Organics Limited (MOL-1) with Meghmani Finechem Limited, (MFL) on a going concern basis and consequential de-listing of Singapore Depository shares of MOL-1 listed on Singapore Exchange Exchange Securities Trading Limited (SGX- ST) under Section 230-232 and other applicable provisions of the Companies Act, 2013 ('Scheme').
2. The draft Scheme was approved by the Audit Committee of MOL-1 on 29th January 2020 after considering the recommendations on the Valuation report by Mr. Jigar Shah, Independent Chartered Accountant, Registered Valuer and the Fairness Opinion by M/s. Vivro Financial Services Private Limited, Category – 1 Merchant Banker. The Board of Directors of MOL-1, MOL_2 and MFL at their respective meetings held on 29th January 2020 approved the proposed Scheme. Copy of the Composite Scheme of Arrangement and the Audit Committee Report are enclosed herewith respectively as **Annexure 1 & 2**. Copy of the Valuation Report as well as Fairness Opinion is enclosed herewith respectively as **Annexure 3 & 4**.
3. MOL-1, the Applicant Demerged/Transferor Company being a listed public limited company, in compliance with the applicable SEBI Circulars, the draft Scheme , alongwith all requisite information and documents was presented to the concerned Stock Exchanges, viz. National Stock Exchange of India Limited and BSE Limited, for obtaining necessary approval from the Securities and Exchange Board of India ("SEBI") through the two Stock Exchanges. The approval in form of the letters dated 4th September 2020 received from National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) are enclosed herewith as **Annexure-5**.
4. The Stock Exchanges have observed that one of the Directors of MOL- 1, the Applicant Demerged/Transferor Company viz. Mr. Natwarlal Meghjibhai Patel is a director of a company viz. John Energy Limited. The said company has been declared to be a defaulter by the Reserve Bank of India. It has been clarified that the said Mr. Natwarlal Patel was an independent director of the said company since February 2009. However, he was not involved in the day to day activities of the said company. He had not given any personal guarantee to secure the loan for the said company. Hence, in his personal



capacity he is not a defaulter. It was also further clarified and confirmed that Mr. Natwarlal Patel has already resigned as a director of the said company viz. John Energy Limited vide his letter dated 16th July, 2020.

5. Further, MOL-1, the Applicant De-merged/Transferor Company as on 30th September 2020 has 2,55,33,980 SDS, each representing 0.50 paise Equity Share and which collectively constitute ownership in 1,27,66,990 Equity Shares, are listed and outstanding on the SGX-ST. Under the present Scheme, these SDS holders are offered the consideration in form of the shares respectively of MOL-2, the Resulting Company and MFL, the Transferee Company. However, in view of the consequential delisting of the shares from the SGX-ST, SDS holders are also entitled to Exit Offer, which is envisaged under Clause **No. 27** of the Scheme.

6. Background of the Companies:

A. Meghmani Organics Limited

- i. Meghmani Organics Limited ('MOL-1' or 'the Applicant Demerged/ Transferor Company') was incorporated on 2nd January 1995 under the provisions of the Companies Act, 1956 with the Office of Registrar of Companies, Gujarat.

The Registered Office of the said De-merged/Transferor Company is situated at Plot 184 Phase-II, GIDC, Vatva, Ahmedabad 382 445, in the State of Gujarat. The shares of the company are listed on 'NSE' and BSE since 28th June,2007 and its SDS are listed on the SGX-ST.

- ii. The e-mail id of Transferor Company is helpdesk@meghmani.com.
- iii. The Permanent Account Number of Transferor Company is AABCM0644E.
- iv. The Capital Structure of MOL-1 as on **30th September, 2020**, is as under:

| Particulars | Rs. |
|--|---------------------|
| Authorized Share Capital | |
| 37,00,00,000 Equity Shares of Re. 1 each | 37,00,00,000 |
| Total | 37,00,00,000 |
| Issued, Subscribed and Paid-up Share Capital | |
| 25,43,14,211 Equity Shares of Re. 1 each fully paid up | 25,43,14,211 |
| Total | 25,43,14,211 |

Subsequent to the above date, there has been no change in the Authorized, Issued, Subscribed and Paid up Share Capital of the MOL-1 till the date of filing of this Application with the NCLT.

- v. The main objects of MOL-1, the Demerged/ Transferor Company are fully set out in the Memorandum and Articles of Association The Main Objects are as under:



1. To carry on the business as manufacturers, processors, importers, exporters, buyers, sellers, dealers, consignors, consignees, agent, stockist, suppliers, of all kinds, types and nature of pigments, dyes, chemicals, auxiliaries, intermediates Agro chemicals, including but without limiting the generality of foregoing heavy chemicals, fine chemicals, organic and inorganic chemicals and allied chemicals used in agriculture pesticides and paper made from any such substances.
2. To carry on business as producers, importers, exporters, buyers, sellers, manufacturers, stockists, agents and brokers of coal, coke, charcoal, petroleum-coke, copper, iron, ore bauxite, kyanite, fire clay, chine-clay, salt, sodium chlorides, calcium phosphate, nickel beryllium, uranium, zinc, lead, asbestos, tin alumina, mercury, silicon, sulphur, graphite, brass aluminium, silica's and betonies, quartz, dextrin, magnesite, dolomite, Ferro-alloys, corundum, manganese, mica, gypsum, garnet, emerald and other minerals and to act as metal founders, manufacturers, agent and dealers of metal sheets, wires, squares, plates, metal foils, pipes, tubes, ingots, billets, circles bars, beams, circle angles, structures, coils, ferrous, non-ferrous metals, utensils, decorative and art materials.
3. To work mines or quarries and to find, win, get, work, crush, smelt, manufacture or otherwise deal with chalk, clay, ores and generally to carry on the business of mining of all branches.

There has been no change in the main objects of the De-merged/Transferor Company during the last 5 years.

- vi. The Company is engaged in several activities viz. engaged in the business of manufacturing and selling of Pigment and Agrochemicals products. It is also engaged in the business of trading in chemical products. The total income of the company for the financial year ended on 31st March, 2020 was around Rs. 1703 Crores on Standalone basis and around Rs. 2247 Crores on Consolidated basis. The operative profit was around Rs. 193 crores on Standalone basis and Rs. 289 crores on Consolidated basis. The Company has Reserves of around Rs. 965 Crores on Standalone basis and Rs. 1183 Crores on Consolidated basis. There has been no change in the name and registered office of Transferor Company during the last 5 years.
- vii. The Equity Shares of Transferor Company are listed on NSE as well as BSE . The Singapore Depository Shares (SDS) are listed on the SGX-ST.
- viii. The Shareholding Pattern of MOL-1 as on 30th September, 2020 is as under:

| Sr. No. | Category | No of Shareholders | Total Shares | % |
|---------|---|--------------------|------------------|---------------|
| A | Promoter & Promoter Group | 40 | 124591465 | 48.99 |
| B | Public | 110201 | 116955756 | 45.99 |
| C | Shares Underlying DRs (DBS Nominees (Private) Ltd) | 1 | 12766990 | 5.02 |
| | Total | 110242 | 254314211 | 100.00 |



- ix. The names of the Promoters and the present directors of Transferor Company along with their addresses as well as shareholding as on 30th September, 2020 are as follows:

| Sr. No. | Name | Address | No. of shares held |
|-------------------------------------|---------------------|---|--------------------|
| Promoter Group Individual(s) | | | |
| 1 | Mr. Jayanti Patel | 359, Lane No. 18, Satyagrah Chhavani, Satellite Road, Ahmedabad | 18760390 |
| 2 | Mr. Ashish Soparkar | 246, Lane No. 13, Satyagrah Chhavani, Satellite Road, Ahmedabad | 25567716 |
| 3 | Mr. Natwarlal Patel | 6-B, Ashok Vatika No. 1, Opp. Ekta Farm, Ambli, Bopal Road, Bodakdev, Ahmedabad | 25912130 |
| 4 | Mr. Ramesh Patel | 54, Shreenath Park, B/h Manek Baug Society, Ambawadi, Ahmedabad | 16905567 |
| 5 | Mr. Anand Patel | 53, Shreenath Park, B/h Manek Baug Society, Ambawadi, Ahmedabad | 8273200 |
| 6 | Mrs. Nayana Patel | 53, Shreenath Park, B/h Manek Baug Society, Ambawadi, Ahmedabad | 770000 |
| 7 | Mrs. Taraben Patel | 359, Lane No. 18, Satyagrah Chhavani, Satellite Road, Ahmedabad | 7360000 |
| | | Total | 103549003 |

| Directors | | | | |
|------------------|---------------------------|----------------------|---|--------------------|
| Sr. No. | Name | Category | Address | No. of shares held |
| 1 | Mr. Jayanti Patel | Executive Chairman | 359, Lane No. 18, Satyagrah Chhavani, Satellite Road, Ahmedabad | 18760390 |
| 2 | Mr. Ashish Soparkar | Managing Director | 246, Lane No. 13, Satyagrah Chhavani, Satellite Road, Ahmedabad | 25567716 |
| 3 | Mr. Natwarlal Patel | Managing Director | 6-B, Ashok Vatika No. 1, Opp. Ekta Farm, Ambli, Bopal Road, Bodakdev, Ahmedabad | 25912130 |
| 4 | Mr. Ramesh Patel | Executive Director | 54, Shreenath Park, B/h Manek Baug Society, Ambawadi, Ahmedabad | 16905567 |
| 5 | Mr. Anand Patel | Executive Director | 53, Shreenath Park, B/h Manek Baug Society, Ambawadi, Ahmedabad | 8273200 |
| 6 | Prof. (Dr) Ganapati Yadav | Independent Director | Palm Springs CHS, A 1201, Sector 7, Nr. Peer Sayyad Badshah Udyan, Airoli, Navi Mumbai- 400708, | 0 |
| 7 | Ms. Urvashi Shah | Independent Director | 26, Akashneem Bungalows, Opp Nehru Foundation, Vastrapur Road, Ahmedabad | 0 |
| 8 | Mr. Manubhai Patel | Independent Director | 141, Chitvan, Bopal, Ahmedabad | 0 |
| 9 | Mr. Bhaskar Rao | Independent Director | 235, Arcadia Road #03-02, Singapore-289843 | 0 |
| 10 | Mr. Liew Ching Seng | Independent Director | 15, Toh Crescent, Singapore | 0 |
| | | | Total | 95419003 |



- x. The Board of Directors of MOL-1 the De-merged /Transferor Company have at their meeting held on **29th January, 2020** unanimously approved the Scheme. The Directors who voted in favor of / against / did not participate or vote in relation to the Scheme are as follows:

| Sr. No. | Name of Directors | Voted in favour/ against/did not participate or vote |
|---------|-------------------------|--|
| 1 | Mr. Jayanti Patel | Voted in favour |
| 2 | Mr. Ashish Soparkar | Voted in favour |
| 3 | Mr. Natwarlal Patel | Voted in favour |
| 4 | Mr. Ramesh Patel | Voted in favour |
| 5 | Mr. Anand Patel | Voted in favour |
| 6 | Prof.(Dr)Ganapati Yadav | Voted in favour |
| 7 | Ms. Urvashi Shah | Voted in favour |
| 8 | Mr. Manubhai Patel | Voted in favour |
| 9 | Mr. Bhaskar Rao | Did not participate |
| 10 | Mr. Liew Ching Seng | Did not participate |

B. Meghmani Organochem Limited

- Meghmani Organochem Limited, (hereinafter referred to as 'MOL-2' or "the Applicant Resulting Company") was incorporated on 15th October, 2019 under the provisions of the Companies Act, 2013, with the office of the Registrar of Companies, Gujarat. The Registered Office of the said Company is situated at 1st, 2nd, 3rd Floor, Meghmani House, Nr. Raj Bungalow, Nr. Safal Profitaire, Prahlad Nagar, Ahmedabad 380015, in the state of Gujarat.
- The e-mail Id of the Resulting Company is helpdesk@meghmani.com.
- The Permanent Account Number of the Resulting Company is AANCM0056E
- The share Capital of MOL-2 as at **30th September 2020** is as under:

| Particulars | Rs. |
|---|-----------------|
| Authorised Share Capital | |
| 50,000 Equity Shares of Rs. 10 each | 5,00,000 |
| Total | 5,00,000 |
| Issued, Subscribed and Paid-up Share Capital | |
| 50,000 Equity Shares of Rs. 10 each | 5,00,000 |
| Total | 5,00,000 |

All the Equity Shares of the company are held by MOL-1, the holding company and its nominees. Hence, it is currently Wholly Owned Subsidiary of MOL-1, the Applicant Demerged Company. Subsequent to the above date, there has been no change in the Authorized, Issued, Subscribed and Paid up Share Capital of MOL-2 till the date of filing of this Application with the NCLT.



- v. The objects of MOL-2, the Resulting Company are set out in the Memorandum of Association. The Main Objects are as under:
1. To carry on India or elsewhere the business as manufacturers, processors, importers, exporters, buyers, sellers, dealers, Consignors, consignees, agent, stockist, suppliers, of all kinds, types and nature of Pigments, Dyes, Chemicals, Auxiliaries, Agro Chemicals its Intermediates, basic chemicals, including but without limiting the generality of foregoing, heavy chemicals, fine chemicals, organic and inorganic chemicals, fluoro chemicals, specialty chemicals, acids, alkalizes, industrial chemicals, laboratory chemicals, fatty acids, and other allied chemicals used in manufacturing pesticides, insecticides, herbicides, fungicides, germicides, weedicides and implementation of the Turnkey Project of Pigment, Dyes, Agrochemicals and its intermediates.
 2. To carry on business as producers, importers, exporters, buyers, sellers, manufacturers, stockists, agents and brokers of coal, coke, charcoal, petroleum-coke, copper, iron, ore bauxite, kyanite, fire clay, china-clay, salt, sodium chlorides, calcium phosphate, nickel beryllium, uranium, zinc, lead, asbestos, tin alumina, mercury, silicon, sulphur, graphite, brass aluminium, silica and betonies, quartz, dextrin, magnetite, dolomite, Ferro-alloys, corundum, manganese, mica, gypsum, garnet, emerald and other minerals and to act as metal founders, manufacturers, agent and dealers of metal sheets, wires, squares, plates, metal foils, pipes, tubes, ingots, billets, circles, bars, beams, circle angles, structures, coils, ferrous, non-ferrous metals, utensils, decorative, and art materials.
 3. To work mines or quarries and to find, win, get, work, crush, smelt, manufacture or otherwise deal with chalk, clay, ores and generally to carry on the business of mining of all branches.
- vi. MOL-2, the Applicant Resulting Company, is incorporated to engage in the business of manufacturing and selling of Pigment and Agro Chemicals. The Company is yet to commence its commercial activities and propose to carry on the business of the demerged Undertaking of MOL-1 upon the Scheme being effective.
- vii. The name of the Resulting Company or the Registered Office of the Resulting Company has not been changed since incorporation.
- viii. The names of the Promoters and the present directors of MOL-2 along with their addresses as well as Shareholding as on 30 th September, 2020 are as follows:



| Sr. No. | Name | Address | Number of Shares held |
|-----------------------------|---------------------------|---|-----------------------|
| Promoter Entity | | | |
| 1 | Meghmani Organics Limited | 184, Phase II, GIDC Vatva, Ahmedabad- 380015 | 4994 |
| Promoter Individuals | | | |
| 2 | Mr. Jayanti Patel | 359, Lane No. 18, Satyagrah Chhavani, Satellite Road, Ahmedabad | 1 |
| 3 | Mr. Ashish Soparkar | 246, Lane No. 13, Satyagrah Chhavani, Satellite Road, Ahmedabad | 1 |
| 4 | Mr. Natwarlal Patel | 6-B, Ashok Vatika No. 1, Opp. Ekta Farm, Ambli, Bopal Road, Bodakdev, Ahmedabad | 1 |
| 5 | Mr. Ramesh Patel | 54, Shreenath Park, B/h Manek Baug Society, Ambawadi, Ahmedabad | 1 |
| 6 | Mr. Anand Patel | 53, Shreenath Park, B/h Manek Baug Society, Ambawadi, Ahmedabad | 1 |
| 7 | Mr. Karana Patel | 54, Shreenath Park, B/h Manek Baug Society, Ambawadi, Ahmedabad | 1 |
| TOTAL | | | 5000 |

| Sr. No. | Name | Catagory | Address | Number of Shares held |
|------------------|---------------------|----------|---|-----------------------|
| Directors | | | | |
| 1 | Mr. Jayanti Patel | Director | 359, Lane No. 18, Satyagrah Chhavani, Satellite Road, Ahmedabad | 1 |
| 2 | Mr. Ashish Soparkar | Director | 246, Lane No. 13, Satyagrah Chhavani, Satellite Road, Ahmedabad | 1 |
| 3 | Mr. Natwarlal Patel | Director | 6-B, Ashok Vatika No. 1, Opp. Ekta Farm, Ambli, Bopal Road, Bodakdev, Ahmedabad | 1 |
| 4 | Mr. Ramesh Patel | Director | 54, Shreenath Park, B/h Manek Baug Society, Ambawadi, Ahmedabad | 1 |
| 5 | Mr. Anand Patel | Director | 53, Shreenath Park, B/h Manek Baug Society, Ambawadi, Ahmedabad | 1 |
| TOTAL | | | | 5 |



- ix. The Board of Directors of Resulting Company have at their meeting held on **29th January, 2020** unanimously approved the Scheme. The Directors who voted in favor of / against / did not participate or vote in relation to the Scheme are as follows:

| Sr. No. | Name of Director | Voted in favour/ against/did not participate or vote |
|---------|---------------------|--|
| 1 | Mr. Jayanti Patel | Voted in favour |
| 2 | Mr. Ashish Soparkar | Voted in favour |
| 3 | Mr. Natwarlal Patel | Voted in favour |
| 4 | Mr. Ramesh Patel | Voted in favour |
| 5 | Mr. Anand Patel | Voted in favour |

C. Meghmani Finechem Limited

- i. Meghmani Finechem Limited, (hereinafter referred to as 'MFL' OR the "Applicant Transferee Company" was incorporated on 11th September, 2007 as Public Limited Company, under the provisions of the Companies Act, 1956, with the office of the Registrar of Companies, Gujarat. The Registered Office of the Company is situated at Plot No. CH1/CH2, GIDC Industrial Estate, Dahej, Tal, Vagara, Dist. Bharuch 392310, in the State of Gujarat.
- ii. The e-mail Id of the Transferee Company is helpdesk@meghmani.com.
- iii. The Permanent Account Number of the Transferee Company is AAFCM2288N.
- iv. The share capital structure of MFL, the Transferee Company as on **30th September 2020** is as follows:

| Particulars | Rs. |
|---|----------------------|
| Authorised Share Capital | |
| 95,000,000 Equity Shares of Rs. 10 each | 95,00,00,000 |
| 2,000,000 Preference Shares of Rs. 100 each | 20,00,00,000 |
| 432,628,796 Preference Shares of Rs. 10/- each | 433,62,87,960 |
| Total | 547,62,87,960 |
| Issued, Subscribed and Paid-up Capital | |
| 41,193,114 Equity Shares of Rs. 10 each fully paid up | 41,19,31,140 |
| 210,919,871 8% Optionally Convertibles Redeemable Preference Share (OCRPS) of Rs. 10 each fully paid up | 210,91,98,710 |
| Total | 252,11,29,850 |



Subsequent to the above date, there has been no change in the Authorized, Issued, Subscribed and Paid up Share Capital of MFL till the date of filing of this Application with the NCLT.

- v. The objects of MFL, the Transferee Company are set out in the Memorandum of Association. The Main Objects are as under:

[A] Main object:-

1. To carry on in India or elsewhere, the business as manufacturers, producers, processors, makers, inventors, converters, importers, exporters, traders, buyers, sellers, retailers, wholesalers, suppliers, stockists, agents, sub-agents, consignees, merchants, distributors, jobbers of or otherwise deal in Basic and Fine Chemicals, Caustic Soda, Chlorine, Products manufactured from Chlorine, Polymers, sub Polymers its derivatives, Hydrogen and all kinds of substances, materials, minerals, and products, whether natural or artificial, including in particular, but without limitation, plastics, thermoplastics, Polypropylene, PVC products and Petrochemical products and goods and articles made from them and compounds, intermediates, derivatives, and by-products of them, implementation of the Turnkey Project for any basic and fine chemicals, plastic and petrochemical product and to manufacture moulds and machineries related to Plastic and Petrochemical Product.
2. To carry on the business as manufacturers, processors, importers, exporters, buyers, sellers, dealers, consignors, consignees, agent, stockiest, suppliers of all kinds, types and nature of agrochemicals including organic and inorganic chemicals and allied chemicals used in agriculture pesticides but without limiting the generality of foregoing pigments, dyes, chemicals, auxillaries, intermediates, heavy chemicals and fine chemicals and to invest in group entities.

There has been no change in the main objects of Second Transferee Company since incorporation.

- vi. MFL, the Applicant Transferee Company is currently a closely held public limited company. It is a Subsidiary of MOL-1 with 57.16% holding in MFL. Apart from this, the promoters of MOL-1, the Transferor Company hold 42.84% of the Equity Share Capital of the Transferee Company. It is engaged in manufacturing and selling of Chlorine and its Derivative products namely Caustic Soda–Chlorine and Caustic Potash. The total income of the company for the financial year ended on 31st March, 2020 was around Rs. 612 Crores and the Operative Profit was around Rs. 144 crores. The Company has Reserves of around Rs. 334 Crores.
- vii. There has been no change in the Name and Registered Office of the Transferee Company during the last 5 years.
- viii. The Equity Shares of the Transferee Company are currently not listed on any Stock Exchange.
- ix. The names of the Promoters and the present directors of the Transferee Company along with their addresses and with their shareholding as on 30th September, 2020 in the Company are as follows:



| Sr. No. | Name | Address | Number of Shares held |
|--|---------------------|---|-----------------------|
| Promoters and Promoter Group (Promoters Individual) | | | |
| 1 | Mr. Jayanti Patel | 359, Lane No. 18, Satyagrah Chhavani, Satellite Road, Ahmedabad | 1882414 |
| 2 | Mr. Ashish Soparkar | 246, Lane No. 13, Satyagrah Chhavani, Satellite Road, Ahmedabad | 2198563 |
| 3 | Mr. Natwarlal Patel | 6-B, Ashok Vatika No. 1, Opp. Ekta Farm, Ambli, Bopal Road, Bodakdev, Ahmedabad | 2227305 |
| 4 | Mr. Ramesh Patel | 54, Shreenath Park, B/h Manek Baug Society, Ambawadi, Ahmedabad | 1382414 |
| 5 | Mr. Anand Patel | 53, Shreenath Park, B/h Manek Baug Society, Ambawadi, Ahmedabad | 1069983 |
| 6 | Ms. Deval Soparkar | 246, Lane No. 13, Satyagrah Chhavani, Satellite Road, Ahmedabad | 158190 |
| 7 | Mr. Maulik Patel | 359, Lane No. 18, Satyagrah Chhavani, Satellite Road, Ahmedabad | 1897011 |

| Sr. No. | Name | Catagory | Address | Number of Shares held |
|--|---------------------------|------------------------------|--|-----------------------|
| Promoter and Promoter Group Entity(ies) | | | | |
| 1 | Meghmani Organics Limited | | 184, Phase II, GIDC Vatva, Ahmedabad- 380015 | 23545985 |
| Directors | | | | |
| 1 | Mr. Maulik Patel | Chairman & Managing Director | Lane No. 18, Bunglow No. 359, Satyagrah Chhavani, Satellite, Ahmedabad | 1897011 |
| 2 | Mr. Kaushal Soparkar | Managing Director | 246/A, Lane-13, Satyagrah Chhavni, Satellite, Ahmedabad- 380 015. | 1580747 |
| 3 | Mr. Ankit Patel | Executive Director | 6-B, Ashok Vatika No. 1, Opp. Ekta Farm, Ambli, Bopal Road, Bodakdev, Ahmedabad-380 058. | 1609603 |
| 4 | Mr. Karana Patel | Executive Director | 54, Shrinathpark Society, Bh. Manekbaug Society, Ambawadi, Ahmedabad- 380 05. | 505954 |
| 5 | Mr. Darshan Patel | Executive Director | 53, Shrinath Park Society, B/H. Manekbag, Ambawadi, Ahmedabad-380 015. | 300000 |
| 6 | Mr. Manubhai Patel | Independent Director | 141, Chitvan, Bopal, Ahmedabad | Nil |
| 7 | Mr. Balkrishna Thakkar | Independent Director | 265, Lane -14, Satyagrah Chhavani, Nr. Bhavnirzar, Satellite Road, Ahmedabad- 380 015 | Nil |
| 8 | Ms. Nirali Parikh | Independent Director | A-401, Ratnakar -3, Prernatirth Derasar Road, Satellite, Manekbag, Ahmedabad | Nil |



- x. The Board of Directors of the Transferee Company have at their meeting held on 29th January 2020, unanimously approved the Scheme. The Directors who voted in favor of / against / did not participate or vote in relation to the Scheme are as follows:

| Sr. No. | Name of Director | Voted in favor/ against/ did not participate or vote |
|---------|------------------------|--|
| 1 | Mr. Maulik Patel | Voted in favour |
| 2 | Mr. Kaushal Soparkar | Voted in favour |
| 3 | Mr. Ankit Patel | Voted in favour |
| 4 | Mr. Karana Patel | Voted in favour |
| 5 | Mr. Darshan Patel | Voted in favour |
| 6 | Mr. Manubhai Patel | Voted in favour |
| 7 | Mr. Balkrishna Thakkar | Voted in favour |
| 8 | Ms. Nirali Parikh | Voted in favour |

D. Relationship between the Companies involved in the Scheme:

MOL-1, the Demerged/Transferor Company is the holding company of MOL-2, the Resulting Company, holding 100% of the Equity Share Capital in MOL 2 along with its Nominee and is the holding company, with more than 50 % shareholding in MFL, the Transferee Company, as per Companies Act, 2013.

7. Rationale/Benefits of the Scheme:

All the companies belong to the same group of management. Viz. Meghmani Group. The Demerged Company viz. MOL is a well-established Listed Public Limited Company engaged in manufacturing variety of Agrochemical products as well as Pigments. The Transferee Company viz. MFL is engaged in manufacturing and Selling of Chloro- Alkali and its Derivatives.



Amongst others, demerger of Demerged Undertaking of MOL 1 into MOL 2 and the merger of Remaining business of MOL1 with MFL would result in the following benefits:-

- a) The proposed re-structuring would create enhanced value for the shareholders through potential unlocking of value through listing of both the businesses on the NSE and BSE (i.e. "Agrochemicals & Pigment" and "Chloro-Alkali and its Derivatives");
- b) The restructuring would allow a focused strategy and specialization for sustained growth, which would be in the best interest of all the stakeholders and the persons connected with the aforesaid companies;
- c) Since both the business are having separate growth trajectories, the proposed re-structuring would enable both the businesses to pursue their growth opportunities and offer investment opportunities to potential investors;
- d) The proposed re-structuring would enable MOL 1 to delist its SDS's listed on SGX-ST;
- e) The proposed re-structuring would provide opportunity to shareholders of MOL 1 to directly participate in Chloro-Alkali and its Derivatives business;
- f) The proposed re-structuring would enable investors to hold investments in the businesses with different investment characteristics, which best suit their investment strategies and risk profiles;
- g) The proposed re-structuring would enable management to have a Greater/ Enhanced focus of the management on the Chloro-Alkali and its Derivatives business for exploiting opportunities.

The Board of Directors of the said companies are of the opinion that the proposed composite Scheme of Arrangement shall be beneficial to members, creditors and employees of each of these companies and will be in the public interest.



8. Salient features of the Scheme:

Definitions:

- 1.2 **“Appointed Date”** shall mean 1st April 2020 or such date as may be fixed or approved by the National Company Law Tribunal (“NCLT”) or such other competent authority.
- 1.4 **“Cash Alternative Minimum Amount”** means the minimum cash consideration as determined by IFA to be fair and reasonable to be paid to the SDS holders for each SDS accepted into the Exit Offer.
- 1.5 **“Custodian”** or **“Local Custodian”** means the DBS Bank India Limited, a banking company incorporated under the Companies Act, 2013 with corporate Identity number U65999DL2018FLC329236 and having its Registered office at Ground Floor Nos.11 & 12, Capitol Point, Baba Kharak Singh Marg, Connaught Place, Delhi 110 001, India, and having its Mumbai branch office at Express Towers, Block III, Ramnath Goenka Marg, Nariman Point, Mumbai 400021.
- 1.6 **“Demerged Undertaking”** or **“Agrochemical and Pigment Undertaking”** shall mean all the undertakings, businesses, activities and operations pertaining to Pigment and Agrochemical division of MOL 1 and its related business; and comprising of all the assets (moveable, incorporeal and immoveable), excluding investments in Equity Shares of the Transferee Company and liabilities which relate thereto, or are necessary therefore and including specifically the following:
 - (a) all assets, title, properties, interests, investments including OCRPS issued by MFL, loans, advances (including accrued interest), power generating boilers and rights, including rights arising under contracts, wherever located (including in the possession of vendors, third parties or elsewhere), whether real, personal or mixed, tangible, intangible or contingent, exclusively used or held, by the Demerged Company in, or otherwise identified for use in business, activities and operations pertaining to its Demerged Undertaking, including but not limited to all land, factory building, equipment, plant and machinery, offices, capital work in progress, furniture, fixtures, office equipment, appliances, accessories, receivables, vehicles, deposits, all stocks, assets, cash, balances with banks, investments, all customer contracts, contingent rights or benefits, etc., pertaining to its Demerged Undertaking (collectively, the “Demerged Undertaking Assets”);
 - (b) all debts, liabilities, guarantees, assurances, commitments and obligations of any nature or description, whether fixed, contingent or absolute, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising, (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability), or pertaining to the Demerged Undertaking (collectively, “Demerged Undertaking Liabilities”);



- (c) all contracts, agreements, licenses, leases, linkages, memoranda of undertakings, memoranda of agreement, memoranda of agreed points, letters of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, sales orders, purchase orders or other instruments of whatsoever nature to which the Demerged Company is a party, exclusively relating to the undertaking, business, activities and operations pertaining to its Demerged Undertaking or otherwise identified to be for the benefit of the same, including but not limited to the relevant licenses, water supply/ environment approvals, and all other rights and approvals, electricity permits, telephone connections, building and parking rights, pending applications for consents or extension, all incentives, tax benefits, deferrals, subsidies, concessions, benefits, grants, rights, claims, liberties, special status and privileges enjoyed or conferred upon or held or availed of by the Demerged Company in relation to its Demerged Undertaking, permits, quotas, consents, registrations, lease, tenancy rights in relation to offices and residential properties, permissions, incentives, if any, in relation to its Demerged Undertaking, and all other rights, title, interests, privileges and benefits of every kind in relation to its Demerged Undertaking (collectively, "Demerged Undertaking Contracts");
- (d) all permits, licenses, consents, approvals, authorizations, quotas, rights, entitlements, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, trademarks, intellectual property rights, copyrights, easements, tenancies, privileges and similar rights, and any waiver of the foregoing, issued by any legislative, executive, or judicial unit of any Governmental or semi-Governmental entity or any department, commission, board, agency, bureau, official or other regulatory, local, administrative or judicial authority exclusively used or held for use by the Demerged Company in the undertaking, business, activities and operations pertaining to the Demerged Undertaking (collectively, "Demerged Undertaking Licenses");
- (e) all such staff, workmen and employees of the Demerged Company, employees/personnel engaged on contract basis and contract labourers and interns/ trainees, as are primarily engaged in or in relation to the Demerged Undertaking, business, activities and operations pertaining to the Demerged Undertaking, at its respective offices, branches etc, and any other employees/personnel and contract labourers and interns/trainees hired by the Demerged Company after the date hereof who are primarily engaged in or in relation to the Demerged Undertaking, business, activities and operations pertaining to the Demerged Undertaking (collectively, "Demerged Undertaking Employees")



- (f) all liabilities present and future (including contingent liabilities pertaining to or relating to the Demerged undertaking), as may be determined by the Board of the Demerged Company;
- (g) all deposits and balances with Government, quasi-Government, municipal, local and other authorities and bodies, customers and other persons, earnest moneys and/ or security deposits paid or received by the Demerged Company, directly or indirectly in connection with or in relation to the Demerged Undertaking;
- (h) all books, records, files, papers, directly or indirectly relating to the Demerged Undertaking; but shall not include any portion of the Remaining Business Undertaking of MOL 1; and
- (i) Any other asset / liability which is deemed to be pertaining to the Demerged Undertaking by the Board of the Demerged Company.

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

- 1.7 **“Depository Bank” or “Foreign Depository Bank”** means DBS Nominees (Private) Limited, a company incorporated under the laws of Singapore and having registered office at 12, Marina Boulevard, Marina Bay Financial Centre, Singapore (018982), being the depository for the SDSs.
- 1.8 **“Effective Date”** means the last of the dates specified in Clause 30 of this Scheme. Any references in this Scheme to the “date of coming into effect of this Scheme” or
- 1.9 **“Exit Offer”** means an offer made to the SDS holders in consideration of their SDSs in connection with the proposed delisting of the SDSs of the Transferor Company.
- 1.17 **“Remaining Business Undertaking of MOL 1”** means all other undertakings, business, activities, divisions including trading division, operations, assets including investment in Equity Shares of MFL, liabilities and investment of the Transferor Company other than those forming part of the “Agrochemical and Pigment Undertaking” of the Transferor Company.
- 1.18 **“RPS”** means Redeemable Preference Shares to be held by the Resulting Company and issued by the Transferee Company, pursuant to change of terms of OCRPS.



DEMERGER OF DEMERGED UNDERTAKING OF MOL 1 INTO MOL 2 TRANSFER AND VESTING OF AGROCHEMICAL AND PIGMENT UNDERTAKING OF MOL 1 INTO MOL 2

- 4.1 With effect from the Appointed date and upon the Scheme being effective, the Agrochemical and Pigment Undertaking of the Demerged Company as defined in Clause 1.6 shall stand transferred to and vested in or deemed to be transferred to and vested into, as a going concern, the Resulting Company in accordance with Section 2(19AA) of the Income Tax Act, 1961 and in the following manner:
- 4.2 All Agrochemical and Pigment Undertaking Assets that are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery or by operation of law pursuant to the vesting order of the NCLT sanctioning the Scheme and its filing with the Registrar of Companies concerned. Such assets shall stand vested in the Resulting Company and shall be deemed to be and become the property and as an integral part of the Resulting Company by operation of law. The vesting order and sanction of the Scheme shall operate in relation to the movable property in accordance with its normal mode of vesting through the Resulting Company and as the context may provide, by physical or constructive delivery, or by endorsement and delivery, or by mere operation of the vesting order and its recordal or registration with the Registrar in accordance with the Act, as appropriate to the nature of the movable property vested. Upon the scheme becoming effective the title to such property shall be deemed to have been mutated and recognized as that of the Resulting Company.
- 4.3 All Agrochemical and Pigment Undertaking Assets that are other movable properties, including sundry debtors, investment in OCRPS of the Transferee Company and other investments relating to Agrochemical and pigment business (excluding investments in equity shares of MFL), outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, Semi-Government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, pursuant to the vesting order and by operation of law become the property of the Resulting Company, and the title thereof together with all rights, interests or obligations therein shall be deemed to have been mutated and recorded as that of the Resulting Company and any document of title pertaining to the assets of the Agrochemical and Pigment Undertaking shall also be deemed to have been mutated and recorded as titles of the Resulting Company to the same extent and manner as originally held by the Demerged Company and enabling the ownership, right, title and interest therein as if the Resulting Company was originally the Demerged Company. The Resulting Company shall subsequent to the vesting order be entitled to the delivery and possession of all documents of title of such movable property in this regard.
- 4.4 All immovable properties of the Agrochemical and Pigment Undertaking, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Agrochemical and Pigment Undertaking, whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation



thereto shall stand vested in and/or be deemed to have been vested in the Resulting Company, by operation of law pursuant to the vesting order of the NCLT sanctioning the Scheme, and its filings with the concerned Registrar of Companies. Such assets shall stand vested in the Resulting Company and shall be deemed to be and become the property as an integral part of the Resulting Company by operation of law. The Resulting Company shall simultaneous with the filing and registration of the order of the NCLT sanctioning the Scheme be always entitled to all the rights and privileges attached in relation to such immovable properties and shall be liable to pay appropriate rent, rates and taxes and fulfill all obligations in relation thereto or as applicable to such immovable property. Upon the Scheme becoming effective, the title to such properties shall deemed to have been mutated and recognized as that of the Resulting Company and the mere filing thereof with the appropriate Registrar or Sub-Registrar of Assurances or with the relevant Government shall suffice as record of continuing titles with the Resulting Company pursuant to the Scheme becoming effective and shall constitute a deemed mutation and substitution thereof. The Resulting Company shall subsequent to the vesting order be entitled to the delivery and possession of all documents of title to such immovable property in this regard. It is hereby clarified that all the rights, title and interest of the Agrochemical and Pigment Undertaking in any leasehold properties shall, pursuant to Section 232 of the Act and the provisions of this Scheme, without any further act, instrument or deed, be vested in or be deemed to have been vested in the Resulting Company, subject to payment of applicable stamp duty.

- 4.5 All the Agrochemical and Pigment Undertaking liabilities including debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not in the books of account or disclosed in the balance sheets of the Demerged Company shall stand vested in the Resulting Company and shall upon the Scheme becoming effective be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company, and the Resulting Company shall, and undertake to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities; duties and obligations have arisen in order to give effect to the provisions of this Clause.
- 4.6 All Contracts including contracts relating to the Agrochemical and Pigment Undertaking, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies) for the purpose of carrying on the Agrochemical and Pigment Undertaking of the Demerged Company, and in relation thereto, and those relating to tenancies, privileges, Power Generations, facilities of every kind and description of whatsoever nature in relation to the Agrochemical and Pigment Undertaking of the Demerged Company, or to the benefit of which, Agrochemical and Pigment Undertaking of the Demerged Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall by endorsement, delivery or recordal or by operation of law pursuant to the vesting



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

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

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



- 4.8 Any pending suits/appeals or other proceedings of whatsoever nature relating to the Agrochemical and Pigment Undertaking of the Demerged Company, whether by or against such Demerged Company, shall not abate, be discontinued or in any way prejudicially affected by reason of the demerger of the Agrochemical and Pigment Undertaking of the Demerged Company into the Resulting Company or of anything contained in this Scheme, but by virtue of the vesting and sanction order, such legal proceedings shall continue and any prosecution shall be enforced by or against the Resulting Company in the same manner and to 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.
- 4.9 All the Agrochemical and Pigment Undertaking Employees shall become employees of and be engaged 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.
- 4.10 All taxes (including but not limited to value added tax, goods and service tax, Central Goods and Service Tax law (CGST), State Goods and Service Tax law (SGST) and Integrated Goods and Service Tax law (IGST) credits, sales tax, service tax and any other indirect tax etc.) payable by or refundable to the Agrochemical and Pigment Undertaking of the Demerged Company, including tax losses, Minimum Alternate Tax credit and/or TDS credit available, advance tax, all or any refunds or claims shall be treated as the tax liability or refunds/claims, as the case may be, of the Resulting Company, and any tax incentives, advantages, privileges, exemptions, credits, holidays, remissions, reductions, etc, as would have been available to Agrochemical and Pigment Undertaking of the Demerged Company, shall pursuant to this Scheme becoming effective, be available to the Resulting Company.
- 4.11 Taxes, if any, paid or payable by the Demerged Company after the Appointed Date and specifically pertaining to the Agrochemical and Pigment Undertaking shall be treated as paid or payable by the Resulting Company and the Resulting Company shall be entitled to claim the credit, refund or adjustment for the same as may be applicable.



- 4.12 Upon this part being effective, the Demerged Company and the Resulting Company are expressly permitted to reopen and revise their financial accounts, income tax returns, withholding tax returns, service tax returns, value added tax returns, sales tax returns, excise and CENVAT returns, GST returns and any other statutory returns and filings under the laws for any relevant year for the purposes of/ consequent to implementation of this Scheme, notwithstanding that the period of filing/revising such return may have lapsed, without incurring any liability on account of interest, penalty or any other sum. It is further clarified that the Resulting Company shall be entitled to claim deduction under Section 43B of the Income Tax Act in respect of unpaid liabilities transferred to it as part of the Demerged Undertaking to the extent not claimed by the Demerged Company, as and when the same are paid subsequent to Appointed Date.
- 4.13 All Agrochemical and Pigment Undertaking Licenses including approvals, consents, exemptions, registrations, trademarks, intellectual property rights, brands, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description whatsoever in relation to the Agrochemical and Pigment Undertaking of the Demerged Company, or to the benefit of which the Agrochemical and Pigment Undertaking of the Demerged Company may be eligible/entitled, and which are subsisting or having effect immediately before the Effective Date, shall by endorsement, delivery or record or by operation of law pursuant to the vesting order of NCLT sanctioning the Scheme, and its filing with the Registrar of Companies concerned, shall be deemed to be approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description of whatsoever nature of the Resulting Company, and shall be in full force and effect in favour of the Resulting Company and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligor thereto. Such of the other permits, licenses, consents, approvals, authorizations, quotas, rights, entitlements, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, easements, tenancies, privileges and similar rights, and any waiver of the foregoing, as are held at present by the Demerged Company, but relate to or benefitting the Demerged Company and the Agrochemical and Pigment Undertaking, shall be deemed to constitute separate permits, licenses, consents, approvals, authorizations, quotas, rights, entitlements, allotments, concessions, exemptions, liberties, advantages,



no-objection certificates, certifications, easements, tenancies, privileges and similar rights, and any waiver of the foregoing, and the necessary substitution/ endorsement shall be made and duly recorded in the name of the Resulting Company, respectively, by the relevant authorities pursuant to the sanction of this Scheme by NCLT. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall take on record the drawn up order of NCLT sanctioning the Scheme on its file and make and duly record the necessary substitution or endorsement in the name of the Resulting Company as successor in interest, pursuant to the sanction of this Scheme by NCLT, and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, the Resulting Company shall file certified copies of such sanction order, and if required file appropriate applications, forms or documents with relevant authorities concerned for statistical, information and record purposes only, and there shall be no break in the validity and enforceability of approvals, consents, exemptions, registrations, trademarks, intellectual property rights, brands, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description of whatsoever nature.

- 4.14 Benefits of any and all corporate approvals as may have already been taken by the Demerged Company with respect to the Agrochemical and Pigment Undertaking, whether being in the nature of compliances or otherwise, shall stand vested in the Resulting Company and the said corporate approvals and compliances shall, upon this Scheme becoming effective, be deemed to have been taken/complied with by the Resulting Company.
- 4.15 All estates, assets, rights, title, interests and authorities accrued to and/or acquired by the Demerged Company in relation to the Agrochemical and Pigment Undertaking shall be deemed to have been accrued to and/or acquired for and on behalf of the Resulting Company and shall, upon this Scheme coming into effect, pursuant to the provisions of Section 232 and other applicable provisions of the Act, without any further act, instrument or deed be and stand vested in or be deemed to have been vested in the Resulting Company to that extent and shall become the estates, assets, right, title, interests and authorities of the Resulting Company.



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

- 5.1 As an integral part of the Scheme, and upon coming into effect of Part B of this Scheme,
- (a) Authorized Capital to the extent of Rs. 11,50,00,000 (Rupees Eleven Crores Fifty Lakhs Only) shall stand transferred from the Authorized Capital of the Demerged Company and get combined with the Authorized Capital of the Resulting Company;
 - (b) The face value of the equity share of the Resulting Company shall be sub-divided from Rs. 10/- to Rs. 1/-, without any further act, instrument or deed on the part of the Resulting Company.
 - (c) Accordingly, clause 5 of the Memorandum of Association of the Resulting Company shall automatically stand amended so as to read as under:

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

- 5.2 It is clarified that the approval of the members of the Resulting Company to the Scheme shall be deemed to be their consent / approval also to the alteration of the Memorandum of Association of the Resulting Company and the Resulting Company shall not be required to seek separate consent / approval of its shareholders for the alteration of the Memorandum of Association on the Resulting Company as required under Section 13, 61 and 64 of the Act and other applicable provisions of the Act.
- 5.3 The registration fee applicable under the Act and the stamp duty already paid by the Demerged Company on its Authorized Capital, which is being transferred to the Resulting Company in terms of sub clause 5.1 herein above, shall be deemed to have been so paid by the Resulting Company and accordingly, the Resulting Company shall not be required to pay any fee / stamp duty on the authorized capital so increased. Further, the Resulting Company shall file the required forms with the ROC for alteration of its authorized share capital and shall pay necessary fees as may be required to be paid in accordance with the law.
- 5.4 Upon the occurrence of the last of the dates on which the certified copy of the order of the NCLT at Ahmedabad, or any other appropriate authority sanctioning the Scheme is filed with the relevant Registrar of Companies, the name of Resulting Company shall be deemed to have been changed from **“Meghmani Organochem Limited” to “Meghmani Organics Limited”** or such other alternate name as may be permitted by the Registrar of Companies, Ahmedabad in accordance with relevant provisions of the Act.

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



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

6.1 Upon the Scheme becoming effective and upon vesting of the Agrochemical and Pigment Undertaking of the Demerged Company in the Resulting Company, the Resulting Company shall, without any further application or deed, issue and allot to the shareholders of the Demerged Company whose name appears in the register of members of the Demerged Company as on the Record Date or to their respective heirs, executors, administrators, legal representatives or the successors in title, as the case may be as may be recognized by the Board of Directors of MOL 2, in the following proportion:

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

6.2 The Resulting Company shall take necessary steps to increase its Authorized Share Capital to the required extent to enable it to issue and allot the shares required to be issued and allotted by it under this Scheme, by following the requisite procedure and payment of requisite fees and duties, as prescribed under the Companies Act, 2013.

6.3 The shares to be issued and allotted as above shall be subject to and in accordance with the Memorandum and Articles of Association of the Resulting Company. The shares issued and allotted by the Resulting Company in terms of this Scheme shall rank pari-passu in all respects with the existing shares of the Resulting Company.

6.4 The approval of this Scheme by the shareholders of the Resulting Company shall be deemed to be due compliance of the provisions of Section 42, section 62, if applicable, and all the other relevant and applicable provisions of the Act for the issue and allotment of shares by the Resulting Company to the shareholders of the Demerged Company, as provided in this Scheme.

6.5 The consideration in the form of Equity Shares shall be issued and allotted by the Resulting Company in dematerialized form to all the shareholders of the Demerged Company holding such shares in dematerialized form and in physical form to all those shareholders of the Demerged Company holding such shares in physical form.

6.6 The Equity Shares issued by the Resulting Company shall be listed and admitted to trading on the Stock Exchanges i.e. NSE and BSE, pursuant to this Scheme and in compliance with the applicable regulations and the SEBI circular. The Resulting Company shall make all requisite applications and shall otherwise comply with the provisions of SEBI circular and Applicable Law and take all steps to procure the listing of the equity shares issued by it.

6.7 The Equity Shares issued by the Resulting Company, pursuant to the Scheme shall remain frozen in the depository system till listing/trading permission is given by the Stock Exchanges i.e. NSE and BSE.



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

7 CANCELLATION OF EQUITY SHARES OF THE RESULTING COMPANY HELD BY THE DEMERGED COMPANY

7.1 Upon the Scheme becoming effective, the Issued, Subscribed and Paid up share capital of Resulting Company, to the extent of the shares held by Transferor Company in Resulting Company, shall be automatically cancelled and reduced in terms of Section 66 of the Act.

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

8 ACCOUNTING TREATMENT

8.1 IN THE BOOKS OF DEMERGED COMPANY

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

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

8.2 IN THE BOOKS OF THE RESULTING COMPANY

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

8.2.2 The Resulting Company shall credit its Share Capital account with the aggregate face value of the Equity Shares issued to the shareholders of the Demerged Company pursuant to Clause 6.1 of this Scheme.



- 8.2.3 The difference, being the excess of carrying values of the assets over the liabilities and reserves of the Demerged Company pertaining to the Agrochemical and Pigment Undertaking transferred from the Demerged Company and recorded by the Resulting Company in accordance with Clause 8.2.1 above, over the amount credited as share capital as per Clause 8.2.2 above, shall be transferred to the Capital Reserve.
- 8.2.4 In case, the net sales proceeds received by SDS Holders is less than the Cash Alternative Minimum Amount, then the SDS holders would be compensated in cash. Accordingly, if any amount is required to be paid in cash by the Resulting Company, then such amount shall be debited to the Other Equity as appearing in the books of Resulting Company.

14. REMAINING BUSINESS UNDERTAKING OF THE DEMERGED COMPANY

- 14.1 The Remaining Business undertaking of the Demerged Company and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Demerged Company.
- 14.2 All legal, taxation and other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted in future, and relating to the Remaining Business Undertaking of the Demerged Company (including those relating to any property, right, Power Generation, liability, obligation or duty of the Demerged Company in respect of the Remaining Business Undertaking of the Demerged Company) shall be continued and enforced by or against the Demerged Company. The Demerged Company and the Resulting Company shall pay any amounts arising out of proceedings pending on the Appointed Date or otherwise in relation to a period prior to the Appointed Date, including interest, penalties, damages, costs etc. in such manner and proportion as may be agreed between them.
- 14.3 Up to and including the Effective Date –
- (a) The Demerged Company shall be deemed to have been carrying on all the business and activities relating to the Remaining Business Undertaking of the Demerged Company for and on their behalf;
 - (b) all profits (including taxes) accruing to the Demerged Company thereon or losses arising or incurred by it relating to the Remaining Business Undertaking of the Demerged Company shall, for all purposes, be treated as the profit, or losses, (including taxes) as the case may be, of the Demerged Company.

15. CHANGE OF TERMS OF OCRPS

- 15.1 The terms of OCRPS which forms part of the Agrochemical and Pigment undertaking, shall be changed so as to convert them into Compulsorily Redeemable Preference Shares ('RPS'). Terms of the RPS has been provided in **Annexure 1**:
- 15.2 The above modification in the terms of OCRPS shall become operative and effective from the Effective Date of the scheme.



16. ACCOUNTING TREATMENT IN THE BOOKS OF RESULTING COMPANY

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

AMALGAMATION OF REMAINING BUSINESS UNDERTAKING OF MEGHMANI ORGANICS LIMITED WITH MEGHMANI FINECHEM LIMITED

17. TRANSFER AND VESTING

- 17.1 With effect from the Appointed Date, MOL 1 (having Remaining Business Undertaking of MOL 1 after demerger of Agrochemical and Pigment Undertaking), including all properties and assets (whether movable or immovable, tangible or intangible) of whatsoever nature such as licenses, permits, trademarks, brands, intellectual property rights, copy rights, quotas, investments, approvals, lease, tenancy rights, permissions, incentives, if any, and benefit of all letter of intent, request for proposal, prequalification, bid acceptances, tenders, contracts, deeds, memorandum of understanding, bonds, agreements, arrangements, track-record, experience, goodwill and all other rights, claims, power and any other instrument and all other rights, title, interest, certificates, registrations under various legislations, contracts, consent, approvals or power of every kind nature and descriptions whatsoever of all intents and purposes and specifically including but not limited to, the turnover, the profitability, performance, and market share of the Transferor Company from the commencement of its operations shall under the applicable provisions of the Act and pursuant to the orders of the Tribunal and without any further act, instrument or deed, but subject to the existing charges affecting the same as on the Effective Date be transferred and/or deemed to be transferred to and vested in the Transferee Company so as to become the properties and assets of the Transferee Company.
- 17.2 Without prejudice to Clause 17.1 above, in respect of such of the assets of the Transferor Company as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and/or delivery, the same shall be so transferred by the Transferor Company, and shall, upon such transfer, become the property, estate, assets, rights, title, interest and authorities of the Transferee Company by way of physical delivery or novation. The investments held in dematerialized form will be transferred to the Transferee Company by issuing appropriate delivery instructions to the depository participant with whom the Transferor Company have an account.



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

- 17.3 Without prejudice to any of the Clauses above, with effect from the Appointed Date and upon the Scheme becoming effective, all immoveable properties, including land together with buildings and structure standing thereon, whether freehold or leasehold, relating to any of the Transferor Company and any documents of title, rights, interests, claims, including leases, licenses and easements in relation thereto, shall, pursuant to the applicable provisions of the Act and the Scheme, without any further act, instrument, deed, matter or thing, stand transferred to and vested into the Transferee Company, as of the Appointed Date. The mutation of the title to the immoveable properties shall be made and duly recorded by the appropriate authorities pursuant to the sanction of the Scheme and upon the Scheme becoming effective, in accordance with the terms hereof, in favor of the Transferee Company.
- 17.4 The transfer and vesting as aforesaid shall be subject to the existing charges / hypothecation / mortgages, if any, as may be subsisting and agreed to be created over or in respect of the said assets or any part thereof, provided however, any reference in any security documents or arrangements to which the Transferor Company are a party wherein the assets of the Transferor Company have been or are offered or agreed to be offered as security for any financial assistance or obligations shall be construed as reference only to the assets pertaining to the Transferor Company and vested in the Transferee Company by virtue of this Scheme to the end and intent that the charges shall not extend or deemed to extend to any assets of the Transferee Company.

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



- 17.5 All debts, liabilities, duties and obligations of whatsoever nature of the Transferor Company shall also, without any further act, instrument or deed be transferred to and vested in and assumed by and/or deemed to be transferred to and vested in and assumed by the Transferee Company pursuant to the provisions of the Act, so as to become the debts, liabilities, duties and obligations of the Transferee Company and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which debts, liabilities, duties and obligations liabilities have arisen, in order to give effect to the provisions of this Clause.
- 17.6 The Transferee Company may at any time after the coming into effect of the Scheme in accordance with the provisions of the Scheme, if so required, under any law or otherwise, execute Deeds of Confirmation, in favor of the Creditors of the Transferor Company or in favor of any other party to any contract or arrangement to which the Transferor Company are a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of the Scheme be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to implement or carry out all such formalities or compliance referred to above on the part of the Transferor Company to be carried out or performed.
- 17.7 With effect from the Appointed Date and upon the Scheme becoming effective, all development rights, statutory licenses, permissions, approvals or consents, if any, to carry on the operations and business of the Transferor Company shall stand vested in or transferred to the Transferee Company without any further act or deed and shall be appropriately mutated by the statutory authorities concerned in favour of the Transferee Company. The benefit of all statutory and regulatory permissions, environmental approvals and consents, registrations or other licenses and consents shall vest in and become available to the Transferee Company pursuant to this Scheme.
- 17.8 Upon the Scheme being effective, the Transferee Company shall be entitled to claim refunds or credits, including input tax credit, with respect to taxes paid by, for, or on behalf of, the Transferor Company under applicable laws, including income tax (including tax losses, unabsorbed depreciation and Tax Deducted at source), minimum alternate tax credit, sales tax, goods and service tax, value added tax, service tax, CENVAT or any other tax, whether or not arising due to any inter se transaction, even if the prescribed time limits for claiming such refunds or credits have lapsed.
- 17.9 Upon the coming into effect of the Scheme, all tax compliances under any tax laws by the Transferor Company on or after Appointed Date shall be deemed to be made by the Transferee Company.



17.10 Upon the Scheme being effective, any advance tax, self-assessment tax, minimum alternate tax and/or TDS credit available or vested with the Transferor Company, including any taxes paid and taxes deducted at source and deposited by the Transferee Company on inter se transactions during the period between the Appointed Date and the Effective Date shall be treated as advance tax paid by the Transferee Company and shall be available to the Transferee Company for set-off against its liability under the Income-tax Act, 1961 and any excess tax so paid shall be eligible for refund together with interest. Any TDS certificates issued by the Transferee Company to, or for the benefit of, the Transferor Company under the Income-tax Act, 1961 with respect to the inter se transactions would be available to the Transferee Company to seek refund of from the tax authorities in compliance with law.

Further, TDS deposited, TDS certificates issued or TDS returns filed by the Transferor Company on transactions other than inter se transactions during the period between the Appointed Date and the Effective Date shall continue to hold good as if such TDS amounts were deposited, TDS certificates were issued and TDS returns were filed by the Transferee Company. Any TDS deducted by, or on behalf of, the Transferor Company on inter se transactions will be treated as advance tax deposited by the Transferee Company.

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

17.12 Upon this part being effective, the Transferee Company and the Transferor Company are expressly permitted to reopen and revise its financial accounts, income tax returns, withholding tax returns, service tax returns, value added tax returns, sales tax returns, excise and CENVAT returns, GST returns and any other statutory returns and filings under the laws for any relevant year for the purpose of/consequent to the implementation of the Scheme, notwithstanding that the period of filing/revising such return may have lapsed without incurring any liability on account of interest, penalty or any such other sum.

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



18 CONSIDERATION

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

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

- 18.2 In respect of fractional entitlement to a shareholder, shall be rounded off to the nearest integer. A fraction of less than half shall be rounded down to the nearest lower integer and a fraction of half or more shall be rounded up to the nearest higher integer. However, in no event, shall the number of New Equity Shares to be allotted by the Transferee Company to the members of the Transferor Company exceed the number of Equity Shares held by the Transferor Company in the Transferee Company on the Effective Date
- 18.3 The Equity Shares to be issued to the equity shareholders of the Transferor Company as per clause 18.1 above shall be subject to the Memorandum of Association and Articles of Association of the Transferee Company and shall rank pari-passu in all respects, including dividend, with the existing preference shares of Transferee Company.
- 18.4 Upon Scheme being effective, the shares of the Transferee Company as held by the Transferor Company shall stand cancelled by operation of law and shall amount to Reduction of Capital. However, considering the issue of new shares to the shareholders of the Transferor Company towards the consideration for the undertaking, there shall not be any net reduction of the Share Capital of the Transferee Company. In view of the same the provisions of Section 66 of the Companies Act, 2013 shall not be attracted.
- 18.5 The Transferee Company shall take necessary steps to increase or alter or re-classify, (if necessary), its Authorized Share Capital suitably to enable it to issue and allot the shares required to be issued and allotted by it under Clause 18.1 of this Scheme.



- 18.6 The Shares to be issued and allotted by the Transferee Company to the shareholders of the Transferor Company shall be issued in dematerialized form to all the shareholders holding such shares in dematerialized form and in physical form to all those shareholders holding such shares in physical form.
- 18.7 The Equity Shares of the Transferee Company issued in terms of Clause 18.1 above shall subject to receipt of necessary approval, be listed and/or admitted to trading on the National Stock Exchange and Bombay Stock Exchange.
- 18.8 The approval of this Scheme by the members of the Transferee Company shall be deemed to be due compliance with the applicable provisions of the Act including Section 42 and 62 of the Act, for the issue and allotment of shares by the Transferee Company to the members of the Transferor Company, as provided in the Scheme.
- 18.9 The Equity Shares issued by the Transferee Company shall be listed and admitted to trading on the Stock Exchanges i.e. NSE and BSE, pursuant to this Scheme and in compliance with the applicable regulations and the SEBI circular. The Transferee Company shall make all requisite applications and shall otherwise comply with the provisions of SEBI circular and Applicable Law and take all steps to procure the listing of the Equity Shares issued by it.
- 18.10 The Equity Shares issued by the Transferee Company, pursuant to this Scheme shall remain frozen in the depository system till listing/trading permission is given by the Stock Exchanges i.e. NSE and BSE.
- 18.11 There shall be no change in the shareholding pattern or control in the Transferee Company between Record Date as defined at Clause 1.16 and the listing of the Equity Shares on the Stock Exchanges i.e. NSE and BSE.
- 19. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEREE COMPANY**
- On the Scheme becoming effective, the Transferee Company shall account for the Amalgamation in its books of accounts as under:
- 19.1 Upon the Scheme becoming effective, the Transferee Company shall record the assets and liabilities of the Transferor company and vested in it pursuant to this Scheme, at the same values as appearing in the books of Transferor Company in compliance with the Indian Accounting Standard 103 on Business Combinations and other Indian Accounting Standards (Ind AS), as applicable, and notified under Section 133 of the Companies Act 2013, read with Companies (Indian Accounting Standards) Rules, 2015.
- 19.2 The identity of the reserves of the Transferor Company shall be preserved and they shall appear in the financial statements of the Transferee Company in the same form and manner, in which they appeared in the financial statements of the Transferor Company, and after giving effect to the demerger prior to this Scheme becoming effective.
- 19.3 Inter-Company investments in the Share Capital shall stand cancelled.
- 19.4 If and to the extent there are inter corporate loans, investments, deposits or balances as between the Transferor Company and the Transferee Company, the rights and obligations in respect thereof shall, on and from the Appointed Date, shall stand cancelled.



- 19.5 The difference, if any, between the carrying value of the investments in the share capital of the Transferee Company as appearing in the books of the Transferor Company and the Share Capital of the Transferor Company over and above the amount adjusted in preceding clauses shall be adjusted in the reserves of the Transferor Company as recorded in the books of the Transferee Company to the extent available and the balance, if any, shall be recorded as Capital Reserve.
- 19.6 In case, the net sales proceeds received by SDS holders are less than the Cash Alternative Minimum Amount, then the SDS holders would be compensated in cash. Accordingly, if any amount is required to be paid in cash by the Transferee Company, then such difference shall be debited to the Other Equity as appearing in the books of Transferee Company.
20. **CONSOLIDATION OF AUTHORISED SHARE CAPITAL OF THE TRANSFEROR COMPANY, RECLASSIFICATION OF SHARE CAPITAL AND ALTERATION OF MEMORANDUM OF ASSOCIATION OF THE TRANSFEE COMPANY**
- 20.1 Upon the Scheme becoming effective with effect from the appointed date, the Authorized Share Capital of the Transferor Company, amounting to Rs. 25,50,00,000 (Rupees Twenty Five Crores and Fifty Lakhs) of Equity Share capital, shall stand consolidated and vested in and be merged with the Authorized Share Capital of the Transferee Company without any liability for payment of any additional fees or such fees and duties in respect of such Authorized Share Capital of the Transferor Company having already being paid by Transferor Company, the benefit of which stands vested in Transferee Company pursuant to the Scheme being effective.
- 20.2 The Memorandum of Association and Articles of Association of the Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme, whether at a meeting or otherwise, shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Sections 13, 14 and 61 of the Act and other applicable provisions of the Act would be required to be separately passed, as the case may be and for this purpose the stamp duties and fees paid on the Authorized Share Capital of the Transferor Company shall be utilized and applied to the increase of Authorized Share Capital of the Transferee Company and there would be no requirement for any further payment of stamp duty and/or fee by the Transferee Company for increase in the Authorized Share Capital to that extent.
- 20.3 It is clarified that the said Authorized Share Capital shall be consolidated with the Authorized Equity Share Capital of the Transferee Company after reclassifying the same for face value of Equity Shares as Rs. 10/-
- 20.4 It is clarified that the approval of the members of the Transferee Company to the Scheme, whether at a meeting or otherwise, shall be deemed to be their consent/approval also to the amendment of the Memorandum of Association of the Transferee Company as may be required under the Act.
- 20.5 The Clause 5 of the Memorandum of Association of the Transferee Company shall stand amended as under:-
Clause V of Memorandum of Association



“the Authorized Share Capital of the Company is Rs.573,12,87,960 (Rupees Five Seventy Three Crores Twelve Lakhs Eighty Seven Thousand and Nine Hundred Sixty only) divided into :

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

26. DISSOLUTION OF THE TRANSFEROR COMPANY

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

27 DELISTING

27.1 Cash Alternative

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

27.2 Election Form and Tax Documents

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

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

- (i) Self Declaration regarding No Permanent Establishment or Business Connection in India;
- (ii) Certificate of Residence (‘CoR’) issued by the Inland Revenue Authority of Singapore (‘IRAS’);
- (iii) Form No. 10F (Self Declaration Form) and



- (iv) Such other form as notified by Indian tax authority time to time (each, a "Cash Elector"). Cash Electors who fail to deliver the Tax Documents will not receive any Disposal Proceeds and will instead receive the equity shares in the Resulting Company and the Transferee Company which they are entitled to as part of the Scheme.

27.3 Cash Alternative Minimum Amount

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

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

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

- (a) Requisite regulatory and shareholders' (including SDS') approvals of the Scheme being obtained.
- (b) Listing of the Resulting Company and the Transferee Company on BSE and NSE being successful.
- (c) Appointment of IFA based in Singapore and licensed by Monetary Authority of Singapore ('MAS') to opine whether the Cash Alternative Minimum Amount offered to SDS Holders is fair and reasonable. The Cash Alternative Minimum Amount must be fair and reasonable and this must also be the opinion of the IFA;
- (d) MOL 1 holding an information meeting for SDS holders in Singapore ahead of the Scheme meeting in India and making arrangements such as video conferencing or webcast to enable SDS holders to follow the proceedings during the Scheme meeting in India.

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

THE FEATURES SET OUT ABOVE BEING ONLY THE SALIENT FEATURES OF THE SCHEME, YOU ARE REQUESTED TO READ THE ENTIRE TEXT OF THE SCHEME TO GET FULLY ACQUAINTED WITH THE PROVISIONS THERE OF.

B. Summary of Report recommending Share Entitlement Ratio for the proposed demerger of Agrochemical and Pigment Undertaking of MOL-1 into MOL-2 and Share Exchange Ratio for the proposed merger of Remaining Business Undertaking of MOL-1 into MFL including basis of valuation and Fairness opinion.



- (I) The report confirming the proposed Share Entitlement Ratio of Equity Shares for the proposed demerger of Agrochemical and Pigment Undertaking of MOL 1 in to MOL 2 and the report confirming the proposed Share Exchange Ratio for merger of Remaining Business Undertaking of MOL 1 in to MFL, being just and reasonable has been provided by Mr. Jigar Shah, Independent Chartered Accountant, as well as Registered Valuer.

For Part B of the Scheme, viz. De-merger of Agrochemical and Pigment Undertaking of MOL-1, the entire undertaking is proposed to be transferred at the Book Value. No relative valuation of Demerged Undertaking of MOL-1 and of MOL-2 is required to be undertaken as all the shareholders of MOL-1 would also become shareholders of MOL-2, and their percentage shareholding in MOL-1 would mirror their percentage shareholding in MOL-2 and therefore upon the Scheme becoming effective, the business of the De-merged Undertaking of MOL- 1 would continue to be owned by the shareholders of MOL-1 in the same proportion as their shareholdings in MOL-1, as on the relevant date.

For Part D of the Scheme, viz. Amalgamation of the residue undertaking of MOL-1 with MFL, the said valuer has considered the optional methods of valuation and has adopted the most appropriate method. The Valuer has given reasoned justification for adopting the appropriate method for comparable companies analysis and arrived at the fair and reasonable Share Entitlement Ratio.

It has also been noted that upon scheme being effective, the Equity Shares issued by both the Resulting Company viz. MOL-2 as well as the Transferee Company viz. MFL are proposed to be listed on the concerned stock exchanges.

- (ii) **Fairness Opinion obtained from M/s. Vivro Financial Services Private Limited, Category-1, Merchant Banker:**

The Merchant Banker is of the opinion that the Share Entitlement Ratio and Share Exchange Ratio considered for the purpose of the Scheme is fair to the equity shareholders of Meghmani Organics Limited

- i. The Valuation Report recommending Share Entitlement Ratio and Share Exchange Ratio and Fairness Opinion are available for inspection at the Registered office of MOL-1.
- ii. A copy of the Valuation Report recommending Share Entitlement Ratio and Share Exchange Ratio and Fairness Opinion are enclosed to this notice as **Annexure 3** and **Annexure 4** respectively.



- C. **The proposed Scheme was placed before the Audit Committee of MOL-1 as well as MFL at their respective meetings held on 29th January 2020. The Audit Committees recommended the Scheme to the Board of Directors of MOL-1 as well as MFL, being the subsidiary of MOL-1 for their consideration after inter alia taking into account the following:**
- i. The Valuation Report recommending Share Entitlement Ratio and Share Exchange Ratio dated 28th January 2020, issued by Mr. Jigar Shah, Independent Chartered Accountant, as well as Registered Valuer, for issue of shares pursuant to the Scheme;
 - ii. The Fairness Opinion dated 28th January 2020 issued by M/s. Vivro Financial Services Private Limited, Category-1, Merchant Banker, on the fairness of the report on recommendations of Share Entitlement Ratio and Share Exchange Ratio.
- D. **Details of approvals, sanctions or no-objection(s), if any, from regulatory or any other governmental authorities required, received or pending for the proposed Scheme:**
- i. NSE has been selected as the designated stock exchange by the Applicant Demerged Company/Transferor Company for the purpose of coordinating with the SEBI, pursuant to SEBI circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and amendment thereof (the 'SEBI Circular').
 - ii. MOL-1 has received, in terms of Regulation 37 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Observation Letters dated 4th September 2020 from NSE as well as the BSE giving their no-objection to the Scheme. Copies of the said letters are enclosed as **Annexure 5**.
 - iii. As required by the SEBI Circular, MOL -1 Limited has filed the Nil Complaints Reports dated 18th May, 2020 with National Stock Exchange of India Limited and 13th May, 2020 with the BSE Limited. After filing of the Complaint Reports, MOL-1 has not received any complaints. Copy of the said reports are enclosed as **Annexure 6**.
 - iv. The SGX-ST vide its letter dated 6th September 2019 has granted in-principle approval to the delisting of SDS listed on the SGX-ST pursuant to the Scheme. A copy of the said letter is enclosed as **Annexure 7**.
 - v. All the Applicant Companies or any of them would obtain such necessary approvals/sanction/no objection(s) from the regulatory or other governmental authorities in respect of the Scheme in accordance with the law, if required.
 - vi. The application along with the requisite annexures thereto were filed by the Companies with NCLT on 09 October, 2020.
 - vii. Further, it is confirmed that the copy of the draft Scheme has been filed with the Registrar of Companies, Ahmedabad by MOL-1, MOL-2 as well as MFL.



viii. In compliance with the requirement of Section 230(5) of the Companies Act, 2013 and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, a notice in the prescribed form and seeking approvals, sanctions or no-objections shall be served to the concerned regulatory and government authorities for the purpose of the proposed Scheme.

E. (i) Amounts due to Secured Creditors as on 31st August 2020

Particulars of amounts due to Secured Creditors from respective Companies involved in the Scheme as at 31st August, 2020, based on unaudited financials, are detailed herein:

| Name of Company | Amount (in Rs.) |
|-----------------------------|------------------------|
| Meghmani Organics Limited | 250,96,53,432 |
| Meghmani Organochem Limited | Nil |
| Meghmani Finechem Limited | 539,70,97,250 |

(ii) Amounts due to Unsecured Creditors as on 31st August 2020

Particulars of amounts due to Unsecured Creditors from respective Companies involved in the Scheme as at 31st August, 2020, based on unaudited financials, are detailed herein:

| Name of Company | Amount (in Rs.) |
|-----------------------------|------------------------|
| Meghmani Organics Limited | 272,14,17,903 |
| Meghmani Organochem Limited | Nil |
| Meghmani Finechem Limited | 67,25,33,780 |

F. Capital Structure Pre and Post Scheme:

Pre-Scheme shareholding pattern of MOL-1, MOL-2 and MFL, as on **30th September, 2020** and the post Scheme (expected) shareholding pattern of MOL-1, MOL-2 and MFL, is as under:



| Pre and Post Scheme Shareholding Pattern | | | | | |
|---|---|------------------|---------------|-------------------|---|
| Meghmani Organics Limited (MOL 1) The Demerged Transferor Company | | | | | |
| | | Pre-Shareholding | | Post-Shareholding | |
| Sr. | Description | No. of shares | % | No. of shares | % |
| (A) Promoter & Promoter Group | | | | | |
| 1. | Indian | | | | |
| (a) | Individuals / Hindu Undivided Family | 124591465 | 48.99 | - | - |
| (b) | Central Government / State Government(s) | - | - | - | - |
| (c) | Bodies Corporate | - | - | - | - |
| (d) | Financial Institutions / Banks | - | - | - | - |
| (e) | Any Other (Specify) | - | - | - | - |
| Sub Total (A)(1) | | 124591465 | 48.99 | - | - |
| 2. | Foreign | | | | |
| (a) | Individuals / Hindu Undivided Family | - | - | - | - |
| (b) | Central Government / State Government(s) | - | - | - | - |
| (c) | Bodies Corporate | - | - | - | - |
| (d) | Financial Institutions / Banks | - | - | - | - |
| Sub Total (A)(2) | | - | - | - | - |
| Total Shareholding (A)(1)+(A)(2) | | 124591465 | 48.99 | - | - |
| (B) Public Shareholding | | | | | |
| Institutions | | | | | |
| (a) | Mutual Fund | 702 | 0.00 | - | - |
| (b) | Venture Capital Funds | - | - | - | - |
| (c) | Alternate Investment Funds | - | - | - | - |
| (d) | Foreign Venture Capital Investors | - | - | - | - |
| (e) | Foreign Portfolio Investor | 3702573 | 1.46 | - | - |
| (f) | Financial Institutions / Banks | - | - | - | - |
| (g) | Insurance Companies | 49000 | 0.02 | - | - |
| (h) | Provident Funds/ Pension Funds | - | - | - | - |
| (i) | Any Other (Specify) | - | - | - | - |
| Sub Total (B)(1) | | 3752275 | 1.48 | - | - |
| 2 | Non-Institutions | | | | |
| (a) | Bodies Corporate | - | - | - | - |
| (b) | Individuals | | | | |
| | i. Individual shareholders holding nominal Share Capital up to Rs. 2 Lakhs. | 70608088 | 27.76 | - | - |
| | ii. Individual shareholders holding nominal Share Capital in excess of Rs. 2 Lakhs. | 16085200 | 6.32 | - | - |
| (c) | NBFCs registered with RBI | 28181 | 0.01 | - | - |
| (d) | Any Other (Specify) | 26482012 | 10.42 | - | - |
| Sub Total (B)(2) | | 113203481 | 44.51 | - | - |
| Total Shareholding (B)(1) + (B)(2) | | 116955756 | 45.99 | - | - |
| TOTAL (A)+(B) | | 241547221 | 94.98 | - | - |
| (C) | Shares held by Custodian | 12766990 | 5.02 | - | - |
| Grand Total (A)+(B)+(C) | | 254314211 | 100.00 | - | - |



Post Scheme – Not Applicable [since MOL-1 will be amalgamated with MFL pursuant to the Scheme and will be liquidated without being wound up.]

| Pre and Post Scheme Shareholding Pattern | | | | | |
|--|---|-------------------------|------------|--------------------------|---------------|
| Meghmani Organochem Limited (MOL 2) Resulting Company | | | | | |
| Sr. | Description | Pre-Shareholding | | Post-Shareholding | |
| | | No. of shares | % | No. of shares | % |
| (A) | Promoter & Promoter Group | | | | |
| 1. | Indian | | | | |
| (a) | Individuals / Hindu Undivided Family- | | | 124591465 | 48.99 |
| (b) | Central Government / State Government(s) | - | - | - | - |
| (c) | Bodies Corporate | 5000 | 100 | - | - |
| (d) | Financial Institutions / Banks | - | - | - | - |
| (e) | Any Other (Specify) | - | - | - | - |
| | Sub Total (A)(1) | 5000 | 100 | 124591465 | 48.99 |
| 2. | Foreign | | | | |
| (a) | Individuals / Hindu Undivided Family | - | - | - | - |
| (b) | Central Government / State Government(s) | - | - | - | - |
| (c) | Bodies Corporate | - | - | - | - |
| (d) | Financial Institutions / Banks | - | - | - | - |
| | Sub Total (A)(2) | 5000 | 100 | - | - |
| | Total Shareholding (A)(1)+(A)(2) | | | 124591465 | 48.99 |
| (B) | Public Shareholding | | | | |
| | Institutions | | | | |
| (a) | Mutual Fund | - | - | 702 | 0.00 |
| (b) | Venture Capital Funds | - | - | - | - |
| (c) | Alternate Investment Funds | - | - | - | - |
| (d) | Foreign Venture Capital Investors- | - | - | - | - |
| (e) | Foreign Portfolio Investor | - | - | 3702573 | 1.46 |
| (f) | Financial Institutions / Banks | - | - | - | - |
| (g) | Insurance Companies | - | - | 49000 | 0.02 |
| (h) | Provident Funds/ Pension Funds- | - | - | - | - |
| (i) | Any Other (Specify)- | - | - | - | - |
| | Sub Total (B)(1) | - | - | 3752275 | 1.48 |
| 2 | Non-Institutions | | | | |
| (a) | Bodies Corporate | - | - | - | - |
| (b) | Individuals | - | - | - | - |
| | i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs. | - | - | 70608088 | 27.76 |
| | ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs. | - | - | 16085200 | 6.32 |
| (c) | NBFCs registered with RBI | - | - | 28181 | 0.01 |
| (d) | Any Other (Specify) | - | - | 26482012 | 10.42 |
| | Sub Total (B)(2) | - | - | 113203481 | 44.51 |
| | Total Shareholding (B)(1) + (B)(2) | - | - | 116955756 | 45.99 |
| | TOTAL (A)+(B) | - | - | 241547221 | 94.98 |
| (C) | Shares held by Custodian | | | | |
| | | - | - | 12766990 | 5.02 |
| | Grand Total (A)+(B)+(C) | 5000 | 100 | 254314211 | 100.00 |



| Pre and Post Scheme Shareholding Pattern | | | | | |
|--|---|-------------------------|---------------|--------------------------|---------------|
| Meghmani Finechem Limited (MFL) Transferee Company | | | | | |
| | | Pre-Shareholding | | Post-Shareholding | |
| Sr. | Description | No. of shares | % | No. of shares | % |
| (A) Promoter & Promoter Group | | | | | |
| 1. | Indian | | | | |
| (a) | Individuals / Hindu Undivided Family | 17647129 | 42.84 | 29358727 | 70.65 |
| (b) | Central Government / State Government(s) | - | - | - | - |
| (c) | Bodies Corporate | 23545985 | 57.16 | - | - |
| (d) | Financial Institutions / Banks | - | - | - | - |
| (e) | Any Other (Specify) | - | - | - | - |
| Sub Total (A)(1) | | 41193114 | 100.00 | 29358727 | 70.65 |
| 2. | Foreign | | | | |
| (a) | Individuals / Hindu Undivided Family | - | - | - | - |
| (b) | Central Government / State Government(s) | - | - | - | - |
| (c) | Bodies Corporate | - | - | - | - |
| (d) | Financial Institutions / Banks | - | - | - | - |
| Sub Total (A)(2) | | 41193114 | 100.00 | 29358727 | 70.65 |
| Total (A)(1)+ (A)(2) | | 41193114 | 100.00 | 29358727 | 70.65 |
| (B) Public Shareholding | | | | | |
| Institutions | | | | | |
| (a) | Mutual Fund | - | - | 66 | 0.00 |
| (b) | Venture Capital Funds | - | - | - | - |
| (c) | Alternate Investment Funds | - | - | - | - |
| (d) | Foreign Venture Capital Investors | - | - | - | - |
| (e) | Foreign Portfolio Investor | - | - | 348042 | 0.84 |
| (f) | Financial Institutions / Banks | - | - | - | - |
| (g) | Insurance Companies | - | - | 4606 | 0.01 |
| (h) | Provident Funds/ Pension Funds | - | - | - | - |
| (i) | Any Other (Specify) | - | - | - | - |
| Sub Total (B)(1) | | - | - | 352714 | 0.85 |
| 2 | Non-Institutions | | | | |
| (a) | Bodies Corporate | - | - | - | - |
| (b) | Individuals | - | - | - | - |
| | i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs. | - | - | 6637160 | 15.98 |
| | ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs. | - | - | 1512009 | 3.64 |
| (c) | NBFCs registered with RBI | - | - | 2649 | 0.00 |
| (d) | Any Other (Specify) | - | - | 2489309 | 5.99 |
| Sub Total (B)(2) | | - | - | 10641127 | 25.61 |
| Total Shareholding (B)(1) + (B)(2) | | - | - | 10993841 | 26.46 |
| TOTAL (A)+(B) | | 41193114 | 100 | 40352568 | 97.11 |
| (C) | Shares held by Custodian | - | - | 1200097 | 2.89 |
| Grand Total (A)+(B)+(C) | | 41193114 | 100 | 41552665 | 100.00 |



G. Effect of the Scheme on various parties:

i. Directors and Key Managerial Personnel (KMP)

The Directors, KMP and their respective relatives of MOL-1, MOL-2 and MFL may be affected only to the extent of their shareholding in respective companies and to the extent that the said Directors / KMP are the partners, directors, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust that hold shares in the said companies, if any. Save as aforesaid, none of the Directors / KMP of the said companies have any material interest in the Scheme.

Shareholding of Directors and Key Managerial Personnel of MEGHMANI ORGANICS LIMITED [MOL-1]

| Name of the Directors and Key Managerial Personnel | No. of Shares | % |
|--|-----------------|--------------|
| MOL-1 Directors | | |
| Mr. Jayanti Patel | 18760390 | 7.38 |
| Mr. Ashish Soparkar | 25567716 | 10.05 |
| Mr. Natwarlal Patel | 25912130 | 10.19 |
| Mr. Ramesh Patel | 16905567 | 6.65 |
| Mr. Anand Patel | 8273200 | 3.25 |
| Prof. (Dr) Ganapati Yadav | 0 | 0 |
| Ms. Urvashi Shah | 0 | 0 |
| Mr. Manubhai Patel | 0 | 0 |
| Mr. Bhaskaar Rao | 0 | 0 |
| Mr. Liew Chen Seng | 0 | 0 |
| Total Shareholding of Director | 95419003 | 37.52 |
| MOL-1 KMP | | |
| Mr. Ankit Patel | 3139100 | 1.23 |
| Mr. Gurjant Singh Chahal | 4000 | 0.00 |
| Mr. Kamlesh Mehta | 0 | 0.00 |
| Total Shareholding of KMP | 3143100 | 1.23 |
| Total Shareholding of Directors and KMP | 98562103 | 38.75 |



**Shareholding of Directors and Key Managerial Personnel of
MEGHMANI ORGANOCEM LIMITED (MOL-2) :**

| Name of the Directors and Key Managerial Personnel | No. of Shares | % |
|--|---------------|-------------|
| MOL-2 Directors | | % |
| Mr. Jayanti Patel | 1 | 0.00 |
| Mr. Ashish Soparkar | 1 | 0.00 |
| Mr. Natwarlal Patel | 1 | 0.00 |
| Mr. Ramesh Patel | 1 | 0.00 |
| Mr. Anand Patel | 1 | 0.00 |
| Total Shareholding of Directors | 5 | 0.00 |
| MOL-2 KMP | NA | NA |
| Total Shareholding of Directors and KMP | 5 | 0.0 |

**Shareholding of Directors and Key Managerial Personnel of Meghmani Finechem
Limited [MFL]**

| Name of the Directors and Key Managerial Personnel | No. of Shares | % |
|--|----------------|--------------|
| MFL Directors | | |
| Mr. Maulik Patel | 1897011 | 4.61 |
| Mr. Kaushal Soparkar | 1580747 | 3.84 |
| Mr. Ankit Patel | 1609603 | 3.91 |
| Mr. Karana Patel | 505954 | 1.23 |
| Mr. Darshan Patel | 300000 | 0.73 |
| Mr. Manubhai Patel | Nil | 0 |
| Mr. Balkrishna Thakkar | Nil | 0 |
| Ms. Nirali Parikh | Nil | 0 |
| Total Shareholding of Directors | 5893315 | 14.31 |
| Mr. Kaushal Soparkar | ** | ** |
| Mr. Sanjay Jain | 0 | 0 |
| Mr. Kamlesh Mehta | 0 | 0 |
| Total Shareholding of KMP | 0 | 0 |
| Total Shareholding of Directors and KMP | 5893315 | 14.31 |

**** As above**

Report adopted by the Board of Directors of the MOL-1, MOL-2 and MFL at their respective meetings held on January 29, 2020 pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013 explaining the effect of Scheme on each class of Shareholders, Key Managerial Personnel, Promoters and Non-Promoter Shareholders are enclosed herewith as **Annexure 8**.



ii. **Promoter and Non-Promoter Members**

| Particulars | MOL – 1 | MOL – 2 | MFL |
|------------------------------|--|---|--|
| Promoter members | Direct shareholding in MOL – 2 as per share entitlement ratio and direct shareholding in MFL as per share exchange ratio | Shares held by MOL – 1 in MOL-2 to be cancelled | Shares held by MOL -1 in MFL to be cancelled and individual Promoters to continue to hold their shares |
| Non- Promoter members | - | Not Applicable | Not Applicable |

iii. **Creditors**

The Creditors of MOL-1 and MFL will not be affected by the Scheme, since all the liabilities of De-merged Undertaking of MOL-1 shall be transferred to MOL-2 and MOL-2 will discharge all such liabilities in the normal course of business without jeopardizing the rights of the creditors. The liabilities of remaining undertaking of MOL-1 shall be transferred to MFL and MFL will discharge all such liabilities in the normal course of business without jeopardizing the rights of the creditors.

iv. **Employees**

All Employees of the De-merged Undertaking viz. Agrochemical and Pigment Undertaking of MOL-1 shall become the employees of MOL-2 and all Employees of Remaining Undertaking of MOL-1 shall become the employees of MFL respectively, on terms and conditions not less favorable than those on which they are engaged by MOL-1 and without any interruption of or break in service. Hence, the rights and interests of the employees of the Companies involved in the Scheme will not be prejudicially affected by the Scheme.

H. Effect of the Scheme on material interest of Directors, KMP

None of the Directors and Key Managerial Personnel of MOL-1, MOL-2 and MFL respectively have any material personal interest in the Scheme, save to the extent of shares held by the Directors / KMP in the said companies. Their interest shall not be treated differentially than the other shareholders.

- I. No investigation or proceedings under the Companies Act, 1956 and /or Companies Act, 2013 have been instituted or are pending in relation to MOL-1, MOL-2 and MFL.
- J. There are no winding up proceedings/ any other proceedings under the Insolvency and Bankruptcy Code pending against MOL-1, MOL-2 and MFL.
- K. MOL-1, MOL-2 and MFL have made a joint application before the Ahmedabad Bench of the National Company Law Tribunal for the sanction of the Composite Scheme of Arrangement under Sections 230 to 232 of the Companies Act, 2013 read with Section 66 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and Rules framed thereunder.



- L.** The Standalone and Consolidated Financial Statement of the Applicant Demerged/Transferor Company, Applicant Resulting Company and Applicant Transferee Company for the year ended 30th September, 2020 are enclosed as **Annexure 9**.
- M.** The Information pertaining to the Transferee Company and Resulting Company in the format specified for abridged prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 is enclosed herewith as **Annexure 10**.
- N.** Following documents will be available for obtaining extract from or for making or obtaining copies of or inspection by the members and creditors of the Applicant Companies at their Registered office between 10:30 a.m. to 12:30 p.m. on all working days, except Saturdays, Sundays and Public Holidays, up to the date of the meeting namely:
- a. Latest Audited Financial Statements of Meghmani Organics Limited, Meghmani Organochem Limited and Meghmani Finechem Limited for the year ended 31st March, 2020;
 - b. Supplementary Financial Statements as on 30th September, 2020
 - c. Copy of Memorandum of Association and Articles of Association of Meghmani organics Limited, Meghmani Organochem Limited and Meghmani Finechem Limited;
 - d. Copy of the Order of Tribunal dated 2nd December, 2020 in pursuance of which the meetings are to be convened;
 - e. Copy of the Scheme of Arrangement;
 - f. Certificate issued by the Statutory Auditors of Meghmani Organics Limited, Meghmani Organochem Limited and Meghmani Finechem Limited to the effect that the accounting treatments proposed in the Scheme are in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013;
 - g. Copy of the Report of Audit Committee dated 29th January 2020.
 - h. Copies of the resolutions passed by the respective Board of Directors of Meghmani Organics Limited, Meghmani Organochem Limited and Meghmani Finechem Limited;
 - i. Valuation Report on recommendation of Share Entitlement Ratio and Share Exchange Ratio dated 28th January 2020 issued by Mr. Jigar Shah, Independent Chartered Accountant, as well as Registered Valuer;
 - j. Fairness Opinion dated 28th January 2020 issued by M/s. Vivro Financial Services Private Limited, Category-1 Merchant Banker;
 - k. Observation Letters from the Stock Exchanges;
 - l. 'Nil' Complaint reports dated 13th May, 2020 and 18th May, 2020 submitted by the Applicant Demerged Company/Transferor Company with BSE and NSE respectively;



- m. Resignation Letter of Mr. Natvarlal Patel from the Board of John Energy Limited;
- n. In Principle Prior Approval from Singapore Stock Exchange, SGX-ST.
- o. Preliminary opinion of independent financial adviser (“IFA”) with regard to fairness and reasonableness of the Exit Offer being made on de-listing of SDS from the SGX-ST.
- p. Such other information or documents as the Board or the management believes necessary and relevant for making decision for or against the Scheme.

This statement may be treated as an Explanatory Statement under Sections 230 to 232 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and Section 102 and other applicable provisions of the Companies Act, 2013. A copy of the Scheme and Explanatory Statement may be obtained from the Registered Office of the Applicant Company.

Dated this 14th December, 2020
Place: Ahmedabad

Sd/-
Mukesh Khandwala
Chairman appointed for the meetings

Registered Office:

Meghmani Organics Limited [CIN: L24110GJ1995PLC024052]

Plot No. 184, Phase II, G.I.D.C. Vatva, Ahmedabad -382 445

Telephone No. 91-79-25831210

Fax No. 91-79-25833403

E-mail : helpdesk@meghmani.com

Meghmani Finechem Limited [CIN: U24100GJ2007PLC051717]

Plot No.CH1/CH2, GIDC Industrial Estate, Dahej, Tal. Vagara,

Dist. Bharuch 392 130,

Gujarat, India.

Meghmani Organochem Limited [CIN: U24299GJ2019PLC110321]

1st+2nd+3rd FL, "Meghmani House" Nr. Raj Bunglow,

Nr. Safal Profitaire, Prahlad Nagar, Satellite.

Ahmedabad- 380015, Gujarat, India



ANNEXURE - 1

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

PREAMBLE

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

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

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

(A) DESCRIPTION OF THE COMPANIES

- a. **Meghmani Organics Limited** (hereinafter referred to as 'the Transferor Company' or 'MOL 1' or 'Demerged Company'), CIN: L24110GJ1995PLC024052 the Transferor Company was incorporated on 2nd January 1995 under the provisions of the Companies Act, 1956.
The Transferor Company is having its registered office at Plot 184 Phase-II, GIDC, Vatva, Ahmedabad 382 445, Gujarat and is a listed Company with its shares listed on the National Stock Exchange India Limited (NSE) and the BSE Limited (BSE) & its SDS's listed on the Singapore Exchange Securities Trading Limited ('SGX-ST'). The Transferor Company is engaged in the business of manufacturing and selling of Pigment and Agrochemicals products. It is also engaged in the business of Trading in Chemical products.
- b. **Meghmani Finechem Limited** (hereafter referred to as 'the Transferee Company' or 'MFL') the Transferee Company was incorporated on 11th September 2007 under the provisions of the Companies Act, 1956. The Transferee Company is an unlisted Public Limited Company having its registered office at Plot CH1, CH2, GIDC Industrial Estate, Dahej, Tal: Vagra, Dist: Bharuch-392 130, Gujarat, and is engaged in manufacturing and selling of Basic Chemical products namely Caustic –Chlorine and Caustic Potash. The Promoters of the Transferor Company hold 57.16% of the equity share capital of the Transferee Company.



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

(B) RATIONALE OF THE SCHEME

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

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

- a) The proposed re-structuring would create enhanced value for the shareholders through potential unlocking of value through listing of both the businesses on the NSE and BSE (i.e. "Agrochemicals & Pigment" and "Chloro-Alkali and its Derivatives");
- b) The restructuring would allow a focused strategy and specialization for sustained growth, which would be in the best interest of all the stakeholders and the persons connected with the aforesaid companies;
- c) Since both the business are having separate growth trajectories, the proposed re-structuring would enable both the businesses to pursue their growth opportunities and offer investment opportunities to potential investors;
- d) The proposed re-structuring would enable MOL 1 to delist its SDS's listed on SGX-ST;
- e) The proposed re-structuring would provide opportunity to shareholders of MOL 1 to directly participate in Chloro - Alkali and its Derivatives business;
- f) The proposed re-structuring would enable investors to hold investments in the businesses with different investment characteristics, which best suit their investment strategies and risk profiles;
- g) The proposed re-structuring would enable management to have a Greater/ Enhanced focus of the management on the Chloro-Alkali and its Derivatives business for exploiting opportunities.

Parts of the Scheme

The Scheme is divided into following parts:

| | |
|---------------|---|
| PART A | Deals with the Definitions and Share Capital |
| PART B | Deals with Demerger of Agrochemical and Pigment Undertaking from MOL 1 to MOL 2 Limited |
| PART C | Deals with change in terms of OCRPS issued by MFL |
| PART D | Deals with Amalgamation of Remaining Business undertaking of MOL 1 with MFL |
| PART E | Deals with General terms and conditions |



(C) **SEQUENCE OF EFFECTIVENESS OF THE SCHEME**

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

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

PART A - DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

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

- 1.1 **“Act” or “the Act”** means the Companies Act, 2013, the rules and regulations made thereunder and will include any statutory modifications, amendments or re-enactment thereof for the time being in force.
- 1.2 **“Appointed Date”** shall mean 1st April 2020 or such date as may be fixed or approved by the National Company Law Tribunal (“NCLT”) or such other competent authority.
- 1.3 **“Board” or “Board of Directors”** means the Board of Directors of MOL 1 or MFL or MOL 2, as the case may be, unless it is repugnant to the context or otherwise, and includes a Committee of Directors or any person(s) authorized by the Board of Directors or by any such Committee.
- 1.4 **“Cash Alternative Minimum Amount”** means the minimum cash consideration as determined by IFA to be fair and reasonable to be paid to the SDS holders for each SDS accepted into the Exit Offer.
- 1.5 **“Custodian” or “Local Custodian”** means the DBS Bank India Limited, a banking company incorporated under the Companies Act, 2013 with Corporate Identity Number (CIN) U65999DL2018FLC329236 and having its registered office at Ground Floor Nos.11 & 12, Capitol Point, Baba Kharak Singh Marg, Connaught Place, Delhi 110 001, India, and having its Mumbai Branch Office at Express Towers, Block III, Ramnath Goenka Marg, Nariman Point, Mumbai 400021.
- 1.6 **“Demerged Undertaking” or “Agrochemical and Pigment Undertaking”** shall mean all the undertakings, businesses, activities and operations pertaining to Pigment and Agrochemical division of MOL 1 and its related business; and comprising of all the Assets (moveable, incorporeal and immoveable), excluding Investments in Equity Shares of the Transferee Company and Liabilities which relate thereto, or are necessary therefore and including specifically the following:



- (a) all assets, title, properties, interests, investments including OCRPS issued by MFL, loans, advances (including accrued interest), power generating boilers and rights, including rights arising under contracts, wherever located (including in the possession of vendors, third parties or elsewhere), whether real, personal or mixed, tangible, intangible or contingent, exclusively used or held, by the Demerged Company in, or otherwise identified for use in business, activities and operations pertaining to its Demerged Undertaking, including but not limited to all land, factory building, equipment, plant and machinery, offices, capital work in progress, furniture, fixtures, office equipment, appliances, accessories, receivables, vehicles, deposits, all stocks, assets, cash, balances with banks, investments, all customer contracts, contingent rights or benefits, etc., pertaining to its Demerged Undertaking (collectively, the "Demerged Undertaking Assets");
- (b) all debts, liabilities, guarantees, assurances, commitments and obligations of any nature or description, whether fixed, contingent or absolute, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising, (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability), or pertaining to the Demerged Undertaking (collectively, "Demerged Undertaking Liabilities");
- (c) all contracts, agreements, licenses, leases, linkages, memoranda of undertakings, memoranda of agreement, memoranda of agreed points, letters of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, sales orders, purchase orders or other instruments of whatsoever nature to which the Demerged Company is a party, exclusively relating to the undertaking, business, activities and operations pertaining to its Demerged Undertaking or otherwise identified to be for the benefit of the same, including but not limited to the relevant licenses, water supply/ environment approvals, and all other rights and approvals, electricity permits, telephone connections, building and parking rights, pending applications for consents or extension, all incentives, tax benefits, deferrals, subsidies, concessions, benefits, grants, rights, claims, liberties, special status and privileges enjoyed or conferred upon or held or availed of by the Demerged Company in relation to its Demerged Undertaking, permits, quotas, consents, registrations, lease, tenancy rights in relation to offices and residential properties, permissions, incentives, if any, in relation to its Demerged Undertaking, and all other rights, title, interests, privileges and benefits of every kind in relation to its Demerged Undertaking (collectively, "Demerged Undertaking Contracts");
- (d) all permits, licenses, consents, approvals, authorizations, quotas, rights, entitlements, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, trademarks, intellectual property rights, copyrights, easements, tenancies, privileges and similar rights, and any waiver of the foregoing, issued by any legislative, executive, or judicial unit of any Governmental or Semi-Governmental entity or any department, commission, board, agency, bureau, official or other regulatory, local, administrative or judicial authority exclusively used or held for use by the Demerged Company in the undertaking, business, activities and operations pertaining to the Demerged Undertaking (collectively, "Demerged Undertaking Licenses");



- (e) all such staff, workmen and employees of the Demerged Company, employees/ personnel engaged on contract basis and contract labourers and interns/ trainees, as are primarily engaged in or in relation to the Demerged Undertaking, business, activities and operations pertaining to the Demerged Undertaking, at its respective offices, branches etc, and any other employees/personnel and contract labourers and interns/trainees hired by the Demerged Company after the date hereof who are primarily engaged in or in relation to the Demerged Undertaking, business, activities and operations pertaining to the Demerged Undertaking (collectively, "Demerged Undertaking Employees");
 - (f) all liabilities present and future (including contingent liabilities pertaining to or relatable to the Demerged undertaking), as may be determined by the Board of the Demerged Company;
 - (g) all deposits and balances with Government, Quasi-Government, municipal, local and other authorities and bodies, customers and other persons, earnest moneys and/ or security deposits paid or received by the Demerged Company, directly or indirectly in connection with or in relation to the Demerged Undertaking;
 - (h) all books, records, files, papers, directly or indirectly relating to the Demerged Undertaking; but shall not include any portion of the Remaining Business Undertaking of MOL 1; and
 - (i) Any other asset / liability which is deemed to be pertaining to the Demerged Undertaking by the Board of the Demerged Company. Any question that may arise as to whether a specific asset or liability pertains or does not pertain to the Demerged Undertaking or whether it arises out of the activities or operations of the Demerged Undertaking shall be decided by mutual agreement between the Board of Directors of the Demerged Company and the Resulting Company.
- 1.7 **"Depository Bank" or "Foreign Depository Bank"** means DBS Nominees (Private) Limited, a company incorporated under the laws of Singapore and having registered office at 12, Marina Boulevard, Marina Bay Financial Centre, Singapore (018982), being the depository for the SDSs.
- 1.8 **"Effective Date"** means the last of the dates specified in Clause 30 of this Scheme. Any references in this Scheme to the "date of coming into effect of this Scheme" or "effectiveness of the Scheme" or "Scheme taking effect" shall mean the Effective Date.
- 1.9 **"Exit Offer"** means an offer made to the SDS holders in consideration of their SDSs in connection with the proposed delisting of the SDSs of the Transferor Company.
- 1.10 **"Independent Financial Advisor" or "IFA"** means the Independent Financial Advisor based in Singapore and licensed by the Monetary Authority of Singapore as appointed in accordance with the delisting regulations of SGX-ST to opine on the terms of delisting and issue its letter ('IFA Letter') accordingly.



- 1.11 **"MFL" or "the Transferee Company "** means Meghmani Finechem Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at CH1, CH2, GIDC Industrial Estate, Dahej, Tal: Vagra, Dist: Bharuch-392 130, Gujarat.
- 1.12 **"MOL 1" or "the Transferor Company or "Demerged Company"** means Meghmani Organics Limited, a company incorporated under the Companies Act, 1956 and having its registered Office at Plot 184 Phase-II, GIDC, Vatva, Ahmedabad 382 445, Gujarat.
- 1.13 **"MOL 2" or "the Resulting Company"** means Meghmani Organochem Limited, a company incorporated under the Companies Act, 2013 and having its Registered Office at 1st, 2nd, 3rd FL, Nr. Raj Bunglow, Nr. Safal Profitaire, Prahlad Nagar, Satellite Ahmedabad- 380015, Gujarat.
- 1.14 **"NCLT" or "Tribunal"** means the National Company Law Tribunal, Ahmedabad Bench.
- 1.15 **"OCRPS"** means Optionally Convertible and Redeemable Preference Shares issued by the Transferee Company to Transferor Company.
- 1.16 **"Record Date"** means the date to be fixed by the Board of Directors or Committee thereof, if any,
- (a) of MOL 1 for the purposes of determining the Shareholders to whom shares of MOL 2 would be issued in accordance with Clause 6.1 of this Scheme;
 - (b) of MOL 1 for the purposes of determining the Shareholders to whom shares of MFL would be issued in accordance with Clause 18.1 of this Scheme;
 - (c) of MOL 1 for the purposes of determining the SDS holders to whom consideration shall be offered in a manner provided at Clause 27.2 of this Scheme;
- 1.17 **"Remaining Business Undertaking of MOL 1"** means all other undertakings, business, activities, divisions including trading division, operations, assets including investment in Equity Shares of MFL, liabilities and investment of the Transferor Company other than those forming part of the "Agrochemical and Pigment Undertaking" of the Transferor Company.
- 1.18 **"RPS"** means Redeemable Preference Shares to be held by the Resulting Company and issued by the Transferee Company, pursuant to change of terms of OCRPS.
- 1.19 **"Scheme" or "the Scheme" or "this Scheme" or "this Scheme of Arrangement"** means the Composite Scheme of Arrangement in its present form (along with any annexures, schedules, etc., annexed/attached hereto) or with any modification(s) and amendments made under Clause 30 of this Scheme from time to time and with appropriate approvals and sanctions as imposed or directed by the Tribunal or such other competent authority, as may be required under the Act, as applicable, and under all other applicable laws.
- 1.20 **"SDSs"** means the Singapore Depository Shares issued by the Transferor Company representing underlying Equity Shares for listing on the SGX-ST and as are outstanding as of the record date.



- 1.21 “SEBI” means the Securities and Exchange Board of India established under the provisions of the Securities and Exchange Board of India Act.
- 1.22 “SEBI Circular” means (i) Circular No. CFD/DIL3/CIR/2017/21 dated 10th March 2017, (ii) Circular No. CFD/DIL3/CIR/2017/26 dated 23rd March 2017, (iii) Circular No. CFD/DIL3/CIR/2017/105 dated 21st September 2017, (iv) Circular No. CFD/DIL3/CIR/2018/2 dated 3d January 2018 and (v) Circular No. SEBI/HO/CFD/DIL1 /CIR /P/2019/192 dated 12th September 2019, issued by SEBI or any other circulars issued by SEBI applicable to schemes of arrangement from time to time.
- 1.23 “SGX-ST” means the Singapore Exchange Securities Trading Limited. All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.
- 1.24 “Stock Exchange” means National Stock Exchange (NSE) and Bombay Stock Exchange (BSE),

2. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the Tribunal or made as per Scheme, shall come in legal operation from the Appointed Date, but shall be operative from the Effective Date except for Part C of the Scheme, relating to change of terms of OCRPS issued by the Transferee Company, which shall be effective and operative from the Effective Date only.

3. SHARE CAPITAL

- 3.1 The Authorized, Issued, Subscribed and Paid-up Share capital of the De-merged /Transferor Company for the as on September 30, 2019 is as under:

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

Subsequent to the above date and till the date of the Scheme being approved by the Board of Directors of the Transferor Company, there has been no change in the Authorized, Issued, subscribed and Paid up Share Capital of the Transferor Company.



- 3.2 The Authorized, Issued, Subscribed and Paid-up Share Capital of the Transferee Company as on September 30, 2019 is as under :

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

Subsequent to the above date and till the date of the Scheme being approved by the Board of Directors of the Transferee Company, there has been no change in the Authorized, Issued, Subscribed and Paid up Share Capital of the Transferee Company.

- 3.3 The Authorized, Issued, Subscribed and Paid-up Share Capital of the Resulting Company as on 30th September 2019 is as under:

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

Subsequent to the above date till the date of the Scheme being approved by the Board of Directors of the MOL 2, there has been no change in the Authorized, Issued, Subscribed and Paid up share capital of MOL 2.



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

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

- 4.1 With effect from the Appointed date and upon the Scheme being effective, the Agrochemical and Pigment Undertaking of the Demerged Company as defined in Clause 1.6 shall stand transferred to and vested in or deemed to be transferred to and vested into, as a going concern, the Resulting Company in accordance with Section 2(19AA) of the Income Tax Act, 1961 and in the following manner:
- 4.2 All Agrochemical and Pigment Undertaking Assets that are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery or by operation of law pursuant to the vesting order of the NCLT sanctioning the Scheme and its filing with the Registrar of Companies concerned. Such assets shall stand vested in the Resulting Company and shall be deemed to be and become the property and as an integral part of the Resulting Company by operation of law. The vesting order and sanction of the Scheme shall operate in relation to the movable property in accordance with its normal mode of vesting through the Resulting Company and as the context may provide, by physical or constructive delivery, or by endorsement and delivery, or by mere operation of the vesting order and its recordal or registration with the Registrar in accordance with the Act, as appropriate to the nature of the movable property vested. Upon the Scheme becoming effective the title to such property shall be deemed to have been mutated and recognized as that of the Resulting Company.
- 4.3 All Agrochemical and Pigment Undertaking Assets that are other movable properties, including sundry debtors, investment in OCRPS of the Transferee Company and other investments relating to Agrochemical and Pigment business (excluding investments in equity shares of MFL), outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, Semi-Government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, pursuant to the vesting order and by operation of law become the property of the Resulting Company, and the title thereof together with all rights, interests or obligations therein shall be deemed to have been mutated and recorded as that of the Resulting Company and any document of title pertaining to the assets of the Agrochemical and Pigment Undertaking shall also be deemed to have been mutated and recorded as titles of the Resulting Company to the same extent and manner as originally held by the Demerged Company and enabling the ownership, right, title and interest therein as if the Resulting Company was originally the Demerged Company. The Resulting Company shall subsequent to the vesting order be entitled to the delivery and possession of all documents of title of such movable property in this regard.



- 4.4 All immovable properties of the Agrochemical and Pigment Undertaking, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Agrochemical and Pigment Undertaking, whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto shall stand vested in and/or be deemed to have been vested in the Resulting Company, by operation of law pursuant to the vesting order of the NCLT sanctioning the Scheme, and its filings with the concerned Registrar of Companies. Such assets shall stand vested in the Resulting Company and shall be deemed to be and become the property as an integral part of the Resulting Company by operation of law. The Resulting Company shall simultaneous with the filing and registration of the order of the NCLT sanctioning the Scheme be always entitled to all the rights and privileges attached in relation to such immovable properties and shall be liable to pay appropriate rent, rates and taxes and fulfill all obligations in relation thereto or as applicable to such immovable property. Upon the Scheme becoming effective, the title to such properties shall deemed to have been mutated and recognized as that of the Resulting Company and the mere filing thereof with the appropriate Registrar or Sub-Registrar of Assurances or with the relevant Government shall suffice as record of continuing titles with the Resulting Company pursuant to the Scheme becoming effective and shall constitute a deemed mutation and substitution thereof. The Resulting Company shall subsequent to the vesting order be entitled to the delivery and possession of all documents of title to such immovable property in this regard. It is hereby clarified that all the rights, title and interest of the Agrochemical and Pigment Undertaking in any leasehold properties shall, pursuant to Section 232 of the Act and the provisions of this Scheme, without any further act, instrument or deed, be vested in or be deemed to have been vested in the Resulting Company, subject to payment of applicable stamp duty,
- 4.5 All the Agrochemical and Pigment Undertaking liabilities including debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not in the books of account or disclosed in the balance sheets of the Demerged Company shall stand vested in the Resulting Company and shall upon the Scheme becoming effective be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company, and the Resulting Company shall, and undertake to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause.
- 4.6 All Contracts including contracts relating to the Agrochemical and Pigment Undertaking, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies) for the purpose of carrying on the Agrochemical and Pigment Undertaking of the Demerged Company, and in relation thereto, and those relating to tenancies, privileges, Power Generations, facilities of every kind and description of whatsoever nature in relation to the Agrochemical and Pigment Undertaking of the Demerged Company, or to the benefit of which, Agrochemical and Pigment Undertaking of the Demerged Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall by



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

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

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

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



contained in this Scheme, but by virtue of the vesting and sanction order, such legal proceedings shall continue and any prosecution shall be enforced by or against the Resulting Company in the same manner and to 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.

- 4.9 All the Agrochemical and Pigment Undertaking Employees shall become employees of and be engaged 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.
- 4.10 All taxes (including but not limited to Value Added Tax, Goods and Service Tax, Central Goods and Service Tax law (CGST), State Goods and Service Tax law (SGST) and Integrated Goods and Service Tax law (IGST) credits, Sales Tax, Service Tax and any other indirect tax etc.) payable by or refundable to the Agrochemical and Pigment Undertaking of the Demerged Company, including tax losses, Minimum Alternate Tax credit and/or TDS credit available, Advance Tax, all or any refunds or claims shall be treated as the tax liability or refunds/claims, as the case may be, of the Resulting Company, and any tax incentives, advantages, privileges, exemptions, credits, holidays, remissions, reductions, etc, as would have been available to Agrochemical and Pigment Undertaking of the Demerged Company, shall pursuant to this Scheme becoming effective, be available to the Resulting Company.
- 4.11 Taxes, if any, paid or payable by the Demerged Company after the Appointed Date and specifically pertaining to the Agrochemical and Pigment Undertaking shall be treated as paid or payable by the Resulting Company and the Resulting Company shall be entitled to claim the credit, refund or adjustment for the same as may be applicable.
- 4.12 Upon this part being effective, the Demerged Company and the Resulting Company are expressly permitted to reopen and revise their financial accounts, income tax returns, withholding tax returns, service tax returns, Value Added Tax returns, Sales Tax returns, excise and CENVAT returns, GST returns and any other statutory returns and filings under the laws for any relevant year for the purposes of/ consequent to implementation of this Scheme, notwithstanding that the period of filing/ revising



such return may have lapsed, without incurring any liability on account of interest, penalty or any other sum. It is further clarified that the Resulting Company shall be entitled to claim deduction under Section 43B of the Income Tax Act in respect of unpaid liabilities transferred to it as part of the Demerged Undertaking to the extent not claimed by the Demerged Company, as and when the same are paid subsequent to Appointed Date.

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



trademarks, intellectual property rights, brands, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description of whatsoever nature.

- 4.14 Benefits of any and all corporate approvals as may have already been taken by the Demerged Company with respect to the Agrochemical and Pigment Undertaking, whether being in the nature of compliances or otherwise, shall stand vested in the Resulting Company and the said corporate approvals and compliances shall, upon this Scheme becoming effective, be deemed to have been taken/complied with by the Resulting Company.
- 4.15 All estates, assets, rights, title, interests and authorities accrued to and/or acquired by the Demerged Company in relation to the Agrochemical and Pigment Undertaking shall be deemed to have been accrued to and/or acquired for and on behalf of the Resulting Company and shall, upon this Scheme coming into effect, pursuant to the provisions of Section 232 and other applicable provisions of the Act, without any further act, instrument or deed be and stand vested in or be deemed to have been vested in the Resulting Company to that extent and shall become the estates, assets, right, title, interests and authorities of the Resulting Company.

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

- 5.1 As an integral part of the Scheme, and upon coming into effect of Part B of this Scheme,
- (a) Authorized Capital to the extent of Rs. 11,50,00,000 (Rupees Eleven Crores Fifty Lakhs Only) shall stand transferred from the Authorized Capital of the Demerged Company and get combined with the Authorized Capital of the Resulting Company;
- (b) The face value of the equity share of the Resulting Company shall be sub-divided from Rs. 10/- to Rs. 1/-, without any further act, instrument or deed on the part of the Resulting Company. and
- (c) Accordingly, Clause 5 of the Memorandum of Association of the Resulting Company shall automatically stand amended so as to read as under:
- “The Authorised Share Capital of the Company is Rs. 11,55,00,000/- [Rupees Eleven Crores Fifty Five Lacs Only] divided in 11,55,00,000 [Eleven Crores Fifty Five Lakhs] Equity shares of Rs. 1/- [Rupee One Only] each.”***
- 5.2 It is clarified that the approval of the members of the Resulting Company to the Scheme shall be deemed to be their consent / approval also to the alteration of the Memorandum of Association of the Resulting Company and the Resulting Company shall not be required to seek separate consent / approval of its shareholders for the alteration of the Memorandum of Association on the Resulting Company as required under Section 13, 61 and 64 of the Act and other applicable provisions of the Act.



- 5.3 The registration fee applicable under the Act and the stamp duty already paid by the Demerged Company on its authorized capital, which is being transferred to the Resulting Company in terms of Sub Clause 5.1 herein above, shall be deemed to have been so paid by the Resulting Company and accordingly, the Resulting Company shall not be required to pay any fee / stamp duty on the authorized capital so increased. Further, the Resulting Company shall file the required forms with the ROC for alteration of its Authorized Share Capital and shall pay necessary fees as may be required to be paid in accordance with the law.
- 5.4 Upon the occurrence of the last of the dates on which the certified copy of the order of the NCLT at Ahmedabad, or any other appropriate authority sanctioning the Scheme is filed with the relevant Registrar of Companies, the name of Resulting Company shall be deemed to have been changed from “**Meghmani Organochem Limited**” to “**Meghmani Organics Limited**” or such other alternate name as may be permitted by the Registrar of Companies, Ahmedabad in accordance with relevant provisions of the Act. It is hereby clarified that the consent of the shareholders of Resulting Company to this Scheme shall be deemed to be sufficient for the purpose of effecting the aforementioned amendment and that no further resolution under Section 13 or any other applicable provisions of the Act, would be required to be separately passed. Further, the Resulting Company shall file the required forms with the ROC for Change of Name and shall pay necessary fees as may be required to be paid in accordance with the Act.
- 6 ISSUE OF SHARES AND PAYMENT IN CASH (TO THE SD SHOLDERS, IF REQUIRED) BY THE RESULTING COMPANY PURSUANT TO DEMERGER**
- 6.1 Upon the Scheme becoming effective and upon vesting of the Agrochemical and Pigment Undertaking of the Demerged Company in the Resulting Company, the Resulting Company shall, without any further application or deed, issue and allot to the shareholders of the Demerged Company whose name appears in the register of members of the Demerged Company as on the Record Date or to their respective heirs, executors, administrators, legal representatives or the successors in title, as the case may be recognized by the Board of Directors of MOL 2, in the following proportion:
- “ 1 (One) fully paid up Equity Share of Re. 1/- each of the Resulting Company shall be issued and allotted at par, as fully paid up to the equity shareholders of the Demerged Company (including to Depository Bank who holds shares on behalf of the SDS holders who shall deal with the shares in a manner provided at Clause 27.2 of the Scheme) for every 1 (One) Equity Share of Re. 1/-fully paid up held in the Demerged Company as on the Record Date.”***
- 6.2 The Resulting Company shall take necessary steps to increase its Authorized Share Capital to the required extent to enable it to issue and allot the shares required to be issued and allotted by it under this Scheme, by following the requisite procedure and payment of requisite fees and duties, as prescribed under the Companies Act, 2013.
- 6.3 The Shares to be issued and allotted as above shall be subject to and in accordance with the Memorandum and Articles of Association of the Resulting Company. The 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.



- 6.4 The approval of this Scheme by the shareholders of the Resulting Company shall be deemed to be due compliance of the provisions of Section 42, Section 62, if applicable, and all the other relevant and applicable provisions of the Act for the issue and allotment of Equity Shares by the Resulting Company to the shareholders of the Demerged Company, as provided in this Scheme.
- 6.5 The consideration in the form of Equity Shares shall be issued and allotted by the Resulting Company in dematerialized form to all the shareholders of the Demerged Company holding such Shares in dematerialized form and in physical form to all those shareholders of the Demerged Company holding such shares in physical form.
- 6.6 The Equity Shares issued by the Resulting Company shall be listed and admitted to trading on the Stock Exchanges i.e. NSE and BSE, pursuant to this Scheme and in compliance with the applicable regulations and the SEBI circular. The Resulting Company shall make all requisite applications and shall otherwise comply with the provisions of SEBI circular and Applicable Law and take all steps to procure the listing of the equity shares issued by it.
- 6.7 The Equity Shares issued by the Resulting Company, pursuant to the Scheme shall remain frozen in the Depository system till listing/trading permission is given by the Stock Exchanges i.e. NSE and BSE.
- 6.8 There shall be no change in the shareholding pattern or control in the Resulting Company between Record Date as defined at Clause 1.16 and the listing of the equity shares on the Stock Exchanges i.e. NSE and BSE.

7 CANCELLATION OF EQUITY SHARES OF THE RESULTING COMPANY HELD BY THE DEMERGED COMPANY

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



8 ACCOUNTING TREATMENT

8.1 IN THE BOOKS OF DEMERGED COMPANY

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

8.2 IN THE BOOKS OF THE RESULTING COMPANY

- 8.2.1 Upon the Scheme becoming effective, the Resulting Company shall record the assets and liabilities pertaining to the Agrochemical and Pigment Undertaking, transferred to and vested in it pursuant to this Scheme, at the same values as appearing in the books of Demerged Company in compliance with the Indian Accounting Standard 103 on Business Combinations and other Indian Accounting Standards (Ind AS), as applicable, and notified under Section 133 of the Companies Act 2013, read with Companies (Indian Accounting Standards) Rules, 2015.
- 8.2.2 The Resulting Company shall credit its Share Capital account with the aggregate face value of the Equity Shares issued to the shareholders of the Demerged Company pursuant to Clause 6.1 of this Scheme.
- 8.2.3 The difference, being the excess of carrying values of the Assets over the Liabilities and Reserves of the Demerged Company pertaining to the Agrochemical and Pigment Undertaking transferred from the Demerged Company and recorded by the Resulting Company in accordance with Clause 8.2.1 above, over the amount credited as Share Capital as per Clause 8.2.2 above, shall be transferred to the Capital Reserve.
- 8.2.4 In case, the Net Sales proceeds received by SDS Holders is less than the Cash Alternative Minimum Amount, then the SDS holders would be compensated in cash. Accordingly, if any amount is required to be paid in cash by the Resulting Company, then such amount shall be debited to the other Equity as appearing in the books of Resulting Company.

9 CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE

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

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



- 9.2 The Demerged Company shall not utilize the profits or income, if any, relating to the Agrochemical and Pigment Undertaking for the purpose of declaring or paying any dividend or for any other purpose, without the prior written consent of the Board of Directors of the Resulting Company.
- 9.3 Any distribution by way of dividend between the Appointed Date and Effective Date, of profits or income out of the profits pertaining to the Agrochemical and Pigment Undertaking (including income from shares forming part of the said undertaking and received between the Appointed Date and Effective Date), shall be considered as distribution made by the Resulting Company and any credit in respect of such distribution, under any law for the time being in force, shall be available to the Resulting Company.
- 9.4 The Demerged Company shall not without the prior written consent of the Board of Directors of the Resulting Company or pursuant to any pre-existing obligation, sell, transfer or otherwise alienate, charge, mortgage or encumber or otherwise deal with or dispose of the undertaking relating to Agrochemical and Pigment Undertaking or any part thereof except in the ordinary course of its business.
- 9.5 The Demerged Company shall not vary the existing terms and conditions of service of its staff, workmen and employees or any agreements or contracts relating to Agrochemical and Pigment Undertaking except in the ordinary course of its business or without prior consent of the Resulting Company or pursuant to any pre-existing obligation undertaken by the Demerged Company as the case may be, prior to Effective Date.
- 9.6 The Resulting Company shall be entitled, pending the sanction of the Scheme, to apply to the Central/State Government, and all other agencies, departments and authorities concerned as are necessary under any law or rules, for such consents, approvals and sanctions, which the Resulting Company may require pursuant to this Scheme.
- 10 STAFF, WORKMEN AND EMPLOYEES**
- 10.1 On the Scheme becoming effective, all the staff, workmen and employees of the Demerged Company engaged in or in relation to the Agrochemical and Pigment Undertaking, who are in service on the date immediately preceding the Effective Date shall, on and from the Effective Date become and be engaged as the employees of the Resulting Company, without any break or interruption in service as a result of the transfer and on terms and conditions not less favourable than those on which they are engaged by the Demerged Company immediately preceding the Effective Date. Services of the employees of the Demerged Company shall be taken into account from the date of their respective appointment with the Demerged Company for the purposes of all retirement benefits and all other entitlements for which they may be eligible. The Resulting Company further agrees that for the purpose of payment of any retrenchment compensation, if any, such past services with the Demerged Company shall also be taken into account. The services of such employees shall not be treated as having been broken or interrupted for the purpose of Provident Fund or Gratuity or Superannuation or other statutory purposes and for all purposes will be reckoned from the date of their respective appointments with the Demerged Company.



- 10.2 It is provided that as far as the Provident Fund, Gratuity Fund and Pension and/ or Superannuation Fund or any other Special Fund created or existing for the benefit of the staff, workmen and other employees of the Demerged Company are concerned, upon the Scheme becoming effective, the Resulting Company shall stand substituted for the Demerged Company in respect of the employees transferred with the Agrochemical and Pigment Undertaking for all purposes whatsoever relating to the administration or operation of such Funds or Trusts or in relation to the obligation to make contribution to the said Funds or Trusts in accordance with the provisions of such Funds or Trusts as provided in the respective Trust Deeds or other documents. It is the aim and the intent of the Scheme that all the rights, duties, Power Generations and obligations of the Agrochemical and Pigment Undertaking of the Demerged Company in relation to such Funds or Trusts shall become those of the Resulting Company. The Trustees including the Board of Directors of the Demerged Company and the Resulting Company or through any committee / person duly authorized by the Board of Directors in this regard shall be entitled to adopt such course of action in this regard as may be advised provided however that there shall be no discontinuation or breakage in the services of the employees of the Demerged Company.
- 10.3 With effect from the first of the dates of filing of this Scheme with Tribunal and up to and including the Effective Date, the Demerged Company shall not vary or modify the terms and conditions of employment of any of its employees engaged in or in relation to the Agrochemical and Pigment Undertaking of the Demerged Company, except with written consent of the Resulting Company.

11 LEGAL PROCEEDINGS

- 11.1 All legal proceedings of whatsoever nature by or against the Demerged Company pending and/or arising before the Effective Date and relating to the Agrochemical and Pigment Undertaking, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against the Resulting Company, as the case may be in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company. Any cost pertaining to the said proceedings between the Appointed Date and the Effective date incurred by the Demerged Company shall be reimbursed by the Resulting Company.
- 11.2 After the Effective Date, if any proceedings are taken against the Demerged Company in respect of the matters referred to in the sub-clause 11.1 above, they shall defend the same at the cost of the Resulting Company, and the Resulting Company shall reimburse and indemnify the Demerged Company against all liabilities and obligations incurred by the Demerged Company in respect thereof.
- 11.3 The Resulting Company undertakes to have all legal or other proceedings initiated by or against the Demerged Company referred to in Clauses 11.1 or 11.2 above transferred into its name and to have the same continued, prosecuted and enforced by or against the Resulting Company as the case may be, to the exclusion of the Demerged Company.



12 CONTRACTS, DEEDS, ETC.

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

13 SAVING OF CONCLUDED TRANSACTIONS

- 13.1 The transfer of properties and liabilities under Clause 4 above and the continuance of proceedings by or against the Resulting Company under Clause 11 above shall not affect any transaction or proceedings already concluded by the Demerged Company on or after the Appointed Date till the Effective Date, to the end and intent that the Resulting Company accepts and adopts all acts, deeds and things done and executed by the Demerged Company in relation to the Agrochemical and Pigment Undertaking in respect thereto as done and executed on behalf of itself.

14 REMAINING BUSINESS UNDERTAKING OF THE DEMERGED COMPANY

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



14.3 Up to and including the Effective Date –

- (a) The Demerged Company shall be deemed to have been carrying on all the business and activities relating to the Remaining Business Undertaking of the Demerged Company for and on their behalf;
- (b) All profits (including taxes) accruing to the Demerged Company thereon or losses arising or incurred by it relating to the Remaining Business Undertaking of the Demerged Company shall, for all purposes, be treated as the profit, or losses, (including taxes) as the case may be, of the Demerged Company.

PART C– CHANGE OF TERMS OF OCRPS

15 Change of terms of OCRPS

- 15.1 The terms of OCRPS which forms part of the Agrochemical and Pigment Undertaking, shall be changed so as to convert them into Compulsorily Redeemable Preference Shares ('RPS'). Terms of the RPS has been provided in **Annexure 1**:
- 15.2 The above modification in the terms of OCRPS shall become operative and effective from the Effective Date of the scheme.

16 ACCOUNTING TREATMENT IN THE BOOKS OF RESULTING COMPANY

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

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

17 TRANSFER AND VESTING

- 17.1 With effect from the Appointed Date, MOL 1(having Remaining Business Undertaking of MOL 1 after Demerger of Agrochemical and Pigment Undertaking), including all properties and assets (whether movable or immovable, tangible or intangible) of whatsoever nature such as licenses, permits, trademarks, brands, intellectual property rights, copy rights, quotas, investments, approvals, lease, tenancy rights, permissions, incentives, if any, and benefit of all letter of intent, request for proposal, prequalification, bid acceptances, tenders, contracts, deeds, memorandum of understanding, bonds, agreements, arrangements, track-record, experience, goodwill and all other rights, claims, power and any other instrument and all other rights, title, interest, certificates, registrations under various legislations, contracts, consent, approvals or power of every kind nature and descriptions whatsoever of all intents and purposes and specifically including but not limited to, the turnover, the profitability, performance, and



market share of the Transferor Company from the commencement of its operations shall under the applicable provisions of the Act and pursuant to the orders of the Tribunal and without any further act, instrument or deed, but subject to the existing charges affecting the same as on the Effective Date be transferred and/or deemed to be transferred to and vested in the Transferee Company so as to become the properties and assets of the Transferee Company.

- 17.2 Without prejudice to Clause 17.1 above, in respect of such of the assets of the Transferor Company as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and/or delivery, the same shall be so transferred by the Transferor Company, and shall, upon such transfer, become the property, estate, assets, rights, title, interest and authorities of the Transferee Company by way of physical delivery or novation. The investments held in dematerialized form will be transferred to the Transferee Company by issuing appropriate delivery instructions to the depository participant with whom the Transferor Company have an account. Such delivery and transfer shall be made on a date mutually agreed upon between the respective Boards of Directors of the Transferee Company and the Transferor Company, being a date after the scheme becoming effective. The moveable assets, other than those specified in Clause 17.1 above, including intangible assets, actionable claims, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits including deposits paid in relation to outstanding litigations, if any, with Government, Semi-Government, local and other authorities and bodies, customers and other persons, shall, without any further act, instrument or deed, be transferred to and vested into as the property of the Transferee Company. The Transferee Company may, if required, give notice in such form as it may deem fit and proper to each person or debtor that, pursuant to the Scheme, the said person or debtor should pay the debt, loan or advance or make good the same or hold the same to its account and that the right of the Transferee Company to recover or realize the same is in substitution of the right of the Transferor Company and that appropriate entry should be passed in their respective books to record the aforesaid charges.
- 17.3 Without prejudice to any of the Clauses above, with effect from the Appointed Date and upon the Scheme becoming effective, all immoveable properties, including land together with buildings and structure standing thereon, whether freehold or leasehold, relating to any of the Transferor Company and any documents of title, rights, interests, claims, including leases, licenses and easements in relation thereto, shall, pursuant to the applicable provisions of the Act and the Scheme, without any further act, instrument, deed, matter or thing, stand transferred to and vested into the Transferee Company, as of the Appointed Date. The mutation of the title to the immoveable properties shall be made and duly recorded by the appropriate authorities pursuant to the sanction of the Scheme and upon the Scheme becoming effective, in accordance with the terms hereof, in favor of the Transferee Company.



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

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

17.5 All debts, liabilities, duties and obligations of whatsoever nature of the Transferor Company shall also, without any further act, instrument or deed be transferred to and vested in and assumed by and/or deemed to be transferred to and vested in and assumed by the Transferee Company pursuant to the provisions of the Act, so as to become the debts, liabilities, duties and obligations of the Transferee Company and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which debts, liabilities, duties and obligations liabilities have arisen, in order to give effect to the provisions of this Clause.

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

17.7 With effect from the Appointed Date and upon the Scheme becoming effective, all development rights, statutory licenses, permissions, approvals or consents, if any, to carry on the operations and business of the Transferor Company shall stand vested in or transferred to the Transferee Company without any further act or deed and shall be appropriately mutated by the statutory authorities concerned in favour of the Transferee Company. The benefit of all statutory and regulatory permissions, environmental approvals and consents, registrations or other licenses and consents shall vest in and become available to the Transferee Company pursuant to this Scheme.



- 17.8 Upon the Scheme being effective, the Transferee Company shall be entitled to claim refunds or credits, including input tax credit, with respect to taxes paid by, for, or on behalf of, the Transferor Company under applicable laws, including Income Tax (including tax losses, unabsorbed depreciation and Tax Deducted at source), minimum Alternate Tax Credit, Sales Tax, Goods and Service Tax, Value Added Tax, Service Tax, CENVAT or any other tax, whether or not arising due to any inter se transaction, even if the prescribed time limits for claiming such refunds or credits have lapsed.
- 17.9 Upon the coming into effect of the Scheme, all tax compliances under any tax laws by the Transferor Company on or after Appointed Date shall be deemed to be made by the Transferee Company.
- 17.10 Upon the Scheme being effective, any advance tax, self-assessment tax, minimum alternate tax and/or TDS credit available or vested with the Transferor Company, including any taxes paid and taxes deducted at source and deposited by the Transferee Company on inter se transactions during the period between the Appointed Date and the Effective Date shall be treated as advance tax paid by the Transferee Company and shall be available to the Transferee Company for set-off against its liability under the Income-tax Act, 1961 and any excess tax so paid shall be eligible for refund together with interest. Any TDS certificates issued by the Transferee Company to, or for the benefit of, the Transferor Company under the Income-tax Act, 1961 with respect to the inter se transactions would be available to the Transferee Company to seek refund of from the tax authorities in compliance with law. Further, TDS deposited, TDS certificates issued or TDS returns filed by the Transferor Company on transactions other than inter se transactions during the period between the Appointed Date and the Effective Date shall continue to hold good as if such TDS amounts were deposited, TDS certificates were issued and TDS returns were filed by the Transferee Company. Any TDS deducted by, or on behalf of, the Transferor Company on inter se transactions will be treated as advance tax deposited by the Transferee Company.
- 17.11 The Transferee Company is also expressly permitted to claim refunds, credits, including restoration of input CENVAT credit, GST Credit, tax deduction in respect of nullifying of any transaction between the Transferor Company and the Transferee Company.
- 17.12 Upon this part being effective, the Transferee Company and the Transferor Company are expressly permitted to reopen and revise its financial accounts, Income Tax Returns, withholding tax returns, Service Tax Returns, value added tax returns, sales tax returns, Excise and CENVAT returns, GST returns and any other statutory returns and filings under the laws for any relevant year for the purpose of/consequent to the implementation of the Scheme, notwithstanding that the period of filing/revising such return may have lapsed without incurring any liability on account of interest, penalty or any such other sum.
- 17.13 This part of the Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under Section 2(1B) of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section of the Income Tax Act, 1961, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said section of the Income Tax Act, 1961, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with section 2(1B) of the Income Tax Act, 1961. Such modification will however not affect the other parts of the Scheme.



18 CONSIDERATION

- 18.1 Upon this Scheme becoming effective and upon Amalgamation of the Transferor Company into the Transferee Company in terms of this Scheme, the Transferee Company shall, without any application, act or deed, issue and allot Equity Shares, credited as fully paid up, to the extent indicated below, to the members of the Transferor Company holding fully paid-up equity shares of the Transferor Company and whose names appear in the register of members of the Transferor Company as on the Record Date, or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of the Transferor Company / Transferee Company in the following proportion:
- “94 (Ninety Four) fully paid up equity shares of the Transferee Company of the face value of Rs. 10/- each shall be issued and allotted, at par as fully paid up to the equity shareholders of the Transferor Company (including to Depository Bank who holds shares on behalf of the SDS holders who shall deal with the shares in a manner provided at clause 27.2 of the Scheme) for every 1000 (One Thousand) equity shares of Re. 1/- each held by the shareholders of the Transferor Company, as on the Record Date.”***
- 18.2 In respect of fractional entitlement to a shareholder, shall be rounded off to the nearest integer. A fraction of less than half shall be rounded down to the nearest lower integer and a fraction of half or more shall be rounded up to the nearest higher integer. However, in no event, shall the number of New Equity Shares to be allotted by the Transferee Company to the members of the Transferor Company exceed the number of equity shares held by the Transferor Company in the Transferee Company on the Effective Date
- 18.3 The Equity Shares to be issued to the equity shareholders of the Transferor Company as per Clause 18.1 above shall be subject to the Memorandum of Association and Articles of Association of the Transferee Company and shall rank pari-passu in all respects, including dividend, with the existing preference shares of Transferee Company.
- 18.4 Upon Scheme being effective, the Shares of the Transferee Company as held by the Transferor Company shall stand cancelled by operation of law and shall amount to Reduction of Capital. However, considering the issue of new shares to the shareholders of the Transferor Company towards the consideration for the undertaking, there shall not be any net reduction of the Share Capital of the Transferee Company. In view of the same the provisions of Section 66 of the Companies Act, 2013 shall not be attracted.
- 18.5 The Transferee Company shall take necessary steps to increase or alter or re-classify, (if necessary), its Authorized Share Capital suitably to enable it to issue and allot the shares required to be issued and allotted by it under Clause 18.1 of this Scheme.
- 18.6 The shares to be issued and allotted by the Transferee Company to the shareholders of the Transferor Company shall be issued in Dematerialized form to all the shareholders holding such shares in dematerialized form and in physical form to all those shareholders holding such shares in physical form.



- 18.7 The Equity Shares of the Transferee Company issued in terms of Clause 18.1 above shall subject to receipt of necessary approval, be listed and/or admitted to trading on the National Stock Exchange and Bombay Stock Exchange.
- 18.8 The approval of this Scheme by the members of the Transferee Company shall be deemed to be due compliance with the applicable provisions of the Act including Section 42 and 62 of the Act, for the issue and allotment of shares by the Transferee Company to the members of the Transferor Company, as provided in the Scheme.
- 18.9 The Equity Shares issued by the Transferee Company shall be listed and admitted to trading on the Stock Exchanges i.e. NSE and BSE, pursuant to this Scheme and in compliance with the applicable regulations and the SEBI circular. The Transferee Company shall make all requisite applications and shall otherwise comply with the provisions of SEBI circular and Applicable Law and take all steps to procure the listing of the Equity Shares issued by it.
- 18.10 The Equity Shares issued by the Transferee Company, pursuant to this Scheme shall remain frozen in the depository system till listing/trading permission is given by the Stock Exchanges i.e. NSE and BSE.
- 18.11 There shall be no change in the shareholding pattern or control in the Transferee Company between Record Date as defined at Clause 1.16 and the listing of the Equity Shares on the Stock Exchanges i.e. NSE and BSE.

19 ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEEE COMPANY

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

- 19.1 Upon the Scheme becoming effective, the Transferee Company shall record the assets and liabilities of the Transferor company and vested in it pursuant to this Scheme, at the same values as appearing in the books of transferor company in compliance with the Indian Accounting Standard 103 on Business Combinations and other Indian Accounting Standards (Ind AS), as applicable, and notified under Section 133 of the Companies Act 2013, read with Companies (Indian Accounting Standards) Rules, 2015.
- 19.2 The identity of the Reserves of the Transferor Company shall be preserved and they shall appear in the financial statements of the Transferee Company in the same form and manner, in which they appeared in the Financial Statements of the Transferor Company, and after giving effect to the Demerger prior to this Scheme becoming effective.
- 19.3 Inter-Company Investments in the Share Capital shall stand cancelled.
- 19.4 If and to the extent there are inter corporate loans, investments, deposits or balances as between the Transferor Company and the Transferee Company, the rights and obligations in respect thereof shall, on and from the Appointed Date, shall stand cancelled.
- 19.5 The difference, if any, between the Carrying Value of the Investments in the Share Capital of the Transferee Company as appearing in the books of the Transferor Company and the Share Capital of the Transferor Company over and above the amount adjusted in preceding clauses shall be adjusted in the Reserves of the Transferor Company as recorded in the books of the Transferee Company to the extent available and the balance, if any, shall be recorded as Capital Reserve.



- 19.6 In case, the net sales proceeds received by SDS holders is less than the Cash Alternative Minimum Amount, then the SDS holders would be compensated in cash. Accordingly, if any amount is required to be paid in cash by the Transferee Company, then such difference shall be debited to the other equity as appearing in the books of Transferee Company.
- 20. CONSOLIDATION OF AUTHORISED SHARE CAPITAL OF THE TRANSFEROR COMPANY, RECLASSIFICATION OF SHARE CAPITAL AND ALTERATION OF MEMORANDUM OF ASSOCIATION OF THE TRANSFEREE COMPANY**
- 20.1 Upon the Scheme becoming effective with effect from the appointed date, the Authorized Share Capital of the Transferor Company, amounting to Rs. 25,50,00,000 (Rupees Twenty Five Crores and Fifty Lakhs) of Equity Share Capital, shall stand consolidated and vested in and be merged with the Authorized Share Capital of the Transferee Company without any liability for payment of any additional fees or such fees and duties in respect of such Authorized Share Capital of the Transferor Company having already being paid by Transferor Company, the benefit of which stands vested in Transferee Company pursuant to the Scheme being effective.
- 20.2 The Memorandum of Association and Articles of Association of the Transferee Company (relating to the Authorized Share Capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme, whether at a meeting or otherwise, shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Sections 13, 14 and 61 of the Act and other applicable provisions of the Act would be required to be separately passed, as the case may be and for this purpose the stamp duties and fees paid on the authorized share capital of the Transferor Company shall be utilized and applied to the increase of authorized share capital of the Transferee Company and there would be no requirement for any further payment of stamp duty and/or fee by the Transferee Company for increase in the Authorized Share Capital to that extent.
- 20.3 It is clarified that the said Authorized Share Capital shall be consolidated with the Authorized Equity Share Capital of the Transferee Company after reclassifying the same for face value of Equity Shares as Rs. 10/-
- 20.4 It is clarified that the approval of the members of the Transferee Company to the Scheme, whether at a meeting or otherwise, shall be deemed to be their consent/approval also to the amendment of the Memorandum of Association of the Transferee Company as may be required under the Act.
- 20.5 The Clause 5 of the Memorandum of Association of the Transferee Company shall stand amended as under:-

Clause V of Memorandum of Association

"the authorized share capital of the Company is Rs.573,12,87,960 (Rupees Five seventy three crores Twelve Lakhs Eighty Seven thousand Nine Hundred Sixty only) divided into :

- 1. Rs. 1,20,50,00,000 (One Hundred Twenty Crores Fifty Lacs Only) consisting of 12,05,00,000 (Twelve Crores Five Lakhs Only) Equity shares of Rs. 10 (Rupees Ten Only) each ;*



- II. Rs 20,00,00,000 (Twenty Crore) consisting of 20,00,000 (Twenty Lakhs) Preference Shares of Rs 100/- (Rupees One Hundred Only) each;
- III. Rs 4,32,62,87,960 (Four Hundred Thirty Two Crore Sixty Two Lacs Eighty Seven Thousand Nine Hundred and Sixty) consisting of 43,26,28,796 (Forty Three Crore Twenty Six Lakhs Twenty Eight Thousand Seven Hundred and Ninety Six) Preference Shares of Rs. 10/- (Rupees Ten Only) each "

21. CONDUCT OF BUSINESS TILL EFFECTIVE DATE

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

- 21.1 The Transferor Company shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all its properties and assets pertaining to business of the Transferor Company for and on account of and in trust for the Transferee Company. The Transferor Company hereby undertakes to hold the said assets with utmost prudence until the Effective Date.
- 21.2 The Transferor Company shall carry on its business and activities with reasonable diligence, business prudence and shall not, except in the ordinary course of business or without prior written consent of the Transferee Company, alienate, charge, mortgage, encumber or otherwise deal with or dispose of any business or part thereof.
- 21.3 All the profits or income accruing or arising to the Transferor Company or expenditure or losses arising or incurred or suffered by the Transferor Company shall for all purposes be treated and be deemed to be accrued as the income or profits or losses or expenditure as the case may be of the Transferee Company.
- 21.4 The Transferor Company shall not vary the terms and conditions of employment of any of the employees of the Transferor Company, except in the ordinary course of business or without the prior consent of the Transferee Company or pursuant to any pre-existing obligation undertaken by them, as the case may be, upto the Effective Date.
- 21.5 The Transferor Company and the Transferee Company shall be entitled, pending sanction of the Scheme, to apply to the Central/State Government, and all other agencies, departments and authorities concerned as are necessary under any law or rules, for such consents, approvals and sanctions, which may be required pursuant to this Scheme.

22. STAFF, WORKMAN AND EMPLOYEES

- 22.1 On the scheme becoming effective, all the staff, workmen and employees of the Transferor Company, who are in service on the date immediately preceding the Effective Date shall, on and from the Effective Date become and be engaged as the employees of the Transferee Company, without any break or interruption in service as a result of the transfer and on terms and conditions not less favourable than those on which they are engaged by the Transferor Company immediately preceding the Effective Date. Services of the employees of the Transferor Company shall be taken into account from the date of their respective appointment with the Transferor Company for the purposes of all retirement benefits and all other entitlements for which they may be eligible. The Transferee Company further agrees that for the purpose of



payment of any retrenchment compensation, if any, such past services with the Transferor Company shall also be taken into account. The services of such employees shall not be treated as having been broken or interrupted for the purpose of Provident Fund or Gratuity or Superannuation or other statutory purposes and for all purposes will be reckoned from the date of their respective appointments with the Transferor Company.

- 22.2 It is provided that as far as the Provident Fund, Gratuity Fund and Pension and/ or Superannuation Fund or any other special fund created or existing for the benefit of the staff, workmen and other employees of the Transferor Company are concerned, upon the Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company in respect of the employees transferred with for all purposes whatsoever relating to the administration or operation of such Funds or Trusts or in relation to the obligation to make contribution to the said Funds or Trusts in accordance with the provisions of such Funds or Trusts as provided in the respective Trust Deeds or other documents. It is the aim and the intent of the Scheme that all the rights, duties, power and obligations of the Transferor Company in relation to such Funds or

Trusts shall become those of the Transferee Company. The Trustees including the Board of Directors of the Transferor Company and the Transferee Company or through any committee / person duly authorized by the Board of Directors in this regard shall be entitled to adopt such course of action in this regard as may be advised provided however that there shall be no discontinuation or breakage in the services of the employees of the Transferor Company.

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

23 LEGAL PROCEEDINGS

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

24 CONTRACTS, DEEDS, ETC

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



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

25 SAVING OF CONCLUDED TRANSACTIONS

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

26 DISSOLUTION OF THE TRANSFEROR COMPANY

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

27 DELISTING

27.1 Cash Alternative

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

27.2 Election Form and Tax Documents

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

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



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

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

27.3 Cash Alternative Minimum Amount

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

- 27.4 An application was made to seek approval from SGX-ST to delist MOL 1 from the official list of the SGX-ST.
- 27.5 The SGX-ST has given its in-principle no objection to such delisting subject to, amongst others, the following being satisfied:
 - (a) Requisite regulatory and shareholders' (including SDS') approvals of the Scheme being obtained.
 - (b) Listing of the Resulting Company and the Transferee Company on BSE and –NSE being successful.
 - (c) Appointment of IFA based in Singapore and licensed by Monetary Authority of Singapore ('MAS') to opine whether the Cash Alternative Minimum Amount offered to SDS Holders is fair and reasonable. The Cash Alternative Minimum Amount must be fair and reasonable and this must also be the opinion of the IFA;
 - (d) MOL 1 holding an information meeting for SDS holders in Singapore ahead of the Scheme meeting in India and making arrangements such as video conferencing or webcast to enable SDS holders to follow the proceedings during the Scheme meeting in India.
- 27.6 MOL 1, the Resulting Company, the Transferee Company, the Custodian and/or the Depository Bank shall enter into such documents and take such action as may be deemed necessary or appropriate to give effect to the above.



PART F - GENERAL TERMS AND CONDITIONS

28 APPLICATION TO NCLT

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

29 MODIFICATION OR AMENDMENTS TO THE SCHEME

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

30 CONDITIONALITY OF THE SCHEME

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

- (a) The requisite consent, approval or permission of the Central Government or RBI or SGX-ST or any other statutory /regulatory authority which by law may be necessary for the implementation of this Scheme.
- (b) Obtaining observation letter or no-objection letter from the Stock Exchanges in respect of the Scheme, pursuant to Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR Regulations') read with SEBI Circular and Regulations 11 and 94 of the LODR Regulations;
- (c) The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and/or creditors of the Demerged Company/Transferor Company, the Transferee Company and the Resulting Company as may be directed by NCLT.
- (d) The Scheme being approved by the majority of the public shareholders of the Demerged Company (by way of e-voting) as required under SEBI Circular. The Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the Scheme are more than the number of votes cast by the public shareholders, against it as required under the SEBI circular. The term 'public shareholder' shall carry the same meaning as defined under Rule 2 of the Securities Contract (Regulations) Rules, 1957.



- (e) The sanction of NCLT under Sections 230 to 232 in favor of the Transferor Company /Demerged Company, the Resulting Company and the Transferee Company under the said provisions and the necessary Order under Section 232 of the Companies Act, 2013 of the said Act being obtained.
- 30.2 This Scheme, although to come into legal operation from the Appointed Date, shall not become effective until the later of the following dates, namely:
- (a) That on which the last of the aforesaid approvals and sanctions as mentioned in Clause 30.1 shall be obtained or passed; or
 - (b) That on which all necessary authenticated /certified copies of the Tribunal Order being filed with the Registrar of Companies by the Transferor Company/the Demerged Company, the Transferee Company and the Resulting Company, as may be applicable.

31 EFFECT OF NON-RECEIPT OF APPROVALS

- 31.1 In the event of any of the said sanctions and approvals referred to in the preceding Clause not being obtained and/ or the Scheme not being sanctioned by NCLT or such other competent authority and / or the Order not being passed within such period or periods as may be agreed upon between the Transferor Company/the Demerged Company, the Transferee Company and the Resulting Company by their Boards of Directors (and which the Boards of Directors of the Companies are hereby empowered and authorized to agree to and extend the Scheme from time to time without any limitation) this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.
- 31.2 The Transferor Company / Demerged Company, the Transferee Company and the Resulting Company acting through their respective Board shall each be at liberty to withdraw from this Scheme, (i) in case any condition or alteration imposed by and Appropriate Authority / person is unacceptable to any of them or (ii) they are of the view that coming into effect of the respective parts to this Scheme could have adverse implications on the perspective parties

(a) COSTS, CHARGES & EXPENSES

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

(b) SEVERABILITY

If any part of this Scheme is invalid, ruled illegal by any court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Parties that such part shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party,



in which case the Transferor Company, the Transferee Company and the Resulting Company (acting through their respective Boards of Directors) shall attempt to bring about appropriate modification to this Scheme, as will best preserve for the Parties, the benefits and obligations of this Scheme, including but not limited to such part.

(c) REPEALS AND SAVINGS

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

* * * *

Annexure 1: Terms of RPS

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

* * * *



Annexure - 2

MEGHMANI ORGANICS LIMITED

CORPORATE OFFICE: "MEGHMANI HOUSE", Behind Safal Profitaire, Corporate Road, Prahladnagar, Ahmedabad-380 015. Gujarat, (INDIA) Phone No.: +91 79 71761000, 29709600 Fax: +91 79 - 29709605 E-mail: helpdesk@meghmani.com Site: www.meghmani.com CIN: L24110GJ1995PLC024052



Serial No. 3

REPORT OF THE AUDIT COMMITTEE OF MEGHMANI ORGANICS LIMITED, RECOMMENDING THE DRAFT COMPOSITE SCHEME OF ARRANGEMENT:

Date :- 29th January, 2020

To
The Board of Directors,
Meghmani Organics Limited
"Meghmani House"
Behind Safal Profitaire,
Corporate Road, Prahladnagar,
Ahmedabd-380 015

Members Present in person:

Mr. Manubhai Patel - Chairman
Mrs. Urvashi Shah - Member
Dr. G. D Yadav - Member

Mr. Sukrut Mehta - Statutory Auditor – SRBC & Co.

In attendance:
Mr. K. D. Mehta - Company Secretary

Special Invitee:

Mr. G S Chahal - Chief Financial Officer

Background:

A Meeting of the members of the Audit Committee was held on 29th January, 2020, to consider inter alia the draft Composite Scheme of Arrangement (hereinafter referred to as "Scheme") to be entered between Meghmani Organics Limited ("Demerged Company" Or "The Transferor Company" Or "MOL 1") Meghmani Organochem Limited ("The Resulting Company" Or "MOL 2") and Meghmani Finechem Limited ("The Transferee Company" Or "MFL") And Their Respective Shareholders And Creditors under Sections 230 – 232 read with Section 66 of the Companies Act, 2013 and to recommend the same to the Board of Directors.

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Regd. Office: Plot No. 184, (Phase-II), G.I.D.C. Industrial Estate, Vatva, Ahmedabad-382 445. Gujarat, (INDIA)
Phone: +91-79-25831210, 25834667 Fax: +91-79-25833403, 25892327 E-mail: helpdesk@meghmani.com



MEGHMANI ORGANICS LIMITED

CORPORATE OFFICE: "MEGHMANI HOUSE", Behind Safal Profile, Corporate Road, Prahladnagar,
Ahmedabad-380 016, Gujarat, (INDIA) Phone No.: +91 79 74761000, 29709600 Fax: +91 79 - 29709605
E-mail: helpdesk@meghmani.com Site: www.meghmani.com CIN: L24110GJ1995PLG024052

[2]



In term of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 issued by Securities and Exchange Board of India (SEBI) read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the audit committee is required to consider the Scheme, inter alia, taking into account the Valuation Report, and recommend the Scheme to the Board.

The Audit Committee Examined the draft Scheme inter-alia taking into consideration the following documents:

- 1) Valuation Report dated 28th January, 2020 issued by Registered Valuer Jigar Shah, providing the share valuation of MOL1 and MFL. The Audit Committee however noted that the "Issuance Ratio" as prescribed in the scheme
- 2) Fairness opinion dated 28th January, 2020 issued by Vivro Financial Services Private Limited, Category I Merchant Bankers;
- 3) Draft Certificate from S R B C & Co LLP, Statutory Auditor confirming compliance with accounting standards as specified under Section 230 of the Companies Act, 2013, and SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017.

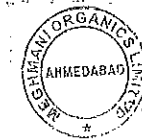
The Scheme is presented for:-

1. Demerger of Agrochemical and Pigment Undertaking (i.e. demerged undertaking) from MOL 1 into MOL 2;
2. Change of terms of OCRPS issued by MFL
3. Amalgamation of Remaining Business Undertaking of MOL 1 with MFL;
4. Delisting of Singapore Depository Shares listed on Singapore Exchange (SGX);
5. Alteration in the name of the Company

In the opinion of the Audit Committee, Scheme provides the following benefits to Meghmani Organics Limited and the Shareholders:-

- a) The proposed re-structuring would create enhanced value for the shareholders through potential unlocking of value through listing of both the businesses on the NSB and BSE (i.e. "Agrochemicals & Pigment" and "Chloro-Alkali and its Derivatives");

J. K. Chakrabarti



Regd. Office: Plot No. 184, (Phase-II), G.I.D.C. Industrial Estate, Vatva, Ahmedabad-382 445, Gujarat, (INDIA)
Phone: +91-79-25831210, 25834657 Fax: +91-79-25833403, 25892327 E-mail: helpdesk@meghmani.com

A. Government Recognized
3 STAR EXPORT HOUSE



MEGHMANI ORGANICS LIMITED



CORPORATE OFFICE: "MEGHMANI HOUSE", Behind Safal Profit Centre, Corporate Road, Prahladnagar,
Ahmedabad-380 015. Gujarat, (INDIA) Phone No.: +91 79 71761000, 29709600 Fax: +91 79 - 29709605
E-mail: helpdesk@meghmani.com Site: www.meghmani.com CIN: L24110GJ1995PLC024052

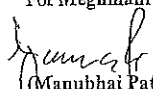


- b) The restructuring would allow a focused strategy and specialization for sustained growth, which would be in the best interest of all the stakeholders and the persons connected with the aforesaid companies;
- c) Since both the business are having separate growth trajectories, the proposed restructuring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

The audit committee reviewed the Valuation Report as well as Fairness Opinion as placed before the Committee, Committee also took note of the manner in which the issuance ratio under the Scheme has been fixed and found it to be fair to the Shareholders.

After deliberation, discussion and due consideration of the terms of the draft Composite Scheme of Arrangement, Valuation Report, Fairness Opinion, Auditors' Certificate along with the observations/ comments connected thereto, the Audit Committee does hereby unanimously recommended the draft Scheme for consideration by the Board of Directors of the Company.

By the order of the Audit Committee
For Meghmani Organics Limited


(Manubhai Patel)
Chairman - Audit Committee



Manubhai Patel

Regd. Office: Plot No. 184, (Phase-II), G.I.D.C. Industrial Estate, Vatva, Ahmedabad-382 445. Gujarat, (INDIA)
Phone No.: +91 79 25831310, 25834657 Fax: +91-79-25833403, 25892327 E-mail: helpdesk@meghmani.com





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CORPORATE OFFICE: "MEGHMANI HOUSE", Behind Safal Profitaire, Corporate Road, Prahladnagar,
Ahmedabad-380 015. Gujarat, (INDIA) Phone No.: +91 79 71761003, 29709600 Fax: +91 79 - 29709605
E-mail: helpdesk@meghmani.com Site: www.meghmani.com CIN: L24110GJ1995PLC024052



REPORT OF THE AUDIT COMMITTEE OF MEGHMANI ORGANICS LIMITED, RECOMMENDING THE DRAFT COMPOSITE SCHEME OF ARRANGEMENT;

Date: - 9th March, 2020

To
The Board of Directors,
Meghmani Organics Limited
"Meghmani House"
Behind Safal Profitaire,
Corporate Road, Prahladnagar,
Ahmedabd-380 015

Members Present in person:

Mr. Manubhai Patel - Chairman
Mrs. Urvashi Shah - Member
Dr. G. D Yadav - Member

Mr. Sukrut Mehta - Statutory Auditor – SRBC & Co.

In attendance:
Mr. K. D. Mehta - Company Secretary

Special Invitee:

Mr. G S Chahal - Chief Financial Officer

The revised Valuation Report, along with detailed working of valuation, as per the format prescribed by SEBI in Circular No. CFD/DIL3/CIR/2017/21, dated March 10, 2017 received from CA Jigar P. Shah, Registered Valuer, was circulated to the members of the Audit Committee on 9th March, 2020 to obtain the approval of Audit Committee Members to obtain approval by way of circular resolution.

-1-



M. S. Chahal

Regd. Office: Plot No. 184, (Phase-II), G.I.D.C. Industrial Estate, Vatva, Ahmedabad-382 445. Gujarat, (INDIA)
Phone: +91-79-25831210, 25834657 Fax: +91-79-25833403, 25892327 E-mail: helpdesk@meghmani.com

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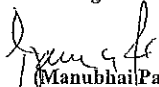


The Audit Committee examined the revised Valuation Report dated 28th January, 2020 along with detailed working of valuation prepared by Jigar Shah, Chartered Accountants, Registered Valuer, for recommendation to the Board,

The Audit committee reviewed the Valuation Report as placed before the Committee, Committee and took note of the detailed working and manner in which the issuance ratio under the Scheme has been fixed and found it to be fair to the Shareholders.

After deliberation, discussion and due consideration the Audit Committee does hereby unanimously recommended the Valuation Report, for consideration by the Board of Directors of the Company.

By the order of the Audit Committee
For Meghmani Organics Limited


(Manubhai Patel)
Chairman - Audit Committee



Manubhai Patel

Regd. Office: Plot No. 184, (Phase-II), G.I.D.C. Industrial Estate, Vatva, Ahmedabad-382 445. Gujarat, (INDIA)
Phone: +91-79-25831210, 26834657 Fax: +91-79-25833403, 25892327 E-mail: helpdesk@meghmani.com

A. Government Recognized
3 STAR EXPORT HOUSE



Annexure - 3

REGISTERED VALUER
SECURITIES OR FINANCIAL ASSETS
Regd. No. IBB/RV/06/2019/10657

JIGAR SHAH

Chartered Accountant
Insolvency Professional

Dated - 28th January 2020

To
Board of Directors
Meghmani Organics Limited
184 GIDC Phase-II
Vatva
Ahmedabad 382445
Gujarat

To
Board of Directors
Meghmani Finechem Limited
CH/1, CH/2, GIDC Industrial
Estate, Dabej, Tal. Vagra,
Bharuch 392130
Gujarat

To
Board of Directors
Meghmani Organochem Limited
1st, 2nd and 3rd Floor
Nr. Raj Bungalow, Nr. Safal
Profitaire, Prablad Nagar, Satellite,
Ahmedabad 380 015, Gujarat

Subject - Recommendation of the share Entitlement Ratio for the proposed demerger of Agrochemical and Pigment Undertakings of Meghmani Organics Limited into Meghmani Organochem Limited and Share Exchange Ratio for the proposed merger of Remaining Business Undertakings of Meghmani Organics Limited into Meghmani Finechem Limited.

Dear Sir/Madam,

We refer to our ongoing discussion and the engagement letters whereby, Meghmani Organics Limited has requested us for advising them on following:

- Recommendation on the Share Entitlement Ratio on the Proposed demerger of Agrochemical and Pigment Undertakings of Meghmani Organics Limited (herewith referred to as 'MOL 1' or 'Demerged company' or 'companies') into Meghmani Organochem Limited (herewith referred to as 'MOL 2' or 'Resulting company'); and
- Recommendation of the Share Exchange Ratio on the proposed merger of Remaining Business Undertakings of Meghmani Organics Limited ('MOL 1') into Meghmani Finechem Limited (here referred to as 'MFL' or 'transferee company').

Meghmani Organics Limited, Meghmani Finechem Limited and Meghmani Organochem Limited are together referred to as the 'companies'.

We have been hereafter referred to as 'Valuer' or 'we' or 'us' and individually referred to as 'Valuer' in this joint Report ('Valuation Report' or 'Report').



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JIGAR SHAH

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Insolvency Professional

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SCOPE AND PURPOSE OF THIS REPORT

The management of Meghmani Organics Limited is planning to demerge its Pigment and Agrochem undertakings into Meghmani Organochem Limited and merge its Remaining Business Undertakings i.e. Trading & Investment Undertakings into Meghmani Finechem Limited.

The management of Companies is planning to restructure for further growth and Expansion in the interest of shareholder.

We understand that the management of the Companies ('Management') is contemplating a consolidation and realignment of business through a composite scheme of arrangement ('Scheme') to be implemented under the provision of section 230 to 232 of the companies Act, 2013 and other applicable provisions of the Companies Act, 2013:

- Demerger of Pigment and Agrochemical undertakings of Meghmani Organics Limited ('MOL 1') into Meghmani Organochem Limited ('MOL 2') ('step 1'); and
- Merger of Remaining Business Undertakings of Meghmani Organics Limited ('MOL 1') into Meghmani Finechem Limited ('MFL') ('step 2').

Step 1 and step 2 are together referred to as 'the Transaction'.

As a consideration for Step 1, equity shareholders of Meghmani Organics Limited ('MOL 1') would be issued equity shares of Meghmani Organochem Limited ('MOL 2') and for step 2, equity shareholders of Meghmani Organics Limited ('MOL 1') would be issued equity shares of Meghmani Finechem Limited ('MFL').

Share Entitlement Ratio for this Report refers to number of equity shares of face value of INR 1/- each of Meghmani Organochem Limited, which would be issued to shareholders of Meghmani Organics Limited, as consideration for Step 1.

Share Exchange Ratio for this Report refers to number of equity shares of face value of INR 10/- each of Meghmani Finechem Limited, which would be issued to shareholders of Meghmani Organics Limited of face value of INR 1/- each, as consideration for Step 2.

For the aforesaid purpose, Meghmani Organics Limited have appointed Jigar Shah to submit a report



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www.jigarshah.com



JIGAR SHAH

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Insolvency Professional

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- Recommendation of Share Entitlement Ratio for Demerger of Pigment and Agrochemical Undertakings of Meghmani Organic Limited into Meghmani Organochem Limited as proposed by the management to be placed before the Audit Committee's/Board of Directors of the Companies.; and
- Recommendation of Share Exchange Ratio on Merger of Remaining Business Undertakings of Meghmani Organics Limited into Meghmani Finechem Limited.

The Scope of our services is:

- To evaluate share entitlement ratio for the step 1; and
- To recommend Shares Exchange Ratio for issue of MFL's equity shares to the equity shareholders of the MOL 1 (after Step 1) in accordance with generally accepted professional standards for the step 2.

The valuer appointed has worked independently in their analysis. The Valuer has received information and clarification from the companies. For recommending share Exchange Ratio, the valuer has independently arrived at different values per share of the companies. However, to arrive at the consensus on the share exchange Ratio, appropriate averaging rounding off in the values arrived at by the valuer has been done.

We have been provided with historical financial information for the companies up to 31st March 2019 and upto 28th January 2020 for any material events after 31st march 2019. We have considered the same in our Report. Our analysis does not factor impact of any event which is unusual or not in normal course of business. We have relied on the above while arriving at the share Exchange Ratio for the Step 2.

This Report is our delivered for the above engagement.

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



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SOURCES OF INFORMATION

In connection with exercise, we have used the following information received from the management and/or gathered from public domain:

- Audited financial statements of the companies for the 3 years ended 31st March 2017, 31st March 2018 and 31st March 2019;
- Information on key events between 31st March 2019 and 28th January 2020, as made known to us and their financial impact;
- Proposed share Entitlement Ratio for Demerger of Pigment and Agrochemical Undertakings of MOL 1 into MOL 2;
- Proposed Draft scheme of arrangement;
- Number of equity shares/ shareholding pattern of the companies as at 31st December 2019;
- Interviews and correspondence with the Management;
- Secondary research and market data on comparable companies and information on recent transactions, to the extent readily available; and
- Such other analysis, reviews and enquiries, as we considered relevant.

It may be noted that no future business plans for the companies and their subsidiaries/underlying investee companies were provided to us.

The companies have been provided with the opportunity to review the draft report (excluding the recommended share exchange ratio) as part of our standard practice to make sure that factual inaccuracies/omissions are avoided in our final report.



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JIGAR SHAN

Chartered Accountant
Insolvency Professional

SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATION, EXCLUSIONS AND DISCLAIMERS

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

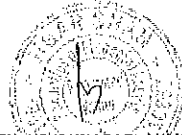
This Report, its contents and the results herein are specific to (i) the purpose of valuation agreed as per the terms of our engagement; (ii) the date of this Report and (iii) the financial statements of the companies as at 31st March 2019 and other information provided by the management on key events after 31st March 2019 till the date of the Report.

Other than as stated above, the management has represented that the business activities of the companies, including their subsidiaries and associates, as applicable, have been carried out in the normal and ordinary course between 31st March 2019 and the Report date and that no material adverse change has occurred in their respective operations and financial positions between 31st March 2019 and the Report date.

An analysis of this nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on, and the information made available to us as of, the date hereof. Events and transactions occurring after the date hereof may affect this Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this report.

The ultimate analysis will have to be tempered by the exercise of judicious discretion by the valuer and judgment taking into accounts all the relevant factors. There will always be several factors, e.g. management capability, present and prospective competition, yield on comparable securities, market sentiment, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognized in judicial decisions.

The recommendations rendered in this Report only represent our recommendations based upon information furnished by the companies (or its executives/representative) and other sources and the said recommendations shall be considered to be in nature of non-binding advice, (our recommendations will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors). We have no obligation to update this Report.



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JIGAR SHAH

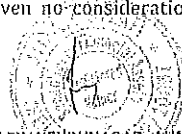
**Chartered Accountant
Insolvency Professional**

The determination of this exchange ratio is not precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment. There is, therefore, no single share exchange ratio. While we have provided our opinion on the share entitlement ratio (for step 2) based on the share information available to us and our recommendations of the share Exchange ratio (for step 1) within the scope of our engagement, others may have a different opinion. The final responsibility for the determination of the share exchange/entitlement ratio at which the proposed transaction shall take place will be with the board of directors who should take into account other factors such as their own assessment of the proposed transaction and input of other advisors.

In the course of the valuation, we were provided with both written and verbal information, including market, Technical, Financial and operating data.

In accordance with the terms of our engagements, We have assumed and relied upon, without independent verification,(1) the accuracy of the information that was publicly available and formed a substantial basis for this report and (2) the accuracy of information made available to us by the companies, in accordance with our Engagement Letter and in accordance with the customary approach adopted in valuation exercises, we have not audited, reviewed or otherwise investigated the historical financial information provided to us. We have not independently investigated or otherwise verified the data provided by the companies. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the financial statements. Also, with respect to explanations and information sought from the companies, we have been given to understand by the management of the companies that they have not omitted any relevant and material factors about the companies. Our conclusions are based on the assumptions and information given by/on behalf of the companies and reliance on public information. The Management of the companies has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/results. Accordingly, we assume no responsibility for any errors in the information furnished by the companies and their impact on the report nothing has come to our attention to indicate that the information provided was materially mis-stated/incorrect or would afford reasonable grounds upon which to base the report.

The report assumes that the companies comply fully with relevant laws and regulation applicable in all its areas of operations unless otherwise stated, and that the companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this valuation report has given no consideration to matters of a legal



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JIGAR SHAH
Chartered Accountant
Insolvency Professional

nature, including issues of legal title and compliance with local laws, and Litigation and other contingent liabilities that are not recorded in the audited/unaudited balance sheet of the companies. Our conclusion of value assumes that the assets and liabilities of the companies and their subsidiaries, reflected in their respective latest balance sheets remain intact as of the report date.

We are not advisors with respect to legal, tax and regulatory matters for the transaction. This report does not look into the business/ commercial reasons behind the transaction or the Likely benefits arising out of the same. Similarly, it does not address the relative merits of the transaction as compared with any other alternative business transaction, Or other alternatives, or whether or not such alternatives could be achieved or are available.

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

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

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

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



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JIGAR SHAH

**Chartered Accountant
Insolvency Professional**

Neither the valuation report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the proposed Scheme of amalgamation, without our prior written consent except for disclosures to be made to relevant regulatory authorities including stock exchanges and SEBI. In addition this report does not in any manner address the prices at which equity shares of the Companies will trade following announcement of either company should vote at any shareholders' meeting(S) to be held in connection with the transaction.

BRIEF BACKGROUND OF THE COMPANIES FORMING THE PART OF THE SCHEME OF ARRANGEMENT

Meghmani Organics Limited (hereinafter referred to as 'the Transferor Company' or 'MOL 1' or 'Demerged Company') is a flagship company of Meghmani Group based at Ahmedabad, Gujarat. Meghmani Organics Limited, CIN: L24110GJ1995PLC024052 was incorporated on 2nd January 1995 under the provisions of the Companies Act, 1956. MOL is having its registered office at Plot 184 Phase-II, GIDC, Vatva, Ahmedabad 382 445, Gujarat.

The Transferor Company is engaged in the business of manufacturing and selling of Pigment and Agrochemicals products. It is also engaged in the business of trading in chemical products.

Equity Shares of MOL 1 are listed on BSE Ltd. ('BSE') and National Stock Exchange Board of India Ltd. ('NSE') & its SDS's listed on the Singapore Exchange Securities Trading Limited ('SGX-ST').

Currently, business of Meghmani Organics Limited is divided into following two segments:

- Pigments & Agrochemicals Undertakings; and
- Trading & Investment Undertakings.

The issued and subscribed equity share capital of MOL 1 as at 31st December 2019 is INR 25,42,14,050 consisting of 25,42,14,050 equity shares of face value of INR 1 Each. The Shareholding Pattern is as follows:



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| Particulars | MOL 1 | % of Holding |
|-------------------------|-------------|--------------|
| Individual Promoters | 122,905,590 | 48.33 % |
| Public (Including QIBs) | 118,516,431 | 46.60 % |
| Custodian Shares (SDRs) | 12,892,190 | 5.07 % |
| Total Shares Issued | 254,314,211 | 100.00 % |

Source: BSE Filing

Face Value of INR 1 each

Meghmani Finechem Limited (hereinafter referred to as 'the Transferee Company' or 'MFL') is a Public incorporated on 11 September 2007. The Transferee Company is an unlisted Public Limited Company having its registered office at Plot CH1, CH2, GIDC Industrial Estate, Dahej, Tal: Vagra, Dist: Bharuch-392 130, Gujarat, and is engaged in manufacturing and selling of chlor-alkali and its derivatives chemical products namely caustic -Chlorine and caustic Potash.

The promoters of the Meghmani Organics Ltd (Transferor Company) holds 42.84% of the equity share capital of the Meghmani Finechem Limited (Transferee Company).

The issued and subscribed equity share capital of MFL as at 31st December 2019 is INR 41,19,31,140 consisting of 4,11,93,114 equity shares of face value of INR 10 each. The Shareholding pattern is as follows:

| Particulars | MFL | % of Holding |
|---------------------|-------------|--------------|
| MOL 1 - Promoter | 2,35,45,985 | 57.16 % |
| Individual Promoter | 1,76,47,129 | 42.84 % |
| Total Shares Issued | 41,193,114 | 100.00 % |

Source: Management

Face Value of INR 10 each

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



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The issued and subscribed equity share capital of MOL 2 as at 31st December 2019 is INR 5,00,000 consisting of 5,00,000 equity shares of face value of INR 1 each. The Shareholding pattern is as follows:

| Particulars | MOL 2 | % of Holding |
|---------------------|----------|--------------|
| MOL 1 - Promoter | 5,00,000 | 100.00 % |
| Total Shares Issued | 5,00,000 | 100.00 % |

Source: Management
Face Value of INR 1 each

Meghmani Finechem Limited, Meghmani Organics Limited and Meghmani Organochem Limited are company's part of Meghmani Group.

APPROACH & METHODOLOGY

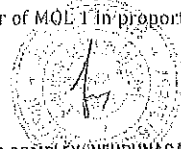
Step 1 - Share entitlement Ratio for Demerger of Pigment and Agrochemical Undertakings of MOL 1 into MOL 2

As per the proposed scheme of arrangement, in consideration of the transfer and vesting of Pigment and Agrochemical Business Undertakings of MOL 1 into MOL 2, the MOL 2 shall issue and allot equity shares to the equity shareholders of MOL 1 based on the ratio of allotment of shares.

As per the Scheme of Arrangement ("Scheme"), the Pigment and Agrochemical Undertaking of MOL 1 is proposed to demerge into MOL 2. Once the scheme is implemented, all the shareholders of MOL 1 as on the record date as defined in the draft scheme would also become shareholders of MOL 2 and the shareholding in the MOL 2 would mirror their shareholding in MOL 1.

We further understand that as an effect of demerger, each shareholder of MOL 1 would become owner of shares in two companies instead of one. Post Demerger, the percentage holding of a shareholder in MOL 1 would remain unchanged from the proportion of capital held by such shareholder in MOL 1.

The Management of MOL 1 has further indicated that the shareholding of MOL 2 pursuant to the proposed Demerger of Pigment and Agrochemical Undertakings into MOL 2 would be, effectively, same as the shareholding of MOL 1 (pre-demerger) as the new shares of MOL 2 would be issued to the shareholder of MOL 1 in proportion to their shareholding in



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MOL 1 (Pre-demerger). Thus, we understand that the interest of the shareholders of MOL 1 will effectively remain unchanged and therefore from that perspective shareholders interest would not be prejudicially affected. The Scheme does not envisage dilution of the holding of any one or more of shareholders as a result of operation of the scheme.

Recommendation of Ratio of Entitlement of Equity Shares for the Proposed Demerger

On the basis of the foregoing, any share entitlement ratio can be considered for the above demerger as the proportionate shareholding of any shareholder would not vary. Considering the desired capital structure of MOL 2, the Management has proposed a share entitlement ratio of 1 (One) fully paid equity share of MOL 2 of face value of INR 1 each, in exchange of every 1 (One) fully paid equity share of MOL 1 of face value of INR 1 each in the event of Demerger of Pigment and Agrochemical Business Undertakings of MOL 1 into MOL 2 is proposed as follows:

1 (One) fully paid equity share of face value of INR 1 (Rupee One) each of MOL 2 for every 1 (One) fully paid equity share of face value of INR 1 (Rupee One) each held in MOL 1.

Step 2 Share Exchange Ratios for Merger of Remaining Business Undertaking of MOL into MFL as on Record Date

The following are commonly used and accepted methods for determining the value of the equity shares of a company/business:

1. Market Price Method
2. Comparable Companies Quoted Multiples method or Comparable Companies Transaction Multiples
3. Discounted Cash Flows method
4. Net Asset Value method

It should be understood that the valuation of any company or its assets is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions with respect to industry performance and General business and economic conditions, many of which are beyond the control of the companies. Further, this valuation



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will fluctuate with lapse of time, changes in prevailing market conditions, the conditions and prospects financial and otherwise, of the Companies, and other factors which generally influence the valuation of companies and their assets.

The Application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purpose, it cannot be too strongly emphasized that a Valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

MFL is an Operating company and has significant businesses while MOL 1 after Step 1 holds significant investment in MFL and having trading activities in it. In view of holding-cum Operating nature of both Companies, the following approach was considered relevant for valuing MFL and MOL 1.

- Market Approach
- Sum of parts Approach – Value arrived for Investments of MOL 1 into MFL under market approach using CCM/ CTM Method and Value arrived for Remaining Business Undertakings of MOL 1 using Discounted Cash Flow Method were aggregated. Further, adjustments were made for debt, cash and cash equivalents, surplus assets, if any, Key events and costs/ proceeds relating thereto, etc as deemed appropriate. The Equity value of the respective businesses/ Investments so arrived was then divided by the diluted number of equity shares of the Companies to compute its value per share.

The following paragraphs discuss different valuation methods and their application for valuing the companies, their businesses/ investments.

Market Price (MP) Method

The Market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares. But there could be situations where the value of the share as quoted on the stock market would not be regarded as a proper index of the fair value of the share especially where the market values are fluctuating in a volatile capital market. Further, in the case of a merger, where there is a question of



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Chartered Accountant
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evaluating the shares of one company against those of another, the volume of transactions and the number of shares available for trading on the stock exchange over a reasonable period would have to be of comparable standard.

In the present case, equity shares of MOL 1 are listed on BSE and NSE. We have segregated market price of MOL 1 between its two undertakings considering fair value of investment in MFL post demerger as per Step 1 and value of Remaining Business Undertaking. However, other company i.e. MFL is not listed on any exchanges. Hence, we have not considered this method into consideration.

Comparable Companies' Quoted Multiple (CCM) Method

Under this method, Value of the equity shares of a company is arrived at by using multiples derived from valuations of comparable companies, as manifest through stock market valuation of listed companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

For valuing various businesses/investment of these companies, we have considered the earnings and asset multiples of comparable listed companies, with subject company / business specific adjustment, for the purpose of our valuation analysis.

Comparable Companies' Transaction Multiple (CTM) Method

Under this method, value of the equity shares of a company / business is arrived at by using multiple derived from valuation in comparable companies, as manifest through transaction Valuations. Relevant multiples need to be chosen carefully and adjusted differences between the circumstances.

Comparable company analysis (also called "trading multiples" or "peer group analysis" or "equity comps" or "public market multiples") is a relative valuation method in which you compare the current value of a business to other similar businesses by looking at trading multiples like P/E, EV/EBITDA, or other ratios. Multiples of EBITDA are the most common valuation method.



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JIGAR SHAH
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Insolvency Professional

The "comps" valuation method provides an observable value for the business, based on what companies are currently worth. Comps are the most widely used approach, as they are easy to calculate and always current.

For valuing various business/investments of these companies, we have considered the comparable transactions, with subject company/business specific adjustment, for the purpose of our valuation analysis. Wherever and if deemed appropriate, industry specific benchmark have been in the analysis.

In the present case, MFL is operating company in case of merger between MFL and Remaining Business Undertaking of MOL 1. Hence, we have valued MFL using this method. We have considered PE Multiples and EV/EBIDTA Multiples and assigned 50% weightage to each method to arrive weighted average value of MFL using this method.

Discounted Cash Flows (DCF) Method

Under the DCF method the project free cash flows to the equity shareholders are discounted at the cost of equity. The sum of the discounted value of such free cash flow is the value of the firm.

Using the DCF analysis involves determining the following:

Estimating future free cash flows:

Free cash flows are the cash flows expected to be generated by the company that are available to the providers of the company's equity capital.

Appropriate discount rate to be applied to cash flows i.e. the cost of equity:

This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to the equity capital providers (namely shareholders). The opportunity cost to the equity capital provider equals the rate of return the equity capital provider expects to earn on other investments of equivalent risk.

We have used DCF Method of valuation for valuing Remaining Business Undertaking of MOL 1.



DIGITAL SIGNATURE OF JIGAR SHAH



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Insolvency Professional

Net Asset Value (NAV) Methodology

The asset based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. This valuation approach is mainly used in case where the firm is to be liquidated i.e. it does not meet the "going concern" criteria or in case where the assets base dominate earnings capability. Hence, we have not used this method of valuation for valuing companies.

Share Exchange Ratio

The share exchange ratio has been arrived at on the basis of an equity valuation of the companies. The share exchange ratio is based on the various methodology explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of the companies, having regard to information base, key underlying assumptions and limitations.

Valuer, as considered appropriate, have independently applied methodologies discussed above and arrived at their assessment of value per share of the companies. To arrive at the consensus on the share exchange ratio for the step 2, suitable averaging and rounding off in the values arrived at by the valuer have been done.

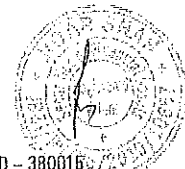
Conclusion

In light of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove:

Step 1 Share Entitlement Ratio for Demerger of Pigment and Agrochemical Undertakings of MOL 1 Into MOL 2.

Further, based on the aforementioned, and considering that all the shareholders of MOL 1 are and shall, upon demerger, be the ultimate beneficial economic owners of MOL 2 in the proposed share Entitlement Ratio. The proposed share Entitlement Ratio of 1 (One) equity shares of MOL 2 (of INR 1/- each fully paid up) for every 1 (One) equity shares of the MOL 1 (of INR 1/- each fully paid up) for the Demerger of Pigment and Agrochemical Undertakings of MOL 1 is fair.

The Computation of fair Exchange Ratio is attached as per Annexure I



RANI GOPAL PALACE NR SHIROMANI COMPLEX NHRUNAGAR, AHMEDABAD - 380016



REGISTERED VALUER
SECURITIES OR FINANCIAL ASSETS
Regd. No. IBBI/RV/06/2019/10657

JIGAR SHAH
Chartered Accountant
Insolvency Professional

Step 2 Share Entitlement Ratio for Merger of Remaining Business Undertaking of MOL 1 into MFL.

In view of application of relevant approach and methodology and arriving fair value of both Companies viz. MOL 1 and MFL, we recommend the stock exchange ratio of 94 (Ninety Four) equity shares of INR 10/- each fully paid up in the share capital of MFL to issue for every 1,000 (One Thousand) equity shares of INR 1/- each held in the shareholder of MOL 1.

The Computation of fair Exchange Ratio is attached as per Annexure II



For, Jigar P. Shah

Place: Ahmedabad
Date : 28th January 2020

Registered Valuer
Assets Class: Securities or Financial Assets
IBBI Regd. ID: IBBI/RV/06/2019/10657

RISHI GOPAL PALACE NR SHIROMANI COMPLEX NEHDUNIACAD AHMEDABAD 380015



REGISTERED VALUER
SECURITIES OR FINANCIAL ASSETS
Regd. No. 1BB1/RV/06/2019/10657

JIGAR SHAH

Chartered Accountant
Insolvency Professional

ANNEXURE I

**Computation of Fair Share Exchange Ratio
De-merger of MOL 1 into MOL 2**

As per the Scheme of Arrangement ('Scheme'), the Pigment and Agrochemical Undertaking of MOL 1 is proposed to demerge into MOL 2. Once the scheme is implemented, all the shareholders of MOL 1 would also become shareholders of MOL 2 and the shareholding in the MOL 2 would mirror their shareholding in MOL 1. Hence, no relative valuation of the two entities is required to be undertaken. Hence, we have not carried out valuation of these entities under generally accepted valuation approaches as below:

| Valuation Approach | MOL 1 | | MOL 2 | |
|------------------------------|-----------------|--------|-----------------|--------|
| | Value Per Share | Weight | Value Per Share | Weight |
| Assets Approach | NA | 0% | NA | 0% |
| Income Approach | NA | 0% | NA | 0% |
| Market Approach | NA | 0% | NA | 0% |
| Relative Value per Share | NA | 0% | NA | 0% |
| Exchange Ratio (rounded off) | | | 1 | |

Note: Face Value INR 1 per share

All the shareholders of MOL1 would become the shareholders of MOL2 and the shareholding in MOL2 would only mirror their shareholding in MOL1. Hence, as there is no need to calculate a ratio, we have not used any of the above method of valuation.

RATIO:

1 (One) equity share of MOL 2 of face value of INR 1 each fully paid up for every 1 (One) equity share of MOL 1 of face value of INR 1 each fully paid up.

We understand that the interest of the shareholders in MOL 1 will effectively remain unchanged and therefore from that perspective shareholders interest would not prejudicially affected. The demerger under this scheme does not envisage dilution of the holding of any one or more of shareholders as a result of operation of the Scheme.



B/801 GOPAL PALACE, NR. SHIROMANI COMPLEX, NEHRUNAGAR, AHMEDABAD - 380015
M. : 9662542466/9773020484 PH. : 079-4898 2466 | EMAIL JD: ip.jigar@gmail.com | Web: www.denvaluation.com



REGISTERED VALUER
SECURITIES OR FINANCIAL ASSETS
Regd. No. IBBI/RV/06/2019/10657

JIGAR SHAH

Chartered Accountant
Insolvency Professional

ANNEXURE II
Computation of Fair Share Exchange Ratio
Merger of MOL 1 into MFL

| Valuation Approach | MOL 1 (Note 1) | | MFL (Note 2) | |
|------------------------------|-----------------|--------|-----------------|--------|
| | Value Per Share | Weight | Value Per Share | Weight |
| Assets Approach | NA | 0% | NA | 0% |
| Income Approach | 0.18 | 100% | NA | 0% |
| Market Approach | 13.24 | 100% | 143.04 | 100% |
| Relative Value per Share | 13.42 | | 143.04 | |
| Exchange Ratio (rounded off) | | | 0.94 | |

Note: MOL1 - Face Value INR 1 per equity share
MFL - Face Value INR 10 per equity share

Note 1 - On demerger post Step 1, MOL 1 will have two business activities i.e. Trading Business and Investment in MFL. We have used Sum-Of-Parts valuation to value its Trading Business and Investments in MFL with suitable approaches. We have valued Comparable Companies Quoted Multiple ('CCM') Method using Market Approach for valuation of MOL1 investment into MFL and used Discounted Cash Flow Method ('DCF') under Income Approach to value its Trading Business.

The value of MOL1 is derived from the (i) Investment in MFL & (ii) Trading Business. For the investment in MFL, we have used the Market Approach and for the trading business, we have used the Income Approach. Hence, while we have used both the Market Approach as well as the Income Approach to arrive at the value, we have not considered the Asset Approach as it is only historic in nature and does not adequately represent the value.

Note 2 - We have used valued Comparable Companies Quoted Multiple ('CCM') Method using Market Approach for valuation of MFL.

We have used the Comparable Companies Method (Market Approach) to value MFL, as the business of MFL is of a nature wherein comparable companies value are truly representative of the fair value. We have not used the Income Approach as the details for the same were not possible to ascertain and we have not used the Asset Approach as it is only historic in nature and does not adequately represent the value.

RATIO:

94 (Ninety Four) equity share of MFL Ltd of INR 10 each fully paid up for every 1,000 (One Thousand) equity shares of MOL 1 of INR 1 each fully paid up.

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M. : 9662542466/9773020484 PH. : 079-4888 2466 | EMAIL ID: ip.jigar@gmail.com | Web: www.denvaluation.com



Computation of Share Exchange Ratio

Shareholding As On December 31, 2019 (Latest Available Shareholding)

(Rs. In Lakhs)

| Particulars | MOL | % Total | MFL | % Total |
|----------------------------|--------------------|---------------|-------------------|---------------|
| MOL (Promoter) | - | 0.00% | 23,545,985 | 57.16% |
| Individual Promoters | 122,905,590 | 48.33% | 17,647,129 | 42.84% |
| Public (Including QIBs) | 118,516,431 | 46.60% | - | 0.00% |
| Custodian Shares (ADRs) | 12,892,190 | 5.07% | - | 0.00% |
| Total Shares Issued | 254,314,211 | 100.0% | 41,193,114 | 100.0% |

Book Value As On September 30, 2019 (Latest Available Financials)

| Particulars | MOL | MFL |
|------------------------------------|-------------------|------------------|
| Audited Tangible Networth | 91,509.34 | 36,122.16 |
| Add: Fair Value of MFL Investment | 33,679.53 | |
| Less: Book Value of MFL Investment | 7,115.75 | |
| Adjusted Tangible Networth | 118,073.12 | 36,122.16 |
| Equity Shares | 254,314,211 | 41,193,114 |
| Book Value (Rs.) | 46.43 | 87.69 |
| Face Value (Rs.) | 1.00 | 10.00 |

DEMERGER RATIO

| Particulars | Ratio |
|----------------------------|-------|
| % Shareholding Mirrored | 100% |
| Number of Shares Per Share | 1.00 |

CALCULATION OF FAIR VALUE OF MOL

| Particulars | Amount |
|-------------------------------|------------------|
| Valuation of MFL Investment | 33,679.53 |
| Valuation of Trading Division | 457.22 |
| Total Networth | 34,136.75 |
| Equity Shares | 254,314,211 |
| Book Value (Rs.) | 13.42 |

CALCULATION OF FAIR VALUE OF MFL

As per PE Multiple

| Particulars | Market Cap | Net Profit | PE Multiple |
|--------------------------------------|-------------------|------------------|-------------|
| Gujarat Alkalies & Chemicals Limited | 333,403.65 | 59,304.00 | 5.62 |
| TGV SRAAC Limited | 22,905.71 | 8,766.00 | 2.61 |
| DCM Shriram Industries Limited | 27,289.45 | 7,065.00 | 3.86 |
| Average | 383,598.81 | 75,135.00 | 4.03 |



As per EV/EBIDTA Multiple

| Particulars | Market Cap | Total Debt | Cash | Enterprise Value (EV) | EBIDTA | EV / EBIDTA |
|--------------------------------------|------------|------------|-----------|-----------------------|------------|-------------|
| Gujarat Alkalies & Chemicals Limited | 333,403.65 | 16,120.00 | 24,811.00 | 324,712.65 | 95,308.00 | 3.41 |
| TGV SRAAC Limited | 22,905.71 | 29,695.00 | 5,587.00 | 47,013.71 | 20,497.00 | 2.29 |
| DGM Shriram Industries Limited | 27,289.45 | 49,879.00 | 2,628.00 | 74,540.45 | 13,488.00 | 5.53 |
| Average | | | | 446,266.81 | 129,293.00 | 3.74 |

Comparable Company Multiple

| Particulars | MFL | Relevant Multiple | Enterprise Value | Equity Value | Equity Shares | Value Per Share (Rs.) |
|--------------|-----------|-------------------|------------------|--------------|---------------|-----------------------|
| PAT | 18,217.42 | 4.03 | | 73,462.28 | 41,193,114 | 178.34 |
| EBIDTA | 30,743.76 | 3.74 | 115,054.39 | | | |
| Total Debt | | | 63,410.09 | | | |
| Cash | | | 5,830.08 | | | |
| Equity Value | | | | 57,474.38 | 41,193,114 | 139.52 |

Comparable Value Per Share

| Particulars | Value | Weightage | Total |
|--------------------------|--------|-----------|------------|
| PE Multiple Value (Rs.) | 178.34 | 50% | 89.17 |
| EV/EBIDTA Value (Rs.) | 139.52 | 50% | 69.76 |
| Total (Rs.) | | | 158.93 |
| Less: Liquidity Discount | | | 10% |
| Adjusted Value (Rs.) | | | 143.04 |
| Equity Shares | | | 41,193,114 |
| Equity Value | | | 58,921.50 |

MERGER RATIO

| Particulars | MOL |
|--|------|
| MFL Shares to be issued to shareholders of MOL for every 1 share held of MOL (After adjusting for face value of Rs. 10 (MFL) and for face value of Re. 1 (MOL): Rs. 13.42 (MOL Value) / Rs. 143.04 (MFL) * 10/1 = 0.94 | 0.94 |



Annexure - 4

VIVRO

Vivro Financial Services Private Limited

Regd. Office :
Vivro House, 11, Shashi Colony, Opp. Suvidha Shopping Center,
Palodi, Ahmedabad, Gujarat, India - 380007
Tel. : +91 (79) 4040 4242
www.vivro.net

Date: January 28, 2020

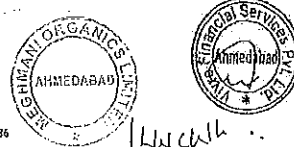
| | | |
|--|---|---|
| To, The Board of Directors Meghmani Organics Limited Plot 184, Phase II-GIDC, Vatva, Ahmedabad, Gujarat - 382445 | To, The Board of Directors Meghmani Finechem Limited CH/1, CH/2, GIDC Industrial Estate, Dahej, Bharuch, Gujarat - 392130 | To, The Board of Directors Meghmani Organochem Limited 1st 2nd 3rd FL, Nr. Raj Bunglow, Nr. Safal Profitaire, Prahlad Nagar, Satellite, Ahmedabad, Gujarat - 380015 |
|--|---|---|

Subject: Fairness Opinion on the recommendation of Share Entitlement Ratio issued by Mr. Jigar Shah, Registered Valuer, for the proposed Demerger of the Agrochemical and Pigment Undertaking of Meghmani Organics Limited into Meghmani Organochem Limited and Merger of Remaining Business Undertaking of Meghmani Organics Limited with Meghmani Finechem Limited as per Composite Scheme of Arrangement in terms of SEBI Circular CFD/DIL3/CIR/2017/21 under regulations 11, 37 and 94 of the extant SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Meghmani Organics Limited, incorporated on January 2, 1995, is engaged in the business of manufacturing and selling of Pigment and Agrochemicals products. It is also engaged in the business of trading in chemical products (hereinafter referred to as 'the Transferor Company', 'MOL1', 'Demerged Company', or 'the Company'). Meghmani Finechem Limited, incorporated on September 11, 2007, is engaged in manufacturing and selling of Chloro Alkali and its derivatives Caustic - Chlorine, Chloromethane and Caustic Potash (hereinafter referred to as 'the Transferee Company', or 'MFL'). MFL is a subsidiary of MOL1, wherein MOL1 currently holds 57.16% of the equity shares of MFL. Meghmani Organochem Limited, incorporated on October 15, 2019, is a wholly owned subsidiary of Meghmani Organics Limited and has the main object of manufacturing and selling of Pigment and Agro Chemicals (hereinafter referred to as 'the Resulting Company', or 'MOL2').

The Board of Directors of each of the above mentioned Companies are considering a Composite Scheme of Arrangement (hereinafter referred to as 'the Scheme') by way of Demerger of the Agrochemical and Pigment Undertaking of MOL1 into MOL2 and Merger of Remaining Business Undertaking of MOL1 with MFL (Terms not defined herein carry the meaning as per the Scheme).

The Valuation for the Share Entitlement Ratio has been carried out in respect of Demerger of the Agrochemical and Pigment Undertaking of MOL1 into MOL2 and Merger of Remaining Business Undertaking of MOL1 with MFL on a going concern basis, by Mr. Jigar Shah, Registered Valuer, registered with Insolvency and Bankruptcy Board of India (IBBI) Registration: IBBI/RV/06/2019/10657) holding a valid Certificate of Practice issued by ICAI RVO ("Valuer"), vide Valuation Report dated January 28, 2020.



CIN - U57120GJ1996PTC029182, Merchant Banker Subl. Reg. No. BIA000010122, ABl Reg. No. ABl/086

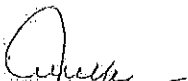


Accordingly, Meghmani Organics Limited has appointed Vivro Financial Services Private Limited, Category I Merchant Banker registered with SEBI having its Registration No. INM000010122 (hereinafter referred to as 'Vivro', 'we', 'us', 'our'), vide an Engagement Letter dated May 15, 2019 to issue a Fairness Opinion Report on the Share Entitlement Ratio recommended by Mr. Jigar Shah, Registered Valuer, registered with Insolvency and Bankruptcy Board of India (IBBI Registration: IBBI/RV/06/2019/10657) holding a valid Certificate of Practice issued by ICAI RVO ("Valuer"), vide its Valuation Report dated January 28, 2019.

This Fairness Opinion Report is issued in terms of CFD/DIL3/CIR/2017/21 under regulations 11, 37 and 94 of the extant SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In connection with the same, please find attached the Fairness Opinion issued by us.

For, Vivro Financial Services Private Limited


Jayesh Vithlani
Sr. Vice President



Date: January 28, 2020

Place: Ahmedabad



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FAIRNESS OPINION
IN THE MATTER OF SCHEME OF ARRANGEMENT
BETWEEN
MEGHMANI ORGANICS LIMITED,
MEGHMANI FINCHEM LIMITED AND
MEGHMANI ORGANOCEM LIMITED

STRICTLY PRIVATE AND CONFIDENTIAL

Prepared By:

VIVRO

Vivro Financial Services Private Limited

Vivro House,
11, Shashi Colony,
Opp. Suvudha Shopping Center, Paldi,
Ahmedabad-380007



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1. SCOPE AND PURPOSE OF THIS REPORT

- 1.1 The Board of Directors of each of the above mentioned Companies are considering a Composite Scheme of Arrangement (hereinafter referred to as 'the Scheme') by way of the Demerger of the Agrochemical and Pigment Undertaking of MOL1 into MOL2 ("Demerger") and the Merger of Remaining Business Undertaking of MOL1 with MFL ("Merger").
- 1.2 The Demerger and Merger are on a going concern basis pursuant to a Composite Scheme of Arrangement under sections 230 to 232 of the Companies Act, 2013 ('the Scheme').
- 1.3 Pursuant to the Scheme, upon Demerger of the Agrochemical and Pigment Undertaking of MOL1 into MOL2, the shareholders of MOL1 shall receive equity shares of MOL2 as a consideration and upon Merger of Remaining Business Undertaking of MOL1 with MFL, the shareholders of MOL1 shall receive equity shares of MFL as a consideration.
- 1.4 We understand that the appointed date of the Scheme is April 1, 2020.
- 1.5 For the aforesaid purpose, the Companies have appointed Mr. Jigar Shah, Registered Valuer, to submit a Report recommending the Share Entitlement Ratio for the transaction of the Demerger and the Merger, to be placed before the Board of Directors of the Companies.
- 1.6 The scope of our services is to issue a Fairness Opinion on the report issued by the Valuer recommending a Share Entitlement Ratio for the transaction of the Demerger and the Merger, in accordance with generally acceptable professional standards.
- 1.7 This report is our deliverable on this engagement. This report may be used for the purpose of complying with the requirements of the regulations 11, 37 and 94 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and SEBI Circular CFD/DIL3/CIR/2017/21 and for submission to such other regulatory and statutory authorities in connection with the Scheme.
- 1.8 Our scope of work only includes forming an opinion on the fairness of the recommendation of the Valuer on the Share Entitlement Ratio arrived at for the purpose of Scheme and does not involve evaluating or opining on the fairness or economic rationale of the Scheme per se.
- 1.9 Our report is prepared solely for the purpose outlined hereinabove. The distribution of this report shall hence be restricted to the Companies, Shareholders, SEBI, Stock Exchange and such other regulatory bodies required to give effect to the Scheme, including but not limited to Registrar of Companies and National Company Law Tribunal. This report shall not be relied upon by any other person for any other purpose whatsoever and the Companies agree to this fact.

Jigar Shah





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



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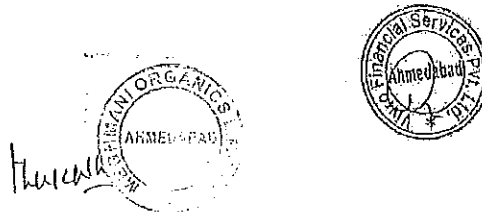


2. SOURCES OF INFORMATION

We have relied on the following information made available to us by the management of the Companies for the purpose of this report:

- 2.1 Valuation Report of Mr. Jigar Shah, Registered Valuer, dated January 28, 2020;
- 2.2 Memorandum and Articles of Association of MOL1, MFL and MOL2;
- 2.3 Brief History, Present Activities, Business Profile, Shareholding Pattern of MOL1, MFL and MOL2;
- 2.4 Audited financial statements of MOL1 and MFL for the year ended March 31, 2019 and March 31, 2018;
- 2.5 Proposed Draft Scheme of Arrangement between MOL1, MFL and MOL2 and their respective shareholders & creditors, under Sections 230 to 232 and other applicable provisions of the Companies Act 2013 as may be submitted to the Stock Exchange;
- 2.6 Such other information and explanations as required and which have been provided by the management of the Companies, which were considered relevant for the purpose of Fairness Opinion.

The Companies have been provided with the opportunity to review the draft fairness opinion report (excluding our opinion on the Share Entitlement Ratio) as part of our standard practice to make sure that factual inaccuracy / omissions are avoided.







3. LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

- 3.1 This Fairness Opinion Report ("Report") is prepared by Vivro Financial Services Private Limited on the basis of information, documents, papers and explanations given by the Management, officers and staff of the Companies.
- 3.2 In preparing the Report, Vivro has relied upon and assumed without independent verification, the truthfulness, accuracy and completeness of the information and the financial data provided by the Companies. Vivro has therefore relied upon all specific information as received and declines any responsibility should the results presented be affected by the lack of completeness or truthfulness of such information.
- 3.3 Our work does not constitute an audit or certification or due diligence of the past financials of the Companies and we have relied upon the information provided to us by the Companies as regards such working results.
- 3.4 Forward looking statements and financial projections certified and provided by the management of the Companies have been considered in this valuation process. We have not carried out any independent due diligence or verification of the projected financial performance provided by the Companies nor corroborated the information provided by the company from any third party source or any industry information for the purpose of arriving at valuation of equity shares of the Company. No assurance regarding the accuracy, reasonableness, or completeness of any such statements and projections is made by us herein. Actual performance and results may invariably differ from expectations and these differences may be material
- 3.5 As informed by the management of the Companies, there are no contingent liabilities other than those disclosed in the audited financial statements for the year ended March 31, 2019, which are expected to devolve or contingent assets with the Companies and there are no surplus / non-operating assets in the Companies as of the date of this Report beyond those captured in this Report.
- 3.6 We have not conducted any independent valuation or appraisal of any of the assets or liabilities of the companies. As implied by the financial statements, the Company is assumed to have those legal rights to the assets and be subject to those claims represented by the liabilities presented in its financial statements. No investigation was undertaken to confirm these legal rights or claims.
- 3.7 Publicly available information deemed relevant for the purpose of the analysis contained in this Report has also been used. Accordingly, this report is based on our interpretation of the information provided by the Companies as well as its representatives and advisors, to date.

thw csk





- 3.8 Vivro shall not be liable for any losses whether financial or otherwise or expenses arising directly or indirectly out of the use of or reliance on the information set out herein in this report.
- 3.9 This report should not be construed as any accounting, tax or legal advice to the Companies or any of its affiliates by Vivro.
- 3.10 Vivro does not hold any specific interest in the Company, nor does Vivro have any conflict of interest with the Company.
- 3.11 This Report does not constitute solvency opinion or an investment recommendation and should not be construed as such either for making or divesting investment.
- 3.12 This Report is furnished strictly on confidential basis. Neither this Report nor the information contained herein may be reproduced or passed to any person or used for any purpose other than stated above.
- 3.13 The fee for this engagement is not contingent upon the results reported and fairness opinion provided by Vivro.
- 3.14 This Report, its contents and the results herein (i) are specific to the purpose of report agreed as per the terms of our engagement; (ii) are specific to the date of this report and (iii) are the prevailing financial, economic and other conditions in general and industry trends in particular as in effect on, and the written and oral information made available to us till the date of this report. Events occurring after this date may affect this report and we do not assume any obligation to update, revise or reaffirm this report.

J. H. Chak





4. BACKGROUND OF THE COMPANIES

4.1 MEGHMANI ORGANICS LIMITED (MOL1)

MOL1 is a public company incorporated under the provisions of the Companies Act, 1956 on January 2, 1995 bearing Corporate Identification Number L24110GJ1995PLC024052, having Registered Office at Plot 184, Phase-II, GIDC, Vatva, Ahmedabad, Gujarat – 382445. MOL1 is engaged in the business of manufacturing and selling of Pigment and Agrochemicals products. It is also engaged in the business of trading in chemical products. The equity shares of MOL1 are listed on National Stock Exchange of India Limited (NSE), BSE Limited (BSE) as well as the Singapore Depository Shares (SDS) are listed on Singapore Exchange Limited (SGX). The shareholding pattern of MOL1 (Face value: Rs. 1) as on date, is as follows:

| Particulars | Number of Equity Shares | % Total |
|-----------------------|-------------------------|----------------|
| Promoter Shareholding | 122,905,590 | 48.33% |
| Public Shareholding | 118,516,431 | 46.60% |
| Custodian Shares | 12,892,190 | 5.07% |
| Total Shares | 254,314,211 | 100.00% |

4.2 MEGHMANI FINECHEM LIMITED (MFL)

MFL is a public company incorporated under the provisions of the Companies Act, 1956 on September 11, 2007 bearing Corporate Identification Number U24100GJ2007PLC051717, having registered office at CH/1, CH/2, GIDC Industrial Estate, Dahej, Bharuch, Gujarat – 392130. MFL is engaged in manufacturing and selling of Chloro Alkali and its derivatives Caustic – Chlorine, Chloromethane and Caustic Potash. MFL is a subsidiary of MOL1, wherein MOL1 currently holds 57.16% of the equity shares of MFL. The shareholding pattern of MFL, (Face value: Rs. 10) as on date, is as follows:

| Particulars | Number of Equity Shares | % Total |
|-----------------------|-------------------------|----------------|
| Promoter Shareholding | 23,545,985 | 57.16% |
| Public Shareholding | 17,647,129 | 42.84% |
| Total Shares | 41,193,114 | 100.00% |

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4.3 MEGHMANI ORGANOCEM LIMITED (MOL2)

MOL2 is a public company incorporated under the provisions of the Companies Act, 1956 on October 15, 2019 bearing Corporate Identification Number U24299GJ2019PLC110321, having registered office at 1st 2nd 3rd FL, Nr. Raj Bunglow, Nr. Safal Profitaire, Prahlad Nagar, Satellite Ahmedabad, Gujarat - 380015. MOL2 is a wholly owned subsidiary of Meghmani Organics Limited has the main object of manufacturing and selling of Pigment and Agro Chemicals. The shareholding pattern of MOL2, (Face value: Rs. 10) as on date, is as follows:

| Particulars | Number of Equity Shares | %Total |
|-----------------------|-------------------------|---------|
| Promoter Shareholding | 50,000 | 100.00% |
| Total Shares | 50,000 | 100.00% |

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5. VALUER'S RECOMMENDATION

- 5.1 The fair basis of Composite Scheme of Arrangement has been determined after taking into consideration all the factors and methodologies as mentioned by the Valuer in its valuation report, dated January 28, 2020. Their scope of work was, inter alia, to carry out the valuation of equity shares of MOL1 and MFL to determine the Share Entitlement Ratio for the proposed Composite Scheme of Arrangement.
- 5.2 The Share Entitlement Ratio has been arrived at on the basis of relative valuation of the equity shares of the Companies based on methodology as explained in the valuation report of Valuer, dated January 28, 2020 and various qualitative factors relevant to each Company and the business dynamics as well as growth potential of the businesses of the companies, and also having regard to information base, management representations and perceptions, key underlying assumptions and limitations.
- 5.3 In the light of the above and on a consideration of all the relevant factors and circumstances as discussed and outlined in the valuation report, dated January 28, 2020 issued by Mr. Jigar Shah, Registered Valuer it has been recommended by the Valuer that the Share Entitlement Ratio for the Scheme shall be as follows:

Demerger of the Agrochemical and Pigment Undertaking of MOL1 into MOL2

"1" (One) Equity Share of Rs.1/- each fully paid up of MOL2 for every 1 (One) Equity Share of Rs.1/- each fully paid up of MOL1."

Merger of Remaining Business Undertaking of MOL1 with MFL

"94" (Ninety Four) Equity Shares of Rs.10/- each fully paid up of MFL for every 1,000 (One Thousand) Equity Shares of Rs.1/- each fully paid up of MOL1."

J. K. Shah

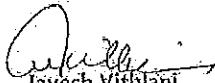




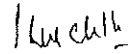
6. CONCLUSION

Pursuant to and subject to the foregoing, we believe that the proposed Share Entitlement Ratio as is recommended by Mr. Jigar Shah, Registered Valuer, for the proposed Composite Scheme of Arrangement is fair.

For, Vivro Financial Services Private Limited


Jayesh Vithlani
Sr. Vice President





Date: January 28, 2020

Place: Ahmedabad



Annexure - 5



National Stock Exchange Of India Limited

Ref: NSE/LIST/23238_III

September 04, 2020

The Company Secretary
Meghmani Organics Limited
Plot No. 184, Phase II, G.I.D.C. Vatva,
Ahmedabad-382445

Kind Attn.: Mr. Kamlesh Mehta

Dear Sir,

Sub: Observation Letter for the Draft Composite Scheme of Arrangement between Meghmani Organics Limited, Meghmani Organochem Limited and Meghmani Finechem Limited and their respective shareholders and creditors

We are in receipt of the Draft Composite Scheme of Arrangement between Meghmani Organics Limited (“Demerged Company” or “Transferor Company”) and Meghmani Organochem Limited (“Resulting Company”) and Meghmani Finechem Limited (“Transferee Company”) and their respective shareholders and creditors vide application dated February 20, 2020.

Based on our letter reference no Ref: NSE/LIST/23238 submitted to SEBI and pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 (“Circular”), kindly find following comments on the draft scheme:

- a. *The Company shall duly comply with various provisions of the Circular.*
- b. *The Company shall ensure that the financials of the companies involved in the scheme is updated and are not more than 6 months old before filing the same with the Hon’ble National Company Law Tribunal.*
- c. *The Company shall ensure that the disclosure wrt name of Natwarlal M. Patel (Promoter-Director of Meghmani Organics Limited, who is also Independent Director of John Energy Ltd) appearing in the RBI Defaulters List is appropriately done.*
- d. *The Company shall ensure that the proposed scheme is acted upon only if approved by the NCLT and if the majority votes cast by the public shareholders are in favour of the proposal.*
- e. *The Company shall ensure that additional information and undertakings, if any, submitted by the Company, after filing the Scheme with the Stock Exchange and from the date of the receipt of this letter is displayed on the website of the listed company.*

This Document is Digitally Signed



Signer: Jiten Bharat Patel
Date: Fri, Sep 4, 2020 18:25:33 IST
Location: NSE

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India +91 22 26592100 | www.nseindia.com | CIN U67120MH1992PLU069769



Continuation Sheet

Ref: NSE/LIST/23238_III

September 04, 2020

- f. *The Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.*
- g. *It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/ observation/ representations.*

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

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

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

However, the listing of equity shares of Meghmani Organochem Limited (Resulting Company) and Meghmani Finechem Limited (Transferee Company) on the National Stock Exchange India Limited shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957. Further, Meghmani Organochem Limited and Meghmani Finechem Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authorities and Rules, Byelaws and Regulations of the Exchange.

The Company should also fulfill the Exchange's criteria for listing of such company and also comply with other applicable statutory requirements. However, the listing of shares of Meghmani Organochem Limited (Resulting Company) and Meghmani Finechem Limited (Transferee Company) is at the discretion of the Exchange.

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Signer: Jiten Bharat Patel
Date: Fri, Sep 4, 2020 18:25:33 IST
Location: NSE



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India +91 22 26598100 | www.nseindia.com | CIN U67120MH1995PLC00769



Continuation Sheet

Ref: NSE/LIST/23238_III

September 04, 2020

The listing of Meghmani Organochem Limited (Resulting Company) and Meghmani Finechem Limited (Transferee Company) pursuant to the Composite Scheme of Arrangement shall be subject to SEBI approval & Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about Meghmani Organochem Limited (Resulting Company) and Meghmani Finechem Limited (Transferee Company) and its group companies in line with the disclosure requirements applicable for public issues with NSE for making the same available to the public through website of the companies.
2. To publish an advertisement in the newspapers containing all the information about Meghmani Organochem Limited (Resulting Company) and Meghmani Finechem Limited (Transferee Company) in line with the details required as per SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as NSE.
3. To disclose all the material information about Meghmani Organochem Limited (Resulting Company) and Meghmani Finechem Limited (Transferee Company) to NSE on the continuous basis so as to make the same public, in addition to the requirements, if any, specified in SEBI (LODR) Regulations, 2015 for disclosures about the subsidiaries.
4. The following provision shall be incorporated in the scheme:
 - (a) "The shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange."
 - (b) "There shall be no change in the shareholding pattern or control in Meghmani Organochem Limited (Resulting Company) and Meghmani Finechem Limited (Transferee Company) between the record date and the listing which may affect the status of this approval."

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

This Document is Digitally Signed



Signer: Jiten Bharat Patel
Date: Fri, Sep 4, 2020 18:25:33 IST
Location: NSE

National Stock Exchange of India Limited | Exchange Plaza, C-1, Block C, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051,
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Continuation Sheet

Ref: NSE/LIST/23238_III

September 04, 2020

The validity of this "Observation Letter" shall be six months from September 04, 2020 within which the scheme shall be submitted to NCLT.

Yours faithfully,
For National Stock Exchange of India Limited

Jiten Patel
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL http://www.nseindia.com/corporates/content/further_issues.htm

This Document is Digitally Signed

Signer: Jiten Bharat Patel
Date: Fri, Sep 4, 2020 18:25:33 IST
Location: NSE



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India +91 22 26592100 | www.nseindia.com | CIN U67120MH1992PLC069169



BSE Limited Registered Office: Floor 25, P J Towers, Dalal Street, Mumbai – 400 001, India
T : +91 22 2272 8045 / 8055 F : +91 22 2272 3457 www.bseindia.com
Corporate Identity Number: L67120MH2005PLC155188



DCS/AMAL/BA/R37/1779/2020-21

"E-Letter"

September 4, 2020

The Company Secretary,
MEGHMANI ORGANICS LTD.
Plot No. 184, Phase II, G.I.D.C. Industrial Estate,
Vatva, Ahmedabad, Gujarat, 382445

Dear Sir,

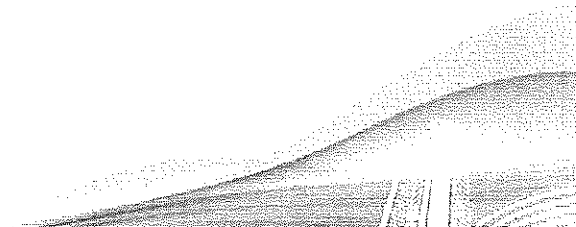
Sub: Observation letter regarding the Draft Scheme of Amalgamation between Meghmani Organics Ltd., Meghmani Organochem Limited and Meghmani Finechem Limited and their respective shareholders.

We are in receipt of Draft Scheme of Amalgamation by Meghmani Organics Ltd. filed as required under SEBI Circular No. CFD/DIL.3/CIR/2017/21 dated March 10, 2017; SEBI vide its Email dated September 4, 2020 has inter alia given the following comment(s) on the draft scheme of arrangement:

- "Company shall ensure that financials of the companies involved in the scheme is updated and not more than 6 months old before filing the same with the Hon'ble National Company Law Tribunal."
- "Company shall ensure that disclosure wrt name of Natwarlal M. Patel (Promoter-Director of Meghmani Organics Limited who is also Independent Director of John Energy Limited) appearing in the RBI defaulters list is appropriately done."
- "Company shall ensure that the proposed scheme is acted upon only if approved by the NCLT and if the majority votes cast by the public shareholders are in favour of the proposal."
- "Company shall ensure that additional information, if any, submitted by the Company, after filing the scheme with the stock exchange, from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges."
- "Company shall duly comply with various provisions of the Circular."
- "Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT."
- "It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."

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

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





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

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

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

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

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

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

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

BSE - PUBLIC



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Corporate Identity Number: L67120MH2005PLC155188

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

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.**

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, **would be accepted and processed through the Listing Centre only and no physical filings would be accepted.** You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,

Sd/-

Nitinkumar Pujari
Senior Manager

BSE - PUBLIC



Annexure - 6

MEGHMANI ORGANICS LIMITED

CORPORATE OFFICE: "MEGHMANI HOUSE", Behind Safal Profitaira, Corporate Road, Prahladnagar, Ahmedabad-380 015. Gujarat, (INDIA) Phone No.: +91 79 71761000, 29709600 Fax: +91 79 - 29709605 E-mail: helpdesk@meghmani.com Site: www.meghmani.com CIN: L24110GJ1995PLC024052



18/05/2020

To
National Stock Exchange of India Limited
"Exchange Plaza",
Bandra Kurla Complex,
Bandra (East), Mumbai- 400 051

SYMBOL: MEGH

Sub: Complaints Report.

Ref: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed Composite Scheme of Arrangement Between Meghmani Organics Limited ("Demerged Company" or "The Transferor Company" or "MOL 1") and Meghmani Organochem Limited ("The Resulting Company" or "MOL 2") and Meghmani Finechem Limited ("The Transferee Company" or "MFL") and their respective Shareholders and Creditors'.

Dear Sirs,

With reference to the Scheme filed by the Company with National Stock Exchange of India Limited ("NSE") on February 19, 2020 and subsequent uploading of the said Scheme along with other relevant documents by NSE on its website on April 24, 2020.

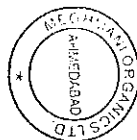
As per Para I(A)(6) of Annexure I to the SEBI Circular no. CFDIDIL3/CIRI/2017/21 dated March 10, 2017, the Company is required submit a "Report on Complaints" containing the details of complaints/comments received by the Company on the Draft Scheme from various sources, within 7 days of expiry of 21 days [i.e. From April 24th 2020 to May 17th, 2020] from the date of filing of the Scheme with the Exchanges and uploading of the same on its website.

The period of 21 days from the uploading of said documents by the NSE on its website expired on May 15, 2020; accordingly, we attach herewith a "Report on Complaints", as per "Annexure A" to this letter.

You are requested to take this on record and issue your NOC at the earliest.

Thank you,
Yours Faithfully
For Meghmani Organics Limited

K. D. Mehta
Company Secretary

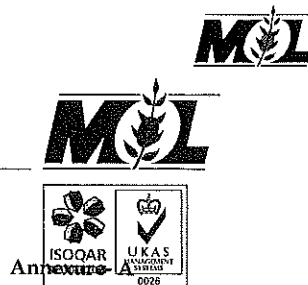


Regd. Office: Plot No. 184, (Phase-II), G.I.D.C. Industrial Estate, Vatva, Ahmedabad-382 445. Gujarat, (INDIA)
Phone: +91-79-25831210, 25834657 Fax: +91-79-25833403, 25892327 E-mail: helpdesk@meghmani.com

A. Government Recognized
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MEGHMANI ORGANICS LIMITED

CORPORATE OFFICE: "MEGHMANI HOUSE", Behind Safal Profileaire, Corporate Road, Prahladnagar,
Ahmedabad-380 015. Gujarat, (INDIA) Phone No.: +91 79 71761000, 29709600 Fax: +91 79 - 29709605
E-mail: helpdesk@meghmani.com Site: www.meghmani.com CIN: L24110GJ1995PLC024052



COMPLAINT REPORT- AS ON 18.05.2020

[FROM 24TH APRIL TO 17TH MAY, 2020]

Part A

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

Part B

| Sr. No. | Name of complainant | Date of Complaint | Status (Resolved/Pending) |
|---------|---------------------|-------------------|---------------------------|
| 1. | Not Applicable | | |

Date: 18/05/2020



K. D. Mehta
K. D. Mehta
(Company Secretary)

Regd. Office: Plot No. 184, (Phase-II), G.I.D.C. Industrial Estate, Vatva, Ahmedabad-382 445. Gujarat, (INDIA)
Phone: +91-79-25831210, 25834657 Fax: +91-79-25833403, 25892327 E-mail: helpdesk@meghmani.com

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MEGHMANI ORGANICS LIMITED

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E-mail: helpdesk@meghmani.com Site: www.meghmani.com CIN: L24110GJ1995PLC024052



13/05/2020

To
BSE Limited
Floor- 25, P J Tower,
Dalal Street,
Mumbai 400 001
Scrip Code:- 532865

Sub: Complaints Report.

Ref: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed Composite Scheme of Arrangement Between Meghmani Organics Limited ("Demerged Company" or "The Transferor Company" or "MOL 1") and Meghmani Organochem Limited ("The Resulting Company" or "MOL 2") and Meghmani Finechem Limited ("The Transferee Company" or "MFL") and their respective Shareholders and Creditors'.

Dear Sirs,

This is in reference to the Scheme filed by the Company with BSE Limited ("BSE") on February 19, 2020 and subsequent uploading of the said Scheme along with other relevant documents by BSE on its website on April 21, 2020.

As per Para I(A)(6) of Annexure I to the SEBI Circular no. CFDIDIL3/CIRI2017/21 dated March 10, 2017, the Company is required submit a "Report on Complaints" containing the details of complaints/comments received by the Company on the Draft Scheme from various sources, within 7 days of expiry of 21 days from the date of filing of the Scheme with the Exchanges and uploading of the same on its website.

The period of 21 days from the uploading of said documents by the BSE on its website expired on May 12, 2020; accordingly, we attach herewith a "Report on Complaints", as "Annexure A" to this letter.

You are requested to take this on record and issue your NOC at the earliest.

Thank you,
Yours Faithfully

For Meghmani Organics Limited

K. D. Mehta

K. D. Mehta
Company Secretary



Regd. Office: Plot No. 184, (Phase-II), G.I.D.C. Industrial Estate, Vatva, Ahmedabad-382 445, Gujarat, (INDIA)
Phone: +91-79-25831210, 25834657 Fax: +91-79-25833403, 25892327 E-mail: helpdesk@meghmani.com

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MEGHMANI ORGANICS LIMITED

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E-mail: helpdesk@meghmani.com Site: www.meghmani.com CIN: L24110GJ1995PLC024052



Annexure- A

COMPLAINT REPORT – AS ON 12.05.2020

Part A

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

Part B

| Sr. No. | Name of complainant | Date of Complaint | Status (Resolved/Pending) |
|---------|---------------------|-------------------|---------------------------|
| 1. | Not Applicable | | |



K D Mehta

K. D. Mehta
(Company Secretary)

Date: 13/05/2020

Regd. Office: Plot No. 184, (Phase-II), G.I.D.C. Industrial Estate, Vatva, Ahmedabad-382 445. Gujarat, (INDIA)
Phone: +91-79-25831210, 25834657 Fax: +91-79-25833403, 25892327 E-mail: helpdesk@meghmani.com

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Annexure - 7



Ref: REG/LC/RLJJ/CA201908021

6 September 2019

Rajah & Tann Singapore LLP
9 Battery Road #25-01
Singapore 049910

PRIVATE AND CONFIDENTIAL

Attn: Ms Penelope Loh / Ms Cheryl Tay

Dear Sirs

MEGHMANI ORGANICS LIMITED (THE "COMPANY")

DELISTING OF SINGAPORE DEPOSITORY SHARES ("SDS") FROM THE SGX-ST PURSUANT TO A COMPOSITE SCHEME OF ARRANGEMENT ("SCHEME") UNDER SECTIONS 230 TO 232 OF THE INDIAN COMPANIES ACT, 2013 ("PROPOSED DELISTING")

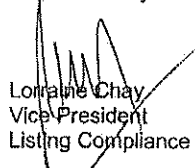
- 1 We refer to your letter dated 13 August 2019 and the subsequent correspondence on the above.
- 2 Based on your submission and representation to the Exchange, we wish to inform that the Exchange has no objection to the Company's plan to implement a proposed delisting of SDS from the SGX-ST through the proposed Scheme. However, we will impose, *inter alia*, the following conditions:
 - (a) Compliance with the Exchange's listing requirements;
 - (b) Approval from SDS Holders and Shareholders of the Scheme and successful listing of both NewCo and MFL on the Indian Stock Exchanges;
 - (c) Appointment of IFA based in Singapore and licensed by MAS to opine whether the Cash Alternative Minimum Amount offered to SDS Holders is fair and reasonable;
 - (d) The Cash Alternative Minimum Amount must be fair and reasonable and this must also be the opinion of the IFA;
 - (e) The Company holding an information meeting for the SDS Holders in Singapore ahead of the EGM in India and to make arrangements such as video conferencing or webcast to enable SDS Holders to follow the proceedings during the EGM in India; and

Singapore Exchange Regulation Pte Ltd
Company Reg No 201709600D
11 North Buona Vista Drive, #06-07 The Metropolis Tower 2, Singapore 138589
main: +65 6236 8888 fax: +65 6535 6994
sgx.com



- (f) Approvals by the relevant Indian regulatory authorities and Shareholders for the Scheme in accordance to Indian laws and regulations:-
- (i) approvals from the Indian Stock Exchanges;
 - ii) approval of three-fourths in value and majority in number of Shareholders, voting in person or by proxy at the Scheme meeting convened in accordance with the orders passed by the National Company Law Tribunal ("NCLT") at EGM; and
 - (iii) the sanction by the NCLT
- 3 Please note that the Exchange reserves the right to amend and/or vary the above decision and such decision is subject to changes in the Exchange's policies.
4. The Exchange's decision is not an indication of the merits of the Proposed Delisting. Kindly include this statement in all the Company's announcements which make reference to the Exchange's decision.
- 5 Please liaise with our Securities Market Control, Operations Group on the Proposed Delisting date in due course.
- 6 To facilitate CDP's return of all unclaimed monies to the Company, please contact our Corporate Action Services team, Operations Group at corporateactions@sgx.com.

Yours faithfully


Lorraine Chay
Vice President
Listing Compliance



Annexure - 8

MEGHMANI ORGANICS LIMITED



CORPORATE OFFICE: "MEGHMANI HOUSE", Behind Safal Profitaire, Corporate Road, Prahladnagar, Ahmedabad-380 015. Gujarat, (INDIA) Phone No.: +91 79 71761000, 29709600 Fax: +91 79 - 29709605
E-mail: helpdesk@meghmani.com Site: www.meghmani.com CIN: L24110GJ1995PLC024052



REPORT ADOPTED BY THE BOARD OF DIRECTORS OF MEGHMANI ORGANICS LIMITED AT ITS MEETING HELD ON THE DAY OF 29TH JANUARY, 2020 EXPLAINING THE EFFECT OF THE COMPOSITE SCHEME OF ARRANGEMENT ON EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS

1. Background

- 1.1. The Board of Directors of Meghmani Organics Limited has approved the proposed Composite Scheme of Arrangement between Meghmani Organics Limited ('MOL 1' or 'Demerged Company' or 'the Transferor Company' or 'the Company'), Meghmani Finechem Limited ('MFL' or 'the Transferee Company') and Meghmani Organochem Limited ('MOL 2' or 'the Resulting Company') and their respective shareholders and creditors ('the Scheme') with an appointed date of 1 April 2020. Further the provisions of section 232(2)(c) of the Companies Act, 2013 requires the Directors to adopt a report explaining the effect of arrangement and amalgamation on equity shareholders, key managerial personnel (KMPs), promoters and non-promoters shareholders of the Company laying out in particular the share exchange ratio and the same is required to be circulated to the equity shareholders of the Company.
- 1.2. This report of the Board is accordingly being made in pursuance to the requirements of section 232(2)(c) of the Companies Act, 2013.
- 1.3. The following documents were placed before the Board:
 - 1.3.1. Draft Scheme of Arrangement between MOL 1, MFL and MOL 2 and their respective shareholders and creditors;
 - 1.3.2. Memorandum and Articles of Association of the Company;
 - 1.3.3. Valuation Report issued by Jigar Shah dated 28th January, 2020;
 - 1.3.4. Fairness opinion obtained from Vivro Financial Services Private Limited, Merchant Banker dated 28th January, 2020

2. Effect of the Composite Scheme of Arrangement on Equity Shareholders (Promoter Shareholders and Non-Promoter shareholders), KMP and Employees of MOL 1

- 2.1. Under the Scheme, an Arrangement is sought to be entered into between MOL 1 and its equity shareholders. Upon the Part B of the Scheme coming into effect and in consideration of demerger of Agrochemical and Pigment Undertaking ('Demerged Undertaking') of MOL 1, 1 (One) Equity Shares of Re.1/- (Rupee One only) each credited as fully paid-up of MOL 2 to be issued for every 1 (One) equity share of MOL 1 of the face value of Re.1/- (Rupee One only) each held by the shareholders in MOL 1;



Regd. Office: Plot No. 184, (Phase-II), G.I.D.C. Industrial Estate, Vatva, Ahmedabad-382 445. Gujarat, (INDIA)
Phone: +91-79-25831210, 25834657 Fax: +91-79-25833403, 25892327 E-mail: helpdesk@meghmani.com

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MEGHMANI ORGANICS LIMITED



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- 2.2. Upon coming into effect Part D of this Scheme and in consideration of amalgamation of the Remaining Business Undertaking of MOL 1 into MFL, 94 (Ninety Four) Equity Shares of Rs.10/- (Rupee Ten only) each credited as fully paid-up of MFL to be issued for every 1000 (One Thousand) equity share of MOL 1 of the face value of Re.1/- (Rupee One only) each held by the shareholders in MOL 1;
 - 2.3. In respect of the Scheme, an arrangement is sought to be entered into between MOL 1 and its Creditors though no liabilities of the creditors of MOL 1 is being reduced or being extinguished under the Scheme. The Creditors of MOL 1 would not be prejudicially affected by the Scheme.
 - 2.4. The Scheme does not envisage any change in the terms of the existing employees of MOL 1. Upon effectiveness of this Scheme, all the employees of the Demerged Undertaking of MOL 1 shall become the employees of MOL 2 and all the employees of Remaining Business Undertaking of MOL 1 shall become the employees of MFL as on the Effective Date without any interruption of or break in service and in the manner provided in the Scheme. In the circumstances, the rights of employees of MOL 1 would in no way affected by the Scheme.
 - 2.5. There is no effect of the Scheme on the Key Managerial Personnel and/ or the Directors of MOL 1.
 - 2.6. Further, none of the Directors, Key Managerial Personnel (as defined under the Companies Act, 2013 and Rules framed thereunder) of MOL 1 and their respective relatives (as defined under the Companies Act, 2013 and Rules framed thereunder) have any interest in the Scheme except to the extent of the shares held by them in MOL 1 and/or to the extent that the said Directors, Key Managerial Personnel and their respective relatives are the directors, members of the Companies that hold shares in MOL 1. Save as aforesaid, none of the said Director, Key Managerial Personnel have any material interest in the Scheme.
3. Valuation of the Share Exchange / Entitlement Ratio
- 3.1. Based on the Valuation Report, the Board of Directors approved share entitlement ratio as below:

Demerger of Agrochemical and Pigment Undertaking of MOL 1 into MOL 2:

1 (One) equity share of MOL 2 of face value of INR 1 each fully paid up for every 1 (One) equity share of MOL 1 of face value of INR 1 each fully paid up.

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Ahmedabad-380 015. Gujarat, (INDIA) Phone No.: +91 79 71761000, 29709600 Fax: +91 79 - 29709605
E-mail: helpdesk@meghmani.com Site: www.meghmani.com CIN: L24110GJ1995PLC024052



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Merger of Remaining Business Undertaking of MOL 1 into MOL 2:

94 (Ninety Four) equity share of MFL Ltd. of INR 10 each fully paid up for every
1000 (One Thousand) equity shares of MOL 1 of INR 1 each fully paid up.

3.2. No special valuation difficulties were reported.

By Order of the Board,
For Meghmani Organics Limited

K .D. Mehta
Company Secretary



29th January, 2020

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REPORT ADOPTED BY THE BOARD OF DIRECTORS OF MEGHMANI ORGANOCEM LIMITED AT ITS MEETING HELD ON THE DAY OF 29TH JANUARY, 2020 EXPLAINING THE EFFECT OF THE COMPOSITE SCHEME OF ARRANGEMENT ON EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS

1. Background

- 1.1. The Board of Directors of Meghmani Organochem Limited has approved the proposed Composite Scheme of Arrangement between Meghmani Organics Limited ('MOL 1' or 'Demerged Company' or 'the Transferor Company' or 'the Company'), Meghmani Finechem Limited ('MFL' or 'the Transferee Company') and Meghmani Organochem Limited ('MOL 2' or 'the Resulting Company') and their respective shareholders and creditors ('the Scheme') with an appointed date of 1 April 2020. Further the provisions of Section 232(2)(c) of the Companies Act, 2013 requires the Directors to adopt a report explaining the effect of arrangement on equity shareholders, Key Managerial Personnel (KMPs), Promoters and Non-Promoters Shareholders of the Company laying out in particular the share exchange ratio and the same is required to be circulated to the equity shareholders of the Company.
- 1.2. This report of the Board is accordingly being made in pursuance to the requirements of section 232(2)(c) of the Companies Act, 2013.
- 1.3. The following documents were placed before the Board:
 - 1.3.1. Draft Scheme of Arrangement between MOL 1, MFL and MOL 2 and their respective shareholders and creditors;
 - 1.3.2. Memorandum and Articles of Association of the Company;
 - 1.3.3. Valuation Report issued by Jigar Shah dated 28th January, 2020;
 - 1.3.4. Fairness opinion obtained from Vivro Financial Services Private Limited, Merchant Banker dated 28th January, 2020

2. Effect of the Composite Scheme of Arrangement on equity shareholders (promoter shareholders and non-promoter shareholders), KMP and employees of MOL 2

- 2.1. Under the Composite Scheme, an arrangement is sought to be entered into between MOL 2 and its equity shareholders. Upon the Part B of the Scheme coming into effect and in consideration of Demerger of Agrochemical and Pigment Undertaking ('Demerged Undertaking') of MOL 1, 1 (One) Equity Shares of Re.1/- (Rupee One only) each credited as fully paid-up of MOL 2 to be issued for every 1 (One) Equity Share of MOL 1 of the face value of Re.1/- (Rupee One only) each held by the shareholders in MOL 1;

Regd. Office: 1st+2nd+3rd Floors, Nr. Raj Bunglow, Nr. Safal Profitaire, Prahlad Nagar,
Satellite, Ahmedabad- 380015. Gujarat, (INDIA)
Phone No.: +91 79 71761000, 29709600, Fax.: +91 79- 29709605
E-mail: helpdesk@meghmani.com; CIN: U24299GJ2019PLC110321



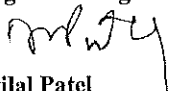


MEGHMANI ORGANOCEM LIMITED

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- 2.2. In respect of the Scheme, an arrangement is sought to be entered into between MOL 2 and its Creditors. But MOL 2 has no Secured or Unsecured Creditors.
- 2.3. The Scheme does not envisage any change in the terms of the existing employees of MOL 2. Upon the Scheme being effective, all the employees of the Demerged Undertaking of MOL 1 shall become the employees of MOL 2 without any interruption of or break in service and in the manner provided in the Scheme. In the circumstances, the rights of employees of MOL 2 would in no way be affected by the Scheme.
- 2.4. There is no effect of the Scheme on the Key Managerial Personnel and/ or the Directors of MOL 2.
- 2.5. Further, none of the Directors, Key Managerial Personnel (as defined under the Companies Act, 2013 and Rules framed thereunder) of MOL 2 and their respective relatives (as defined under the Companies Act, 2013 and Rules framed thereunder) have any interest in the Scheme except to the extent of the shares held by them in MOL 2 and/or to the extent that the said Directors, Key Managerial Personnel and their respective relatives are the Directors, Members of the Companies that hold shares in MOL 1. Save as aforesaid, none of the said Director, Key Managerial Personnel has any material interest in the Scheme.
3. **Valuation of the Share Exchange / Entitlement Ratio**
- 3.1. Based on the Valuation Report, the Board of Directors approved share entitlement ratio as below:
Demerger of Agrochemical and Pigment Undertaking of MOL 1 into MOL 2:
1 (One) equity share of MOL 2 of face value of INR 1 each fully paid up for every 1 (One) equity share of MOL 1 of face value of INR 1 each fully paid up.
- 3.2. No special valuation difficulties were reported.

By Order of the Board,
For Meghmani Organochem Limited


Jayantilal Patel
Director
29th January, 2020



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Satellite, Ahmedabad- 380015, Gujarat, (INDIA)
Phone No.: +91 79 71761000, 29709600, Fax.: +91 79- 29709605
E-mail: helpdesk@meghmani.com; CIN: U24299GJ2019PLC110321



MEGHMANI FINECHEM LTD.

Regd. Office : CH/1, CH/2, GIDC Industrial Estate, Dahej, Tal. Vagra, Bharuch - 392 130, Gujarat, (INDIA)
Phone : 91-9909995940 / 41 / 42 / 43 / 44, E-mail : helpdesk@meghmani.com,
URL : www.meghmani.com CIN : U24100GJ2007PLC051717

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF MEGHMANI FINECHEM LIMITED AT ITS MEETING HELD ON THE DAY OF 29TH JANUARY, 2020 EXPLAINING THE EFFECT OF THE COMPOSITE SCHEME OF ARRANGEMENT ON EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS

1. Background

- 1.1. The Board of Directors of Meghmani Finechem Limited has approved the proposed Composite Scheme of Arrangement between Meghmani Organics Limited ('MOL 1' or 'Demerged Company' or 'the Transferor Company' or 'the Company'), Meghmani Finechem Limited ('MFL' or 'the Transferee Company') and Meghmani Organochem Limited ('MOL 2' or 'the Resulting Company') and their respective shareholders and creditors ('the Scheme') with an appointed date of 1 April 2020. Further the provisions of Section 232(2)(c) of the Companies Act, 2013 requires the Directors to adopt a report explaining the effect of arrangement and amalgamation on equity shareholders, Key Managerial Personnel (KMPs), Promoters and Non-Promoters Shareholders of the Company laying out in particular the share exchange ratio and the same is required to be circulated to the equity shareholders of the Company.
- 1.2. This report of the Board is accordingly being made in pursuance to the requirements of section 232(2)(c) of the Companies Act, 2013.
- 1.3. The following documents were placed before the Board:
 - 1.3.1. Draft Scheme of Arrangement between MOL 1, MFL and MOL 2 and their respective shareholders and creditors;
 - 1.3.2. Memorandum and Articles of Association of the Company;
 - 1.3.3. Valuation Report issued by Jigar Shah dated 28th January, 2020;
 - 1.3.4. Fairness opinion obtained from Vivro Financial Services Private Limited, Merchant Banker dated 28th January, 2020

2. Effect of the Composite Scheme of Arrangement on equity shareholders (promoter shareholders and non-promoter shareholders), KMP and employees of MOL 1

- 2.1. Upon Part D of the Scheme coming into effect and in consideration of Amalgamation of the Remaining Business Undertaking of MOL 1 into MFL, 94 (Ninety Four) Equity Shares of Rs.10/- (Rupee Ten only) each credited as fully paid-up of MFL to be issued for every 1000 (One Thousand) Equity Share of MOL 1 of the face value of Re.1/- (Rupee One only) each held by the shareholders in MOL 1;



CORPORATE OFFICE: "MEGHMANI HOUSE", Behind Safal Profitaire, Corporate Road, Prahladnagar, Ahmedabad-380 015, INDIA. Phone No.: +91 79 71761000, 29709600 Fax: +91 79 - 29709605



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Phone : 91-9909995940 / 41 / 42 / 43 / 44, E-mail : helpdesk@meghmani.com,
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- 2.2. In respect of the Scheme, an arrangement is sought to be entered into between Mfl and its Creditors though no liabilities of the Creditors of MFL is being reduced or being extinguished under the Scheme. The Creditors of MFL would not be prejudicially affected by the Scheme.
- 2.3. The Scheme does not envisage any change in the terms of the existing employees of Remaining Business Undertaking of MOL 1. Upon the Scheme being effective, all the employees of the Remaining Business Undertaking of MOL 1 shall become the employees of MFL as on the Effective Date without any interruption of or break in service and in the manner provided in the Scheme. In the circumstances, the rights of employees of Remaining Business Undertaking MOL 1 would in no way affected by the Scheme.
- 2.4. There is no effect of the Scheme on the Key Managerial Personnel and/ or the Directors of MOL 1.
- 2.5. Further, none of the Directors, Key Managerial Personnel (as defined under the Companies Act, 2013 and Rules framed thereunder) of MOL 1 and their respective relatives (as defined under the Companies Act, 2013 and Rules framed thereunder) have any interest in the Scheme except to the extent of the shares held by them in MOL 1 and/or to the extent that the said Directors, Key Managerial Personnel and their respective relatives are the Directors, Members of the Companies that hold shares in MOL 1. Save as aforesaid, none of the said Director, Key Managerial Personnel has any material interest in the Scheme.

3. Valuation of the Share Exchange / Entitlement Ratio

- 3.1. Based on the Valuation Report, the Board of Directors approved share entitlement ratio as below:

Merger of Remaining Business Undertaking of MOL 1 into MOL 2:

94 (Ninety Four) equity share of MFL Ltd. of INR 10 each fully paid up for every 1000 (One Thousand) equity shares of MOL 1 of INR 1 each fully paid up.



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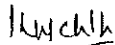
MEGHMANI FINECHEM LTD.

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URL : www.meghmani.com CIN : U24100GJ2007PLC051737

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3.2. No special valuation difficulties were reported.

By Order of the Board,
For Meghmani Finechem Limited


K D Mehta
Company Secretary & Compliance officer
29th January, 2020



CORPORATE OFFICE: "MEGHMANI HOUSE", Behind Safal Profitaire, Corporate Road, Prahladnagar,
Ahmedabad-380 015. INDIA. Phone No.: +91 79 71761000, 29709600 Fax: +91 79 - 29709605



Annexure - 9

Meghmani Organics Limited

Unaudited Provisional Balance Sheet as at 30th September 2020

| PARTICULARS | Rs. In Lakhs | |
|---|---|--|
| | 30th September 2020 | 31st March 2020 |
| ASSETS | | |
| Non-Current Assets | | |
| (a) Property, Plant and Equipment | 47,547.29 | 47,120.44 |
| (b) Capital Work-in-Progress | 15,883.43 | 9,637.37 |
| (c) Other Intangible Assets | 886.09 | 924.96 |
| (d) Intangible Assets under development | 530.13 | 438.90 |
| (e) Investments in Subsidiaries | 18,251.55 | 18,251.55 |
| (f) Financial Assets | | |
| (i) Investments | 57.21 | 57.21 |
| (ii) Other Financial Assets | 1,084.06 | 1,088.48 |
| (g) Income Tax Assets (Net) | 516.31 | 663.30 |
| (h) Other Non-Current Assets | 1,560.40 | 1,493.09 |
| Total Non-Current Assets | 85,106.47 | 78,658.30 |
| Current Assets | | |
| (a) Inventories | 33,060.37 | 29,654.33 |
| (b) Financial Assets | | |
| (i) Investments | 3,063.09 | - |
| (ii) Trade Receivables | 38,193.64 | 46,379.02 |
| (iii) Cash and Cash Equivalents | 5,325.40 | 764.39 |
| (iv) Bank Balances other than (ii) above | 4,077.19 | 63.35 |
| (v) Loans | 30.17 | 39.64 |
| (vi) Other Financial Assets | 3,694.25 | 3,579.22 |
| (c) Income Tax Assets (Net) | - | - |
| (d) Other Current Assets | 2,839.49 | 4,227.45 |
| Total Current Assets | 90,883.60 | 84,707.40 |
| TOTAL ASSETS | 1,76,990.07 | 1,64,366.70 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| (a) Equity Share Capital | 2,543.14 | 2,543.14 |
| (b) Other Equity | 1,05,872.25 | 96,537.43 |
| Total Equity | 1,08,416.39 | 99,080.57 |
| Liabilities | | |
| Non-Current Liabilities | | |
| (a) Financial Liabilities | | |
| (i) Borrowings | 14,842.41 | 6,650.30 |
| (ii) Other Financial Liabilities | 678.60 | 597.99 |
| (b) Provisions | 1,382.57 | 1,147.07 |
| (c) Deferred Tax Liabilities (Net) | 2,707.14 | 2,781.11 |
| Total Non-Current Liabilities | 19,610.72 | 10,084.47 |
| Current Liabilities | | |
| (a) Financial Liabilities | | |
| (i) Borrowings | 9,205.47 | 16,725.93 |
| (ii) Trade Payables | | |
| Total outstanding dues of micro and small enterprises | 2,229.48 | 1,784.41 |
| Total outstanding dues of creditors other than micro and small enterprises | 21,654.34 | 21,602.02 |
| (iii) Other Financial Liabilities | 9,206.25 | 9,683.95 |
| (b) Other Current Liabilities | 3,570.37 | 3,554.85 |
| (c) Provisions | 9.63 | 9.63 |
| (d) Current Tax Liabilities (Net) | 3,088.42 | 1,780.07 |
| Total Current Liabilities | 48,963.96 | 55,201.66 |
| Total Liabilities | 68,574.68 | 65,286.13 |
| TOTAL EQUITY AND LIABILITIES | 1,76,990.07 | 1,64,366.70 |
| Summary of Significant Accounting Policies | | |
| The accompanying notes are an integral part of these Standalone Financial Statements. | | |
| AS PER OUR REPORT OF EVEN DATE | For And on Behalf of The Board of Directors of Meghmani Organics Limited (CIN No- 24110GJ1996PLC024962) | |
| FOR S R B C & CO LLP Chartered Accountants ICAI Firm Regn. No. 324982E / E300003 | J.J.Patel-Executive Chairman (DIN - 00027224) | |
| per Sukrut Mehta Partner | G S Chahal Chief Financial Officer | A.N.Soparkar - Managing Director (DIN - 00027480) |
| Membership No : 101974 Date : 07-11-2020 | N.M.Fatei - Managing Director (DIN - 00027540) | |
| | K D Mehta Company Secretary | |



Meghmani Organics Limited

Unaudited Provisional Statement of Profit and Loss for the period ended on 30th September 2020

| PARTICULARS | Rs. In Lakhs | |
|---|---|--|
| | For the period ended 30th September 2020 | For the year ended 31st March 2020 |
| I - Revenue From Operations | 72,029.24 | 1,62,465.32 |
| II - Other Income | 305.14 | 7,811.60 |
| III - Total Income (I+II) | 72,334.38 | 1,70,276.92 |
| IV - Expenses | | |
| Cost of Materials Consumed | 40,110.39 | 88,478.83 |
| Purchase of Stock-in-Trade | 632.74 | 4,674.50 |
| Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade | (2,928.86) | 7,514.93 |
| Employee Benefits Expense | 4,850.28 | 8,278.98 |
| Finance Costs | 797.91 | 3,142.26 |
| Depreciation and Amortization Expenses | 2,481.77 | 4,752.06 |
| Other Expenses | 13,721.54 | 29,890.09 |
| Total Expenses (IV) | 69,646.77 | 1,46,731.65 |
| V - Profit Before Exceptional Items and Tax (III-IV) | 12,688.61 | 23,545.27 |
| VI - Exceptional Items | - | - |
| VII - Profit Before Tax (V-VI) | 12,688.61 | 23,545.27 |
| VIII - Tax Expense | | |
| 1 - Current Tax | 3,280.00 | 5,760.00 |
| 2 - Adjustment of Tax Relating to Earlier Years | - | (273.02) |
| 3 - Deferred Tax Charge / (Credit) (Net) | (36.78) | (1,233.29) |
| Total Tax Expenses (VIII) | 3,243.22 | 4,263.69 |
| IX. Profit For The Year (VII-VIII) | 9,445.39 | 19,291.58 |
| X. Other Comprehensive Income | | |
| Items that will not be reclassified to profit or loss in Subsequent periods | | |
| Remeasurement gain / (loss) on defined benefit plans | (147.76) | (295.53) |
| Income tax effect on above | 37.19 | 74.38 |
| Total other comprehensive income / (loss) for the year, net of | (110.57) | (221.15) |
| XI. Total Comprehensive Income For The Year (IX + X) | 9,334.82 | 19,070.43 |
| XII. Earnings Per Equity Share (Face Value Per Share - Re 1 Each, 31st March 2019 : Re 1 Each) (In Rs.) | | |
| Basic and Diluted | 3.71 | 7.59 |
| Summary of Significant Accounting Policies | | |
| The accompanying notes are an integral part of these Standalone Financial Statements. | | |
| AS PER OUR REPORT OF EVEN DATE | For And on Behalf of The Board of Directors of Meghmani Organics Limited (CIN No- 24110GJ1995PLC024062) | |
| FOR S R B C & CO LLP Chartered Accountants ICAI Firm Regn. No. 324982E / E300003 | J.M.Patel-Executive Chairman (DIN - 00027224) | |
| per Sukrut Mehta Partner | G S Chahal Chief Financial Officer | A.N.Soparkar - Managing Director (DIN - 00027480) |
| Membership No : 101974 Date : 07-11-2020 | K D Mehta Company Secretary | N.M.Patel - Managing Director (DIN - 00027540) |



Chemistry of Success

Meghmani Organics Limited

Statement of Unaudited Standalone Cash Flow for the half year ended on September 30, 2020

(Rs. in Lakhs, except as stated otherwise)

| Sr. No. | Particulars | For the half year ended | |
|----------|---|-------------------------|--------------------|
| | | September 30, 2020 | September 30, 2019 |
| | | Unaudited | Unaudited |
| A | Cash Flow from Operating Activities | | |
| | Profit Before Tax | 12,668.61 | 10,384.18 |
| | Adjustment to reconcile profit before tax to net cash flows: | | |
| | Depreciation and Amortisation Expenses | 2,481.77 | 2,340.76 |
| | Unrealised Foreign Exchange (Gain) / Loss (Net) | 2,265.96 | (1,042.35) |
| | Liability no longer Required written back | (37.74) | (21.30) |
| | Finance Cost | 797.91 | 1,103.69 |
| | Interest Income | (135.62) | (450.67) |
| | Bad Debts Written off / Provision for Doubtful Debts | 167.61 | 33.17 |
| | Sundry Balance Written off | - | 13.34 |
| | Profit on Sale of Investment | (25.78) | (96.66) |
| | Loss on Sale of Property, Plant & Equipment (Net) | 36.72 | 72.13 |
| | Operating Profit Before Working Capital Changes | 18,215.46 | 12,396.38 |
| | Adjustment for: | | |
| | (Increase)/Decrease in Inventories | (3,406.04) | 2,111.66 |
| | Decrease in Trade Receivables | 5,491.38 | 1,181.56 |
| | (Increase)/Decrease in Short Term Loans and Advances | 9.48 | (11.39) |
| | (Increase)/Decrease in Other Current Financial Assets | (15.03) | 510.97 |
| | Decrease in Other Current Assets | 1,287.95 | 123.13 |
| | (Increase) in Other Non-Current Financial Assets | (7.35) | (8.51) |
| | (Increase) in Other Non-Current Assets | - | (6.37) |
| | Increase in Trade Payables | 713.29 | 7,306.92 |
| | Increase/(Decrease) in Other Current Financial Liabilities | 252.82 | (592.73) |
| | Increase/(Decrease) in Other Current Liabilities | 15.52 | (360.21) |
| | Increase in Other Non-Current Financial Liabilities | 134.80 | - |
| | Increase in Provisions | 87.74 | 69.90 |
| | Working Capital Changes | 4,584.57 | 10,324.93 |
| | Cash Generated from Operation | 22,783.03 | 22,721.31 |
| | Direct Taxes Paid (Net of refund) | (1,824.66) | (1,734.81) |
| | Net Cash generated from Operating Activities | 20,958.37 | 20,986.50 |
| B | Cash Flow from Investment Activities | | |
| | Purchase of Property, Plant & Equipment, including CWIP and Intangible Assets | (9,351.41) | (5,028.73) |
| | Proceeds from sale of Property, Plant & Equipment | 16.86 | 28.83 |
| | (Investment in) / Redemption of Fixed Deposits & Margin Money (net) | (4,009.82) | 83.66 |
| | Interest Received | 140.41 | 242.79 |
| | Proceeds from Sale of Mutual Fund | 4,712.33 | 18,111.61 |
| | Investment in Mutual Fund | (7,749.64) | (23,200.00) |
| | Net Cash (Used in) Investing Activities | (16,261.07) | (9,760.84) |
| C | Cash Flow from Financing Activities | | |
| | Dividend Paid | - | (1,104.12) |
| | Dividend Distribution Tax Paid | - | (209.10) |
| | Finance Cost Paid | (451.34) | (1,133.25) |
| | Repayment of Finance Lease Liability | (79.88) | (76.95) |
| | Repayment of Short Term Borrowings | (7,837.81) | (5,989.10) |
| | Proceeds from Bank Borrowing (Term Loan) | 10,997.25 | - |
| | Repayment of Bank Borrowing (Term Loan) | (2,176.73) | (2,091.67) |
| | Net Cash Generated from / (Used in) Financing Activities | 453.710 | (10,584.19) |
| | Net Increase in Cash and Cash Equivalent (A+B+C) | 6,161.01 | 641.47 |
| | Cash and Cash Equivalent at the beginning of the period | 764.39 | 177.16 |
| | Cash and Cash Equivalent at the end of the period | 5,925.40 | 818.63 |
| | Cash and Cash Equivalent Comprises as under : | | |
| | Balance with Banks in Current Accounts | 1,916.31 | 808.63 |
| | Fixed Deposit with Bank | 4,000.00 | - |
| | Cash on Hand | 9.09 | 10.00 |
| | Cash and Cash Equivalents | 5,925.40 | 818.63 |

See accompanying notes to the standalone financial results



| MEGHANI ORGANICS LIMITED | | | | | | |
|---|-----------------|--------------------|--|-----------------|------------------|--------------------|
| STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30TH SEPTEMBER 2020 | | | | | | |
| (a) Equity Share Capital | | | | | | |
| Particulars | Note | No of Shares | Rs. in Lakhs | | | |
| Issued, Subscribed and fully paid equity shares of Rs.1 each | | 25,43,14,211 | 2,543.14 | | | |
| Balance as at April 1, 2019 | 16 | - | - | | | |
| Changes during the year | | 25,43,14,211 | 2,543.14 | | | |
| Balance as at March 31, 2020 | 16 | - | - | | | |
| Changes during the year | | 25,43,14,211 | 2,543.14 | | | |
| Balance as at September 30, 2020 | | 25,43,14,211 | 2,543.14 | | | |
| (b) Other Equity | | | | | | |
| Particulars | Capital Reserve | Securities Premium | Other Equity (Refer Note 17) | General Reserve | Retained Earning | Total Other Equity |
| Balance at April 1, 2019 | 31.22 | 15,650.48 | 184.33 | 11,267.18 | 54,120.23 | 81,253.44 |
| Profit for the year | - | - | - | - | 19,291.56 | 19,291.56 |
| Other Comprehensive Income for the year (net of taxes) | - | - | - | - | (221.15) | (221.15) |
| Total Comprehensive Income for the year | - | - | - | - | 19,070.43 | 19,070.43 |
| Transfer to General Reserve | - | - | - | 1,200.00 | (1,200.00) | - |
| Dividend Paid | - | - | - | - | (3,560.40) | (3,560.40) |
| Dividend Distribution Tax | - | - | - | - | (225.04) | (225.04) |
| As at 31st March 2020 | 31.22 | 15,650.48 | 184.33 | 12,467.18 | 68,204.22 | 96,537.43 |
| Profit for the year | - | - | - | - | 9,446.39 | 9,446.39 |
| Other Comprehensive Income for the year (net of taxes) | - | - | - | - | (110.57) | (110.57) |
| Total Comprehensive Income for the year | - | - | - | - | 9,334.82 | 9,334.82 |
| Transfer to General Reserve | - | - | - | - | - | - |
| Dividend Paid | - | - | - | - | - | - |
| Dividend Distribution Tax | - | - | - | - | - | - |
| Balance at September 30, 2020 | 31.22 | 15,650.48 | 184.33 | 12,467.18 | 77,539.04 | 1,05,872.33 |
| The accompanying notes are an integral part of these Standalone Financial Statements. | | | | | | |
| AS PER OUR REPORT OF EVEN DATE | | | | | | |
| FOR S R B C & CO LLP CHARTERED ACCOUNTANTS ICAI Firm Regn. No. 324982E / E3000003 | | | J.M.PATEL-Executive Chairman (CIN - 00027224) | | | |
| per Sukrut Mehta Partner | | | A.N.SOPARKAR - Managing Director (CIN - 00027460) | | | |
| Membership No : 101974 | | | N.M.PATEL - Managing Director (CIN - 00027540) | | | |
| Place : Ahmedabad Date : 07-11-2020 | | | Place : Ahmedabad Date : 07-11-2020 | | | |

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
OF MEGHANI ORGANICS LIMITED (CIN NO.
24110GJ1995PLC024052)

G S Chahal
Chief Financial Officer

K D Mehta
Company Secretary



Meghmani Organics Limited

Unaudited Provisional Consolidated Balance Sheet as at 30th September 2020

| PARTICULARS | Rs. In Lakhs | |
|---|---|--|
| | 30th September 2020 | 31st March 2020 |
| ASSETS | | |
| Non-Current Assets | | |
| (a) Property, Plant and Equipment | 1,55,766.02 | 91,721.36 |
| (b) Capital Work-in-Progress | 21,932.60 | 78,735.60 |
| (c) Other Intangible Assets | 4,036.63 | 924.98 |
| (d) Intangible Assets under development | 630.13 | 438.90 |
| (e) Financial Assets | | |
| (i) Investments | 57.21 | 57.21 |
| (ii) Other Financial Assets | 2,211.48 | 1,430.59 |
| (f) Deferred Tax Assets (Net) | - | - |
| (g) Income Tax Assets (Net) | 716.67 | 863.16 |
| (h) Other Non-Current Assets | 1,975.90 | 1,838.92 |
| Total Non-Current Assets | 1,87,226.54 | 1,76,910.70 |
| Current Assets | | |
| (a) Inventories | 38,793.47 | 35,160.74 |
| (b) Financial Assets | | |
| (i) Investments | 3,063.09 | - |
| (ii) Trade Receivables | 47,917.02 | 53,051.97 |
| (iii) Cash and Cash Equivalents | 6,287.78 | 858.95 |
| (iv) Bank Balances other than (iii) above | 4,077.19 | 63.35 |
| (v) Loans | 39.51 | 57.15 |
| (vi) Other Financial Assets | 3,598.83 | 3,693.90 |
| (c) Income Tax Assets (Net) | - | - |
| (d) Other Current Assets | 4,058.31 | 4,795.32 |
| Total Current Assets | 1,07,833.20 | 97,881.38 |
| TOTAL ASSETS | 2,95,059.74 | 2,70,692.08 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| (a) Equity Share Capital | 2,543.14 | 2,543.14 |
| (b) Other Equity | 1,30,276.74 | 1,18,362.85 |
| Equity attributable to Shareholders of the Company | 1,32,819.88 | 1,20,905.99 |
| Non-controlling Interests | 20,841.95 | 18,927.67 |
| Total Equity | 1,53,661.83 | 1,39,833.66 |
| Liabilities | | |
| Non-Current Liabilities | | |
| (a) Financial Liabilities | | |
| (i) Borrowings | 51,048.70 | 47,366.83 |
| (ii) Other Financial Liabilities | 1,020.11 | 1,131.34 |
| (b) Provisions | 1,819.22 | 1,302.39 |
| (c) Deferred Tax Liabilities (Net) | 4,534.31 | 3,446.71 |
| Total Non-Current Liabilities | 58,222.34 | 53,267.24 |
| Current Liabilities | | |
| (a) Financial Liabilities | | |
| (i) Borrowings | 15,253.51 | 18,697.92 |
| (ii) Trade Payables | 28,497.82 | 27,473.38 |
| (iii) Other Financial Liabilities | 31,693.64 | 28,681.98 |
| (b) Other Current Liabilities | 4,528.20 | 3,911.88 |
| (c) Provisions | 18.17 | 18.17 |
| (d) Current Tax Liabilities (Net) | 3,184.23 | 1,807.85 |
| Total Current Liabilities | 83,175.67 | 80,591.18 |
| Total Liabilities | 1,41,397.91 | 1,33,858.42 |
| TOTAL EQUITY AND LIABILITIES | 2,95,059.74 | 2,70,692.08 |
| Summary of Significant Accounting Policies | | |
| The accompanying notes are an integral part of these Consolidated Financial Statements. | | |
| AS PER OUR REPORT OF EVEN DATE | For And on Behalf of The Board of Directors of Meghmani Organics Limited (CIN No- 24110GJ1985PLC024052) | |
| FOR S R B C & CO LLP Chartered Accountants ICAI Firm Regn. No. 324982E / E300003 | J.M.Patel-Executive Chairman (DIN - 00027224) | |
| per Sukrut Mehta Partner | G S Chahal Chief Financial Officer | A.N.Soparkar - Managing Director (DIN - 00027480) |
| Membership No : 101974 Date : 07-11-2020 | K D Mehta Company Secretary | N.M.Patel - Managing Director (DIN - 00027540) |



Meghmani Organics Limited

Unaudited Provisional Consolidated Statement of Profit and Loss for the period ended on 30th September 2020

| PARTICULARS | Rs. In Lakhs | |
|---|---|--|
| | For the period ended 30th September 2020 | For the year ended 31st March 2020 |
| I - Revenue From Operations | 1,05,351.01 | 2,19,118.12 |
| II - Other Income | 481.84 | 5,510.23 |
| III - Total Income (I+II) | 1,05,822.66 | 2,24,728.35 |
| IV - Expenses | | |
| Cost of Materials Consumed | 54,639.62 | 1,12,817.34 |
| Purchase of Stock-in-Trade | 740.12 | 3,990.64 |
| Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade | (2,943.31) | 7,071.09 |
| Employee Benefits Expense | 7,703.64 | 12,867.23 |
| Finance Costs | 2,185.68 | 4,257.27 |
| Depreciation and Amortization Expenses | 5,559.96 | 8,858.82 |
| Other Expenses | 18,332.63 | 38,931.65 |
| Total Expenses (IV) | 86,216.34 | 1,88,324.04 |
| V - Profit Before Exceptional Items and Tax (III-IV) | 19,604.31 | 35,904.31 |
| VI - Exceptional items | - | - |
| VII - Profit Before Tax (V-VI) | 19,604.31 | 35,904.31 |
| VIII - Tax Expenses | | |
| 1 - Current Tax | 4,523.82 | 8,340.34 |
| 2 - Adjustment of Tax Relating to Earlier Years | - | (273.02) |
| 3 - Deferred Tax Charge / (Credit) (Net) | 1,131.57 | (1,084.53) |
| Total Tax Expenses (VIII) | 5,655.39 | 7,002.79 |
| IX. Profit For The Year (VII-VIII) | 13,948.92 | 28,901.52 |
| X. Other Comprehensive Income | | |
| periods - | | |
| Remeasurement gain / (loss) on defined benefit plans | (168.56) | (337.12) |
| (ii) Income tax effect on above | 44.46 | 88.91 |
| B (i) Items that will be reclassified to Profit or Loss in Subsequent periods - | 1.91 | 17.04 |
| (ii) Income tax effect on above | (0.48) | (4.29) |
| Total Other Comprehensive Income / (Loss) For The Year, Net of | (122.67) | (235.46) |
| XI. Total Comprehensive Income For The Year (IX + X) | 13,826.25 | 28,666.06 |
| Profit For The Year Attributable to: | | |
| Owners of the Company | 12,028.85 | 24,014.54 |
| Non-Controlling Interests | 1,920.07 | 4,886.88 |
| Other Comprehensive Income For The Year Attributable to: | | |
| Owners of the Company | (116.86) | (223.87) |
| Non-Controlling Interests | (5.79) | (11.59) |
| Total Comprehensive Income For The Year Attributable to: | | |
| Owners of the Company | 11,911.97 | 23,790.77 |
| Non-Controlling Interests | 1,914.28 | 4,875.29 |
| XII. Earnings Per Equity Share (Face Value Per Share - Re 1 Each, 31st March 2019 : Re 1 Each) (In Rs.) | | |
| Basic and Diluted | 4.73 | 9.44 |
| Summary of Significant Accounting Policies | | |
| The accompanying notes are an Integral part of these Consolidated Financial Statements. | | |
| AS PER OUR REPORT OF EVEN DATE | For And on Behalf of The Board of Directors of Meghmani Organics Limited (CIN No- 24110GJ1995PLC024052) | |
| FOR S R B C & CO LLP Chartered Accountants ICAI Firm Regn. No. 324982E / E300003 | J.M.Patel-Executive Chairman (DIN - 00027224) | |
| per Sukrut Mehta Partner | G S Chahal Chief Financial Officer | A.N.Soparkar - Managing Director (DIN - 00027480) |
| Membership No : 101974 Date : 07-11-2020 | K D Mehta Company Secretary | N.M.Patel - Managing Director (DIN - 00027540) |



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Meghmani Organics Limited

Statement of Unaudited Consolidated Cash Flow for the half year ended on September 30, 2020

(Rs. in Lakhs, except as stated otherwise)

| Sr. No. | Particulars | For the half | For the half |
|----------|--|---------------|--------------|
| | | year ended | year ended |
| | | September 30, | September |
| | | 2020 | 30, 2019 |
| | | Unaudited | Unaudited |
| A | Cash Flow from Operating Activities | | |
| | Profit Before Tax | 19,604.31 | 20,971.40 |
| | Adjustment to reconcile profit before tax to net cash flows: | | |
| | Depreciation and Amortisation Expenses | 5,559.96 | 4,389.12 |
| | Unrealised Foreign Exchange (Gain) / Loss (Net) | 2,235.43 | (1,011.51) |
| | Liability no longer Required written back | (43.72) | (21.30) |
| | Finance cost | 2,185.68 | 1,341.78 |
| | Interest income | (141.17) | (454.78) |
| | Bad Debts Written off / Provision for Doubtful Debts | 167.61 | 33.17 |
| | Sundry Balance Written off | - | 13.34 |
| | Profit on Sale of Mutual Funds | (26.78) | (111.12) |
| | Loss on Sale of Property, Plant & Equipment (Net) | 36.44 | 72.13 |
| | Operating Profit Before Working Capital Changes | 29,678.76 | 25,222.23 |
| | Adjustment for: | | |
| | (Increase)/Decrease in Inventories | (3,632.74) | 1,505.96 |
| | Decrease in Trade Receivables | 2,442.87 | 2,886.61 |
| | (Increase)/Decrease in Short Term Loans and Advances | 17.64 | (41.39) |
| | Decrease in Other Current Financial Assets | 94.15 | 488.38 |
| | Decrease in Other Current Assets | 739.02 | 155.26 |
| | (Increase) in Other Non-Current Financial Assets | (456.12) | (2.78) |
| | (Increase) in Other Non-Current Assets | - | (8.37) |
| | Increase in Trade Payables | 1,359.57 | 6,985.81 |
| | Increase/(Decrease) in Other Current Financial Liabilities | 2,115.21 | (1,315.04) |
| | Increase/(Decrease) in Other Current Liabilities | 616.32 | (342.97) |
| | Increase in Other Non Current Financial Liabilities | 134.80 | - |
| | Increase in Provisions | 148.30 | 119.98 |
| | Working Capital Changes | 3,679.02 | 9,831.25 |
| | Cash Generated from Operation | 33,157.78 | 35,063.48 |
| | Direct Taxes Paid (Net of refund) | (3,009.94) | (3,762.79) |
| | Net Cash generated from Operating Activities | 30,166.84 | 31,300.69 |
| B | Cash Flow from Investment Activities | | |
| | Purchase of Property, Plant & Equipment Including CWIP and Intangible Assets | (17,588.41) | (28,676.76) |
| | Proceeds from sale of Property, Plant & Equipment | 21.41 | 29.83 |
| | (Investment in)/Redemption of Fixed deposits | (4,014.14) | 249.71 |
| | Interest Received | 145.88 | 573.97 |
| | Proceeds from Redemption of Mutual Fund | 4,712.33 | 20,020.99 |
| | Investment in Mutual Fund | (7,749.64) | (26,100.00) |
| | Net Cash Used in Investing Activities | (24,472.57) | (33,902.26) |
| C | Cash Flow from Financing Activities | | |
| | Dividend Paid | - | (1,104.12) |
| | Dividend Distribution Tax Paid | - | (209.10) |
| | Finance cost Paid | (2,469.25) | (2,824.67) |
| | Repayment of Finance Lease Liability | (128.06) | (125.28) |
| | Repayment of Short Term Borrowings | (3,761.76) | (5,865.84) |
| | Proceeds from Bank Borrowing (Term Loan) | 10,997.25 | 9,685.00 |
| | Repayment of Bank Borrowing (Term Loan) | (4,893.62) | (3,191.67) |
| | Net Cash (Used In) Financing Activities | (255.44) | (3,635.68) |
| | Net (Decrease)/ Increase in Cash and Cash Equivalent (A+B+C) | 5,428.83 | (6,187.25) |
| | Cash and Cash Equivalent at the beginning of the period | 858.95 | 13,329.63 |
| | Cash and Cash Equivalent at the end of the period | 6,287.78 | 7,142.38 |
| | Cash and Cash Equivalent Comprises as under : | | |
| | Balance with Banks in Current Accounts | 2,276.18 | 2,130.51 |
| | Fixed Deposit with Bank | 4,000.00 | 5,000.00 |
| | Cash on Hand | 11.60 | 11.87 |
| | Cash and Cash Equivalents | 6,287.78 | 7,142.38 |
| | Net effect of Unrealised Exchange Difference | - | - |
| | Cash & Cash Equivalent at end of the period | 6,287.78 | 7,142.38 |

See accompanying notes to the consolidated financial results


Registered Office - Plot no - 184 GIOC Phase - II, Vatva, Ahmedabad - 382445, Gujarat, India. www.meghmani.com
CIN No. L24110GJ1995PLC024052 Tele.no +91-79-71781000




| MEGHMANI ORGANICS LIMITED | | CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30TH SEPTEMBER 2020 | |
|--|-------------------|--|----------------------------|
| (a) Equity Share Capital | | [Rs. in Lakhs] | |
| Particulars | No. of Shares | Rs. in Lakhs | |
| Issued, Subscribed and fully paid equity shares of Re.1 each | 25,43,14,211 | 2,543.14 | |
| Balance as at April 1, 2019 | - | - | |
| Changes during the year | 15 | 2,543.14 | |
| Balance as at March 31, 2020 | 25,43,14,211 | 2,543.14 | |
| Changes during the year | 15 | - | |
| Balance as at September 30, 2020 | 25,43,14,211 | 2,543.14 | |
| (b) Other Equity | | [Rs. in Lakhs] | |
| Particulars | Capital Reserve | Securities Premium | Capital Redemption Reserve |
| Balance at April 1, 2019 | (8,971.77) | 15,650.48 | 184.33 |
| Profit for the year | - | - | - |
| Transfer from NCI on account of payment of Dividend on OCRPS by MFL to Holding company | - | - | - |
| Other Comprehensive Income for the year (net of taxes) | - | - | - |
| Total Comprehensive Income for the year | - | - | - |
| Transfer to General Reserve | - | - | - |
| Foreign Currency Translation Reserve | - | - | - |
| Dividend Paid | - | - | - |
| Dividend Distribution Tax | - | - | - |
| Addition / (Deduction) during the year to NCI | - | - | - |
| Addition / (Deduction) during the year to NCI (Refer Note 45) | - | - | - |
| Issue of Shares to NCI (Refer Note 45) | - | - | - |
| Balance at March 31, 2020 | (8,971.77) | 15,650.48 | 184.33 |
| Other Equity (Refer Note 46) | | [Rs. in Lakhs] | |
| Particulars | Retained Earnings | Foreign Currency Translation Reserve | Total |
| Balance at April 1, 2019 | 79,726.90 | (26.53) | 79,700.37 |
| Profit for the year | 24,014.54 | - | 24,014.54 |
| Transfer from NCI on account of payment of Dividend on OCRPS by MFL to Holding company | 871.45 | - | 871.45 |
| Other Comprehensive Income for the year (net of taxes) | (223.87) | - | (223.87) |
| Total Comprehensive Income for the year | 24,662.22 | - | 24,662.22 |
| Transfer to General Reserve | (1,200.00) | - | (1,200.00) |
| Foreign Currency Translation Reserve | (3,560.40) | 17.04 | (3,543.36) |
| Dividend Paid | (572.90) | - | (572.90) |
| Dividend Distribution Tax | - | - | - |
| Addition / (Deduction) during the year to NCI | - | - | - |
| Addition / (Deduction) during the year to NCI (Refer Note 45) | - | - | - |
| Issue of Shares to NCI (Refer Note 45) | - | - | - |
| Balance at March 31, 2020 | 89,053.82 | (9.59) | 89,063.41 |
| Total | | [Rs. in Lakhs] | |
| Balance at April 1, 2019 | 80,751.89 | 14,923.32 | 95,675.21 |
| Profit for the year | 24,014.54 | 4,886.88 | 28,901.52 |
| Transfer from NCI on account of payment of Dividend on OCRPS by MFL to Holding company | 871.45 | (871.45) | - |
| Other Comprehensive Income for the year (net of taxes) | (223.87) | (11.58) | (235.45) |
| Total Comprehensive Income for the year | 24,662.22 | 4,003.85 | 28,666.07 |
| Transfer to General Reserve | (1,200.00) | - | (1,200.00) |
| Foreign Currency Translation Reserve | (3,560.40) | 17.04 | (3,543.36) |
| Dividend Paid | (572.90) | - | (572.90) |
| Dividend Distribution Tax | - | - | - |
| Addition / (Deduction) during the year to NCI | - | - | - |
| Addition / (Deduction) during the year to NCI (Refer Note 45) | - | - | - |
| Issue of Shares to NCI (Refer Note 45) | - | - | - |
| Balance at March 31, 2020 | 1,18,362.85 | 18,927.87 | 1,37,290.72 |
| Profit for the year | | [Rs. in Lakhs] | |
| Transfer from NCI on account of payment of Dividend on OCRPS by MFL to Holding company | 12,028.85 | 1,920.07 | 13,948.92 |
| Other Comprehensive Income for the year (net of taxes) | (116.87) | (5.79) | (122.66) |
| Total Comprehensive Income for the year | 11,911.98 | 1,914.28 | 13,826.26 |
| Transfer to General Reserve | | [Rs. in Lakhs] | |
| Dividend Paid | - | - | - |
| Dividend Distribution Tax | - | - | - |
| Foreign Currency Translation Reserve | - | - | - |
| Balance at September 30, 2020 | 1,10,965.80 | 1,91 | 1,10,967.71 |
| Balance at March 31, 2020 | 1,10,965.80 | 1,91 | 1,10,967.71 |
| These statements are an integral part of these Consolidated Financial statements. | | | |
| AS PER OUR REPORT OF EVEN DATE | | | |
| FOR S R C & CO LLP | | | |
| Chartered Accountants | | | |
| ICAI Firm Regn. No. 324962E / E306003 | | | |
| per Sukrut Mehta | | | |
| Partner | | | |
| Membership No. : 101974 | | | |
| Place : Ahmedabad | | | |
| Date : 07-11-2020 | | | |
| FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF MEGHMANI ORGANICS LIMITED (CIN NO-241106J1856PL0024052) | | | |
| J.M.PATEL-Executive Chairman (DIN - 00027224) | | | |
| A.N.SOPARKAR - Managing Director (DIN - 00027480) | | | |
| N.M.PATEL - Managing Director (DIN - 00027540) | | | |
| Place : Ahmedabad | | | |
| Date : 07-11-2020 | | | |




Meghmani Organochem Limited
Balance Sheet as at 30 September, 2020

| PARTICULARS | Notes | { Amount In Rupees} | { Amount In Rupees} |
|---|-------|--|-------------------------|
| | | As at 30 September, 2020 | As at 31 March, 2020 |
| A. SSETS | | | |
| Current Assets | | | |
| (a) Financial Assets | 2 | 5,00,000 | 5,00,000 |
| (i) Cash and Cash Equivalents | | | |
| Total Current Assets | | 5,00,000 | 5,00,000 |
| TOTAL ASSETS | | 5,00,000 | 5,00,000 |
| E. QUITY AND LIABILITIES | | | |
| Equity | 3 | 5,00,000 | 5,00,000 |
| (a) Equity Share Capital | | | |
| Total Equity | | 5,00,000 | 5,00,000 |
| Current Liabilities | | | |
| (a) Financial Liabilities Trade Payables | | - | - |
| Total outstanding dues of micro and small enterprise | 6 | - | - |
| Total outstanding dues of creditors other than micro and small enterprise | | - | - |
| Total Current Liabilities | | - | - |
| Total Liabilities | | - | - |
| TOTAL EQUITY AND LIABILITIES | | 5,00,000 | 5,00,000 |
| Summary of significant accounting policies | 1 | | |
| The accompanying notes are an integral part of these financial statements | | | |
| As per our report of even date | | For and on Behalf of The Board of Directors of Meghmani Organochem Limited (CIN No- U24299GJ2019PLC110321) | |
| | | J.M.Patel (DIN - 00027224) | |
| | | A.N.Soparkar (DIN - 00027480) | |
| | | N.M.Patel (DIN - 00027540) | |
| Place : Ahmedabad Date : 02-11-2020 | |  | |




| Meghmani Organochem Limited Statement of Profit and Loss for the period from April 01, 2020 to September 30, 2020 | | | |
|--|---|--|--|
| PARTICULARS | Notes | (Amount in Rupees) | (Amount in Rupees) |
| | | For the period from April 01, 2020 to Sept 30, 2020 | For the period from October 15, 2019 to March 31, 2020 |
| Revenue | | | |
| I. Revenue from Operations | | - | - |
| II. Revenue from Operations | | - | - |
| III. Other Expenses | | - | - |
| IV Total Expenses | | - | - |
| V. Profit/(Loss) Before Tax (II-IV) | | - | - |
| VI. Tax expense: | | | |
| 1. Current Tax | | - | - |
| 2. Deferred Tax | | - | - |
| VII. Profit/(Loss) for the period (V-VI) | | - | - |
| VIII. Other Comprehensive Income | | - | - |
| IX. Total Comprehensive Income for the period (VII+VIII) | | - | - |
| Summary of significant accounting policies | 1 | | |
| The accompanying notes are an integral part of these financial statements | | | |
| As per our report of even date | | For and on Behalf of The Board of Directors of Meghmani Organochem Limited (CIN No- U24299GJ2019PLC110321) | |
| | | J.M.Patel (DIN - 00027224) | |
| | | A.N.Soparkar (DIN - 00027480) | |
| | | N.M.Patel (DIN - 00027540) | |
| |  | | |
| Place : Ahmedabad Date : Date : 02-11-2020 | | | |



| Meghmani Organochem Limited Cash Flow Statement for the period from April 01, 2020 to September 30, 2020 | | |
|--|--|---|
| PARTICULARS | For the period from April 01, 2020 to Sept 30, 2020 | For the period from October 15, 2019 to March 31, 2020 |
| Cash flow from Operating Activities | | |
| Net Profit/(Loss) Before Tax | - | - |
| Change in working capital | - | - |
| Cash Generated from/ (Used in) Operations | - | - |
| Direct Taxes Paid | - | - |
| Net cash generated from/ (Used in) operating activities (A) | - | - |
| Net cash generated/ (Used in) from investing activities (B) | - | - |
| Cash flow from financing Activities | | |
| Proceeds from issue of Equity Share Capital | - | 5,00,000 |
| Net cash generated from financing activities (C) | - | 5,00,000 |
| Net Increase in Cash and Cash Equivalents (A+B+C) | - | 5,00,000 |
| Cash and Cash Equivalent at the beginning of the year | 5,00,000 | - |
| Cash and Cash Equivalent at the end of the year | 5,00,000 | 5,00,000 |
| Cash and Cash Equivalent Comprises as under : | | |
| Balance with Banks in Current Accounts | 5,00,000 | 5,00,000 |
| Cash and Cash Equivalent at the end of year (Refer note 2) | 5,00,000 | 5,00,000 |
| <p>Notes to the cash flow statement for the year ended on 30th June, 2020 The Cash flow statement has been prepared as per Indirect Method in accordance with the Indian Accounting Standard - 7 (IND AS - 7) Statement of Cash Flows issued by the Institute of Chartered Accountants of India. The accompanying notes are an integral part of these financial statements. As per our report of even date For and on Behalf of The Board of Directors of Meghmani Organochem Limited (CIN No- U24299GJ2019PLC110321)</p> | | |
|  | <p>J.M.Patel (DIN - 00027224)</p> <p>A.N.Separkar (DIN - 00027480)</p> <p>N.M.Patel (DIN - 00027540)</p> | |
| Place : Ahmedabad Date : 02-11-2020 | | |



| Meghmani Organochem Limited | | | | |
|--|---|----------|--|----------|
| Statement of changes in equity for the period from April 01, 2020 to September 30, 2020 | | | | |
| | (Amount in Rupees) | | (Amount in Rupees) | |
| | For the period from April 01, 2020 to Sept 30, 2020 | | For the period from October 15, 2019 to March 31, 2020 | |
| | No. of Shares | Amount | No. of Shares | Amount |
| (a) Equity Share Capital | | | | |
| Issued, Subscribed and fully paid equity shares of Rs.10 each | | | | |
| Balance at the beginning of the reporting period | 50,000 | 5,00,000 | - | - |
| Issue of Equity Share Capital during the period | - | - | 50,000 | 5,00,000 |
| Balance at the end of the reporting period | 50,000 | 5,00,000 | 50,000 | 5,00,000 |
| As per our report of even date | | | | |
| For and on Behalf of The Board of Directors of Meghmani Organochem Limited (CIN No- U24299GJ019PLC110321) | | | | |
| <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> <p>J.M. Patel (DIN - 00027224)</p> </div> <div style="text-align: center;"> <p>A.N.Soparkar (DIN - 00027480)</p> </div> <div style="text-align: center;"> <p>N.M.Patel (DIN - 00027540)</p> </div> </div> | | | | |
|  | | | | |
| Date : 02-11-2020 Place : Ahmedabad Date : | | | | |



| Meghmani Finechem Limited | | | |
|---|--|---|-----------------------|
| Unaudited Balance Sheet As at September 30, 2020 | | | |
| (Figure in ₹) | | | |
| Particulars | Notes | As at September 30, 2020 | As at March 31, 2020 |
| I. Assets | | | |
| Non-Current Assets | | | |
| (a) Property, Plant and Equipment | 3.1 | 10,762,395,962 | 4,401,730,675 |
| (b) Capital Work in Progress | 3.2 | 608,651,267 | 6,911,568,274 |
| (c) Right to Use Asset | 3.3 | 253,804,315 | - |
| (d) Intangible Assets | | 80,249,524 | - |
| (e) Financial Assets | | | |
| (i) Other Financial Assets | 4 | 112,742,256 | 36,411,503 |
| (f) Income Tax Assets (net) | 5 | 20,035,569 | 19,986,422 |
| (g) Other Non-Current Assets | 6 | 41,550,205 | 34,582,630 |
| Total Non-Current Assets | | 11,879,429,098 | 11,404,279,504 |
| Current Assets | | | |
| (a) Inventories | 7 | 540,839,308 | 480,416,207 |
| (h) Financial Assets | | | |
| (i) Trade Receivables | 8 | 1,096,526,500 | 761,995,714 |
| (ii) Cash and Cash Equivalents | 9 | 610,017 | 968,971 |
| (iii) Loans | 10 | 934,015 | 1,750,533 |
| (iv) Other Financial Assets | 11 | 458,368 | 11,468,387 |
| (c) Other Current Assets | 12 | 101,940,594 | 54,856,624 |
| Total Current Assets | | 1,741,308,802 | 1,311,456,455 |
| Total Assets | | 13,620,737,900 | 12,715,735,959 |
| II Equity and Liabilities | | | |
| Equity | | | |
| (a) Equity Share Capital | 13 | 411,931,140 | 411,931,140 |
| (b) Instruments entirely Equity in nature | 13 | 2,109,198,710 | 2,109,198,710 |
| (c) Other Equity | 14 | 3,774,848,883 | 3,341,184,474 |
| Total Equity | | 6,295,978,733 | 5,862,314,324 |
| Liabilities | | | |
| Non-Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 15 | 3,620,629,297 | 4,182,852,911 |
| (ii) Other Financial Liabilities | 16 | 34,151,101 | 53,334,691 |
| (b) Provisions | 17 | 23,665,025 | 15,529,532 |
| (c) Deferred Tax Liabilities (Net) | 32 | 137,943,314 | 3,016,858 |
| Total Non-Current Liabilities | | 3,816,388,737 | 4,254,733,992 |
| Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 18 | 604,803,669 | 197,198,521 |
| (ii) Trade Payables | 19 | | |
| Total outstanding dues of Micro and Small Enterprise | | 48,677,390 | 72,487,570 |
| Total outstanding dues of Creditors other than Micro and Small Enterprise | | 503,413,606 | 391,096,579 |
| (iii) Other Financial Liabilities | 20 | 2,248,738,472 | 1,901,803,225 |
| (b) Other Current Liabilities | 21 | 94,441,725 | 34,285,686 |
| (c) Provisions | 22 | 854,000 | 854,000 |
| (d) Current Tax Liabilities (net) | 23 | 7,441,569 | 962,060 |
| Total Current Liabilities | | 3,508,370,431 | 2,598,687,641 |
| Total Liabilities | | 7,324,759,167 | 6,853,421,634 |
| Total Equity and Liabilities | | 13,620,737,900 | 12,715,735,959 |
| Summary of Significant Accounting Policies 2 | | | |
| The accompanying Notes are an integral part of these Financial Statements | | | |
| As per our Report of even date | | | |
| For S R B C & CO LLP Chartered Accountants ICAI Firm Registration No. 324982E / E300003 | | For and on behalf of the Board of Directors of Meghmani Finechem Limited (CIN: U24100GJ2007PLC051717) | |
| per Sakrat Mehta Partner Membership No. 101974 | Sanjay Jain Chief Financial Officer | Maulik Patel Chairman and Managing Director DIN: 2006947 | |
| | K.D. Mehta Company Secretary | Kaushtal Soparkar Managing Director DIN: 01998162 | |
| Place: Ahmedabad Date: 02-11-2020 | | Place: Ahmedabad Date: 02-11-2020 | |



| Meghmani Finechem Limited | | | |
|---|--|---|------------------------------|
| Unaudited Statement of Profit and Loss for the Period ended 30 September 2020 | | | |
| (Figure in ₹) | | | |
| Particulars | Notes | Period ended September 30, 2020 | Year ended March 31, 2020 |
| Revenue | | | |
| Revenue from Operations | 24 | 3,485,457,298 | 6,097,802,926 |
| Other Income | 25 | 15,650,384 | 21,598,405 |
| Total Income (A) | | 3,501,107,682 | 6,119,401,331 |
| Expenses | | | |
| Cost of Materials Consumed | 26 | 1,624,409,301 | 2,786,554,300 |
| Changes in Inventories of Finished Goods. | 27 | (26,472,630) | (40,253,182) |
| Employee Benefits Expense | 28 | 273,960,236 | 440,184,084 |
| Finance Costs | 29 | 138,658,709 | 110,940,341 |
| Depreciation and Amortization Expenses | 3 | 311,150,223 | 443,019,996 |
| Other Expenses | 30 | 487,152,601 | 935,745,285 |
| Total Expense (B) | | 2,808,858,440 | 4,676,190,824 |
| Profit Before Tax (C) = (A-B) | | 692,249,241 | 1,443,210,507 |
| Tax Expense: | | | |
| Current Tax | | 121,578,884 | 253,415,930 |
| Net Deferred Tax Expense /(Benefit) | | 135,653,115 | 49,065,257 |
| Total Tax Expense (D) | | 257,231,999 | 302,481,187 |
| Profit for the Year (E) = (C-D) | | 435,017,243 | 1,140,729,306 |
| Other Comprehensive Income | | | |
| Items that will not be reclassified to Profit or Loss | | | |
| Remeasurement Gain / (Loss) on Defined Benefit Plans | | (2,079,500) | (4,159,000) |
| Income Tax effect on above | | 726,660 | 1,453,321 |
| Total Other Comprehensive Income / (Loss) for the Year, net of Tax (F) | | (1,352,840) | (2,705,679) |
| Total Comprehensive Income for the Year (G) = | | 433,664,403 | 1,138,023,627 |
| Earnings per Equity Share (face value of Rs 10 each) | | | |
| Basic | | 10.56 | 27.35 |
| Diluted | 31 | 7.49 | 19.40 |
| Summary of Significant Accounting Policies | | | |
| 2 | | | |
| The accompanying Notes are an integral part of these Financial Statements | | | |
| As per our Report of even date | | | |
| For S R B C & CO LLP Chartered Accountants ICAI Firm Registration No. - 324982E / E300003 | | For and on behalf of the Board of Directors of Meghmani Finechem Limited (CIN: U24100GJ2007PLC051717) | |
| per Sukrut Mehta Partner Membership No. 101974 | Sanjay Jain Chief Financial Officer | Maulik Patel Chairman and Managing Director DIN: 2006947 | |
| | K.D. Mehta Company Secretary | Kaushal Soparkar Managing Director DIN: 01998162 Place: Ahmedabad | |
| Place: Ahmedabad | | Place: Ahmedabad | |
| Date: 02-11-2020 | | Date: 02-11-2020 | |



| Meghmani Finechem Limited | | |
|---|----------------------|------------------------|
| Cash Flow Statement for the Period Ended 30 th September 2020 | | |
| (Figure in ₹) | | |
| Particulars | 30th September 2020 | 31st March 2020 |
| A. Cash Flow from Operating Activities | | |
| Profit Before Taxation | 692,249,241 | 1,443,210,493 |
| Adjustment for : | | |
| Depreciation and Amortisation Expenses | 311,150,223 | 443,019,996 |
| Dividend Income | - | - |
| Interest Income | (454,083) | (1,228,773) |
| Interest and Finance Charges | 124,414,277 | 81,536,562 |
| Mark to Market Loss/(Gain) on Derivative (net) | (46,782,288) | (62,351,221) |
| Unrealised Foreign Exchange Loss/(Gain) on borrowings, net | 59,214,000 | 91,755,000 |
| Lease Liability Interest | 1,812,720 | - |
| Unrealised Foreign Exchange Loss on Payable | (3,245,805) | 12,676,654 |
| Profit on Sale of Property, Plant & Equipment | (28,419) | 450,748 |
| Profit on Sale of Mutual Fund | - | (3,899,212) |
| Sundry Balance Written back | (596,787) | (3,828,912) |
| Operating Profit before Exceptional & Extraordinary Item | 1,137,733,079 | 2,001,341,335 |
| Extraordinary Items | - | - |
| Operating Profit before Working Capital changes | 1,137,733,079 | 2,001,341,335 |
| Adjustment for: | | |
| (Increase) in Inventories | (60,423,100) | (73,875,334) |
| (Increase)/Decrease in Trade Receivables | (334,530,787) | 11,634,504 |
| (Increase) in Other Non Current Financial Assets | (44,876,120) | (4,057,436) |
| (Increase)/Decrease in Other Non Current Assets | (0) | (0) |
| (Increase)/Decrease in Other Current Financial Assets | 10,917,159 | (8,703,913) |
| (Increase)/Decrease in Other Current Assets | (47,083,970) | 1,724,101 |
| (Increase)/Decrease in Short Term Loans and Advances | 816,538 | 1,813,408 |
| Increase in Trade Payables | 92,349,439 | 90,041,021 |
| Increase in Long Term Provision | 6,055,993 | 213,532 |
| Increase/(Decrease) in Other Current Financial Liabilities | 186,239,021 | (101,948,908) |
| Increase/(Decrease) in Other Current Liabilities | 60,156,039 | 11,403,308 |
| Increase in Short Term Provisions | - | 352,500 |
| Working Capital Changes | (130,379,788) | (71,403,319) |
| Cash Generated from Operation | 1,007,353,292 | 1,929,938,016 |
| Direct Taxes Paid (Net of Refund) | (115,148,522) | (283,449,163) |
| Net Cash from Operating Activities | 892,204,770 | 1,646,488,853 |
| B. Cash Flow from Investment Activities | | |
| Purchase of Property, Plant & Equipment | (822,317,049) | (3,692,596,268) |
| Proceed from Sale of Property, Plant & Equipment | 455,000 | 265,000 |
| Fixed Deposits redeemed | - | 16,026,689 |
| Interest Received | 94,663 | 40,190,663 |
| Investment in Mutual Fund | - | (460,000,000) |
| Proceeds from Sale of Mutual Funds | - | 463,899,212 |
| Dividend Received | - | - |
| Net Cash (Used in) Investing Activities | (821,767,386) | (3,632,214,704) |
| C. Cash Flow from Financing Activities | | |
| Interest and Finance Charges Paid | (201,672,056) | (365,487,227) |
| Proceeds from Long-Term Borrowing | - | 1,319,700,000 |
| Repayment of Long-Term Borrowing | (271,789,474) | (220,000,000) |
| Repayment of Short-Term Borrowing (Net) | 407,605,148 | 173,536,093 |
| Payment of Lease Liability | (4,939,956) | (9,772,522) |
| Dividend paid on Preference Shares | - | (168,735,897) |
| Tax on Dividend paid on Preference Shares | - | (34,684,045) |
| Net Cash (Used in) generated from Financing Activities | (70,796,338) | 694,556,402 |



| Meghmani Finechem Limited | | |
|--|---------------------|-----------------|
| Cash Flow Statement for the Period Ended 30 th September 2020 | | |
| (Figure in ₹) | | |
| Particulars | 30th September 2020 | 31st March 2020 |
| Net Increase (Decrease) in Cash and Cash Equivalents (A+B+C) | (358,954) | (1,291,169,450) |
| Cash and Cash Equivalent at the beginning of the year | 968,971 | 1,292,138,566 |
| Cash and Cash Equivalent at the end of the year | 610,017 | 968,971 |
| Cash and Cash Equivalent comprises as under | | |
| Cash on Hand | 154,283 | 148,705 |
| Balance with Schedule Banks in Current Accounts | 455,734 | 820,266 |
| Deposits with Schedule Banks | - | - |
| Cash & Cash Equivalent at the end of the year (refer note 9) | 610,017 | 968,971 |
| <p>As per our Report of even date For S R B C & CO LLP Chartered Accountants ICAI Firm Registration No. - 324982E / E300003</p> | | |
| <p>For and on behalf of the Board of Directors of Meghmani Finechem Limited (CIN: U24100GJ2007PLC051717)</p> | | |
| <p>per Sukrut Mehta Partner Membership No. 101974</p> | | |
| <p>Maulik Patel Chairman and Managing Director DIN: 2006947</p> | | |
| <p>Sanjay Jain Chief Financial Officer</p> | | |
| <p>Kaushal Soparkar Managing Director DIN: 01998162</p> | | |
| <p>K.D. Mehta Company Secretary</p> | | |
| <p>Place: Ahmedabad Date: 02-11-2020</p> | | |
| <p>Place: Ahmedabad Date: 02-11-2020</p> | | |



| Meghmani Finechem Limited | | | |
|--|---------------|---------------|---------------|
| Statement of Changes in Equity (SOCIE) For the Year ended on 30th September 2020 | | | |
| (A) Equity Share Capital | | | (Figure in ₹) |
| Particulars | No. of Shares | Amount | |
| Equity Share of Rs.10 each Issued, Subscribed and fully Paid up | 41,193,114 | 411,931,140 | |
| Balance as at 1st April 2020 | 41,193,114 | 411,931,140 | |
| Balance as at 30th September 2020 | 41,193,114 | 411,931,140 | |
| (B) Instrument entirely Equity in nature | | | |
| Particulars | | | (Figure in ₹) |
| Particulars | No. of Shares | Amount | |
| 8% Optionally Convertible Redeemable Preference Share of Rs.10/- Issued, Subscribed and Fully Paid up | 210,919,871 | 2,109,198,710 | |
| Balance as at 1st April 2020 | 210,919,871 | 2,109,198,710 | |
| Balance as at 30th September 2020 | 421,839,742 | 4,218,397,420 | |



| (C) Other Equity | | (Figure in ₹) | | | |
|--|--|--------------------|-----------------|--------------------|-------------------|
| Particulars | Non cash capital contribution from holding company | Reserves & Surplus | | Total Other Equity | |
| | | Securities Premium | Capital Reserve | | Retained Earnings |
| Balance at 1st April 2019 | 6,175,068 | - | (2,469,407,570) | 2,406,580,789 | |
| Profit for the Year | - | - | - | 1,140,729,306 | |
| Other Comprehensive Income for the Year (net of taxes) | - | - | - | (2,705,679) | |
| Total Comprehensive Income for the Year | - | - | - | 1,138,023,627 | |
| Dividend Paid During the Year | - | - | (168,735,897) | - | |
| Dividend Distribution Tax (DDT) | - | - | (34,684,045) | - | |
| Balance at 31st March 2020 | 6,175,068 | - | (2,469,407,570) | 3,341,184,474 | |
| Profit for the Year | - | - | - | 435,017,243 | |
| Other Comprehensive Income for the Year (net of Taxes) | - | - | - | (1,352,840) | |
| Total Comprehensive Income for the Period | - | - | - | 433,664,403 | |
| Dividend Paid During the Year | - | - | - | - | |
| Dividend Distribution Tax (DDT) | - | - | - | - | |
| Balance as at 30th September 2020 | 6,175,068 | - | (2,469,407,570) | 3,774,848,883 | |

Summary of Significant Accounting Policies

The accompanying Notes are an integral part of these Financial Statements

As per our Report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. - 324982E / E300003

per Sukrut Mehta
Partner
Membership No. 101974

Sanjay Jain
Chief Financial Officer

Maulik Patel
Chairman and Managing Director
DIN: 2006947

Kaushal Soparkar
Managing Director
DIN: 01998162

K.D. Mehta
Company Secretary

Place: Ahmedabad
Date: 02-11-2020

Place: Ahmedabad
Date: 02-11-2020



Annexure - 10

VIVRO

Vivro Financial Services Private Limited

Regd. Office :

Vivro House, 11, Shashi Colony, Opp. Suvidha Shopping Center,

Paldi, Ahmedabad, Gujarat, India - 380007

Tel. : +91 (79) 4040 4242

www.vivro.net

December 12, 2020

To,
The Board of Directors and Shareholders,
Meghmani Organics Limited
184, GIDC, Phase-II, Vatva,
Ahmedabad - 382445,
Gujarat, India.

Dear Sirs/Madams,

Sub: Due Diligence Certificate on the adequacy and accuracy of disclosure of information pertaining to Meghmani Finechem Limited and Meghmani Organochem Limited in the format of abridged prospectus in relation to proposed Composite Scheme of Arrangement between Meghmani Organics Limited (the "Demerged Company" or "Transferor Company" or "MOL 1"), Meghmani Organochem Limited (the "Resulting Company" or "MOL 2") and Meghmani Finechem Limited (the "Transferee Company" or "MFL") and their respective shareholders and creditors under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 and other applicable laws ("Scheme of Arrangement"/"Scheme").

This is with reference to our engagement letter dated May 15, 2019 entered with Meghmani Organics Limited ("MOL 1") for certifying the adequacy and accuracy of disclosure of information pertaining to Meghmani Finechem Limited ("MFL") and Meghmani Organochem Limited ("MOL 2"), prepared by MOL 1 and to be sent to the shareholders of MOL 1 at the time of seeking their approval for the Scheme.

The Scheme of Arrangement, *inter alia*, provides for a) Demerger of Agrochemical and Pigment Undertaking (as defined in the Scheme) from Meghmani Organics Limited into Meghmani Organochem Limited, b) Change of terms of Optionally Convertible and Redeemable Preference Shares ("OCRPS") issued by Meghmani Finechem Limited and c) Amalgamation of Remaining Business Undertaking (as defined in the Scheme) of Meghmani Organics Limited with Meghmani Finechem Limited and various other matters consequential or otherwise integrally connected therewith.

SEBI vide its circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended ("SEBI Circular") prescribed requirements to be fulfilled by listed entities when they propose a Scheme of Arrangement. The SEBI Circular, *inter alia*, provides that in the event a listed entity enters into a scheme of arrangement with an unlisted entity, the listed entity shall disclose to its shareholders applicable information pertaining to the unlisted entity in the format specified for abridged prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ("SEBI ICDR Regulations").

Further, the adequacy and accuracy of such disclosure of information pertaining to unlisted entity is required to be certified by a SEBI registered Merchant Banker.

Accordingly, we have been provided with the abridged prospectus of MFL and MOL 2 ("Abridged Prospectuses") as prepared by MOL 1 and enclosed herewith. The Abridged Prospectuses will be circulated to the shareholders MOL 1 at the time of seeking their approval to the Scheme as a part of the explanatory statement to the notice.

CIN : U67120GJ1996PTC029182, Merchant Banker Sebi, Reg. No. INM00010122, AIBI Reg. No. AIBI/088



Page 1 of 2



Based on the information, documents, confirmations, representations, undertakings and certificates provided to us by MOL 1, MFL and MOL 2 and as well discussions with their management, directors and officers, we confirm that the information contained in the Abridged Prospectuses of MFL and MOL 2 is adequate and accurate in terms of the SEBI Circular read with Part E of Schedule VI of the SEBI ICDR Regulations.

The above confirmation is based on the information and documents provided by MOL 1, MFL and MOL 2, explanations provided by the management of MOL 1, MFL and MOL 2 and information available in public domain. Wherever required, appropriate representations from MOL 1, MFL and MOL 2 have also been obtained. This certificate is based on such information and explanations as are received or provided till the date of this Certificate. We have relied on the financials, information and representations provided to us on an as is basis and have not carried out an audit of such information. Our scope of work does not constitute an audit for financial information and accordingly we do not express an opinion on the fairness of the financial information referred to in the Abridged Prospectuses and have assumed that the same is complete and accurate in all material aspects on an as is basis. This Certificate is a specific purpose certificate issued in terms of and in compliance with the SEBI Circular and hence it should not be used for any other purpose or transaction. This certificate is not, nor should it be construed as our opining or certifying the compliance of the proposed Scheme of Arrangement with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon, in their respective jurisdiction, except for the purpose expressly mentioned herein.

We express no opinion whatsoever and make no recommendation at all on the Company's decision to affect the Scheme or how the holders of equity shares and/or secured and/or unsecured creditors should vote at their respective meetings held in connection with the proposed Scheme. We do not and should not be deemed to have expressed any views on any terms of the Scheme or its success. We also express no opinion, and accordingly accept no responsibility for or as to the price at which the equity shares of MOL 1, MFL and MOL 2 will trade following the Scheme or as to the financial performance of MOL 1, MFL and MOL 2 following the consummation of the Scheme. We express no opinion whatsoever and make no recommendations at all (and accordingly take no responsibility) as to whether shareholders/investors should buy, sell or hold any stake in MOL 1 or any of its related parties. We shall not be liable for any losses whether financial or otherwise or expenses arising directly or indirectly out of the use of or reliance on the information set out here in this certificate.

For, Vivro Financial Services Private Limited


Jayesh Vithlani
SVP – Capital Markets



Place: Ahmedabad

Encl.: As above



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

This Document contains information pertaining to unlisted entities involved in the proposed Composite Scheme of Arrangement between Meghmani Organics Limited (“Demerged Company” or “Transferor Company” or “MOL 1”), Meghmani Organochem Limited (“Resulting Company” or “MOL 2”) and Meghmani Finechem Limited (“Transferee Company” or “MFL”) and their respective shareholders and creditors in terms of requirement specified in SEBI Circular - CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended (“SEBI Circular”).

THIS DOCUMENT CONTAINS 8 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.

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| <p>MEGHMANI FINECHEM LIMITED Registered Office: Plot No.CH1/CH2, GIDC Industrial Estate, Dahej, Taluka - Vagara, Bharuch - 392 130, Gujarat, India. Corporate Office: Meghmani House, Behind Safal Profitaire, Corporate Road, Prahladnagar Ahmedabad-380 015, Gujarat, India. Telephone: +91-79-7176100/29709600; Email: kamlesh.mehta@meghmani.com; Website: NA CIN: U24100GJ2007PLC051717 Contact Person: Mr. Kamlesh Mehta</p> |
| <p>PROMOTERS</p> |
| <p>Meghmani Organics Limited, Mr. Jayantilal Patel, Mr. Ashishbhai Soparkar, Mr. Natvarlal Patel, Mr. Rameshbhai Patel, Mr. Anandbhai Patel, Mr. Maulik Patel and Mrs. Deval Soparkar</p> |
| <p>DETAILS OF THE SCHEME</p> |
| <p>The Composite Scheme of Arrangement is proposed between Meghmani Organics Limited (the “Demerged Company” or “Transferor Company” or “MOL 1”), Meghmani Organochem Limited (the “Resulting Company” or “MOL 2”) and Meghmani Finechem Limited (the “Transferee Company” or “MFL”) and their respective shareholders and creditors under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 and other applicable laws. The Composite Scheme of Arrangement, <i>inter alia</i>, provides for a) Demerger of Agrochemical and Pigment Undertaking (<i>as defined in the Scheme</i>) from Meghmani Organics Limited into Meghmani Organochem Limited, b) Change of terms of Optionally Convertible and Redeemable Preference Shares (“OCRPS”) issued by Meghmani Finechem Limited and c) Amalgamation of Remaining Business Undertaking (<i>as defined in the Scheme</i>) of Meghmani Organics Limited with Meghmani Finechem Limited and various other matters consequential or otherwise integrally connected therewith.</p> |
| <p>STATUTORY AUDITOR</p> |
| <p>S R B C & Co LLP, 21st Floor, B Wing, Privilon, Ambli BRT Road, Behind Isckon Temple, Off. S.G. Highway, Ahmedabad – 380059, Gujarat, India; Telephone: +91-79-66083900; Email: sukrut.mehta@srb.in</p> |

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PROMOTERS OF MEGHMANI FINECHEM LIMITED

Corporate Promoter – Meghmani Organics Limited (MOL 1)

Meghmani Organics Limited is a public company limited by Shares incorporated on January 2, 1995 under the Companies Act, 1956 in the State of Gujarat. The Registered Office of MOL 1 is situated at 184, GIDC, Phase-II, Vatva, Ahmedabad – 382445, Gujarat, India. The Corporate Identity Number (CIN) of MOL 1 is L24110GJ1995PLC024052. The Issued, Subscribed and Paid up Share Capital of MOL 1 as on September 30, 2020 is Rs.25,43,14,211/- divided into 25,43,14,211 Equity Shares of Re.1/- each. The Equity Shares of MOL 1 are listed on National Stock Exchange of India Limited and BSE Limited. The Singapore Depository Shares ('SDS') of MOL 1 are listed on Singapore Exchange Securities Trading Limited (SGX-ST).

MOL 1 is engaged in the business of manufacturing and selling of Pigments and Agrochemicals products and also trading of chemical products.

Promoters and Promoter Group of MOL 1:

| Sr. No. | Name of Promoters & Promoter Group | No. of Shares Held (as on September 30, 2020) | % of Holding |
|---------|---|--|--------------|
| 1. | Ashishbhai Natawarlal Soparkar | 2,54,40,396 | 10.00% |
| 2. | Patel Natwarlal Meghjiibhai | 2,07,39,850 | 8.16% |
| 3. | Jayantibhai Meghjiibhai Patel | 1,80,24,390 | 7.09% |
| 4. | Rameshbhai Meghjiibhai Patel | 1,58,85,567 | 6.25% |
| 5. | Anandbhai Ishwarbhai Patel | 78,93,200 | 3.10% |
| 6. | Taraben Jayantilal Patel | 73,60,000 | 2.89% |
| 7. | Patel Natubhai Meghjiibhai | 51,72,280 | 2.03% |
| 8. | Ankit Natubhai Patel | 31,39,100 | 1.23% |
| 9. | Patel Naynaben Anandbhai | 7,70,000 | 0.30% |
| 10. | Bhartiben Natubhai Patel | 20,00,000 | 0.79% |
| 11. | Patel Karana Rameshbhai | 19,71,000 | 0.78% |
| 12. | Disha Kevatkumar Vanani | 15,00,000 | 0.59% |
| 13. | Kaushal Ashishbhai Soparkar | 14,00,800 | 0.55% |
| 14. | Maulik Jayantibhai Patel | 15,70,000 | 0.62% |
| 15. | Patel Rameshbhai Meghjiibhai | 10,20,000 | 0.40% |
| 16. | Patel Kalpana Rameshbhai | 10,18,951 | 0.40% |
| 17. | Vaishakhi Rameshbhai Patel | 10,91,000 | 0.43% |
| 18. | Kantibhai Meghjiibhai Patel (HUF) | 7,80,000 | 0.31% |
| 19. | Patel Jayantibhai Meghjiibhai | 7,36,000 | 0.29% |
| 20. | Lalit Kantibhai Patel & Kantibhai Patel | 7,00,000 | 0.28% |
| 21. | Haribhai Meghjiibhai Patel | 4,35,011 | 0.17% |
| 22. | Deval A Soparkar | 4,10,710 | 0.16% |
| 23. | Ruchi Ashishbhai Soparkar | 4,10,710 | 0.16% |
| 24. | Kruti Adesh Patel | 4,07,306 | 0.16% |
| 25. | Anand I Patel | 3,80,000 | 0.15% |
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| 27. | Ishwarbhai Meghjiibhai Patel | 3,00,000 | 0.12% |
| 28. | Popatbhai Meghjiibhai Patel | 2,88,438 | 0.11% |
| 29. | Popatbhai M Patel (HUF) | 2,70,000 | 0.11% |
| 30. | Patel Darshan Anandbhai | 10,21,205 | 0.40% |
| 31. | Chintan Anandbhai Patel | 10,29,000 | 0.40% |
| 32. | Patel Damini Narendra | 1,45,000 | 0.06% |
| 33. | Hansaben Amrutbhai Patel | 1,45,000 | 0.06% |
| 34. | Ashishbhai N. Soparkar | 1,27,320 | 0.05% |



| Sr. No. | Name of Promoters & Promoter Group | No. of Shares Held (as on September 30, 2020) | % of Holding |
|---------------------------|------------------------------------|--|---------------|
| 35. | Sandhya Maulik Patel | 4,54,749 | 0.18% |
| 36. | Adesh K. Patel | 43,082 | 0.02% |
| 37. | Amrutbhai Shivrambhai Patel | 3,400 | 0.00% |
| 38. | Patel Narendra Bhailalbhai | 1,500 | 0.00% |
| 39. | Dhiren Madhur Goyal | 14,500 | 0.01% |
| 40. | Nayanaben Ashishbhai Soparkar | 1,42,000 | 0.06% |
| Total Shareholding | | 12,45,91,465 | 48.99% |

Board of Directors of MOL 1:

| Sr. No. | Name of Directors | Designation | DIN |
|---------|----------------------------|----------------------------------|----------|
| 1. | Mr. Jayantilal Patel | Executive Director – Chairperson | 00027224 |
| 2. | Mr. Ashishbhai Soparkar | Managing Director | 00027480 |
| 3. | Mr. Natwarlal Patel | Managing Director | 00027540 |
| 4. | Mr. Rameshbhai Patel | Whole Time Director | 00027637 |
| 5. | Mr. Anandbhai Patel | Whole Time Director | 00027836 |
| 6. | Mr. Manubhai Patel | Independent Director | 00132045 |
| 7. | Prof. (Dr) Ganapathi Yadav | Independent Director | 02235661 |
| 8. | Ms. Urvashi Shah | Independent Director | 07007362 |
| 9. | Mr. Palakodeti Bhaskar Rao | Independent Director | 08058946 |
| 10. | Mr. Ching Seng Liew | Independent Director | 08065615 |

MOL 1 is holding 2,35,45,985 Equity Shares constituting 57.16% of the total Equity Share Capital and 21,09,19,871 8% Optionally Convertible Redeemable Preference Shares (OCRPS) constituting 100% of total preference share capital, of Meghmani Finechem Limited.

Individual Promoters

1. **Mr. Jayantilal Patel** has experience of more than 45 years in the Dyes and Pigments industry and more than 25 years in the Agrochemicals Industry.
2. **Mr. Ashishbhai Soparkar** has experience of more than 45 years in the Dyes and Pigments industry and more than 25 years in the Agrochemicals Industry.
3. **Mr. Natwarlal Patel** has experience of more than 42 years in the dyes and pigments industry and more than 26 years in the Agrochemicals Industry.
4. **Mr. Rameshbhai Patel** has experience of around 42 years in the Pigments industry and more than 26 years in the Agrochemicals Industry.
5. **Mr. Anandbhai Patel** has experience of around 34 years in the Pigments Industry.
6. **Mr. Maulik Patel** has experience of around 14 years in the Caustic-Chlorine & its derivative Industry.
7. **Ms. Deval Soparkar** has experience of around 16 years in the Pigments industry.



BUSINESS MODEL / BUSINESS OVERVIEW AND STRATEGY

BUSINESS MODEL / BUSINESS OVERVIEW

Meghmani Finechem Limited, the Transferee Company, is an unlisted public company limited by shares incorporated on September 11, 2007 under the provisions of the Companies Act, 1956, having corporate identity number - U24100GJ2007PLC051717 and having its Registered Office and manufacturing facility situated at Plot No. CH1/CH2, GIDC Industrial Estate, Dahej, Taluka - Vagara, Bharuch - 392 130, Gujarat, India. Meghmani Finechem Limited is a subsidiary of Meghmani Organics Limited.

Meghmani Finechem Limited is engaged in manufacturing and selling of Chemical Chlorine and Its Derivative products, viz., Caustic –Chlorine and Caustic Potash and operates 96 MW Captive Power Plant.

Pursuant to the Scheme of Arrangement, Remaining Business Undertaking of Meghmani Organics Limited (as defined in the Scheme) will be amalgamated with Meghmani Finechem Limited.

BOARD OF DIRECTORS OF MEGHMANI FINECHEM LIMITED

| Sr. No. | Name of Directors | DIN | Designation (Independent / Whole time / Executive / Nominee) | Experience including current / past position held in other firms |
|---------|----------------------|----------|--|---|
| 1 | Mr. Maulik Patel | 02006947 | Chairman and Managing Director | He has experience of around 14 years in the Caustic-Chlorine & its derivative Industry. Other Directorships: 1. Radha Madhav Processors Private Limited 2. Nouvique Finechem Private Limited 3. Amulis Finechem Private Limited |
| 2 | Mr. Kaushal Soparkar | 01998162 | Managing Director and CEO | He has 13 years of experience in the Chemical Industry. Other Directorships: 1. Radha Madhav Processors Private Limited 2. Nouvique Finechem Private Limited 3. Amulis Finechem Private Limited |
| 3 | Mr. Ankit Patel | 02180007 | Whole-time/Executive Director | He has 13 years of experience in the Chemical Industry. Other Directorship: 1. Vidhi Global Chemicals Limited 2. Meghmani Novotech Private Limited |
| 4 | Mr. Karana Patel | 01727321 | Whole-time/Executive Director | He has 8 years of experience in the Agrochemical Industry. Other Directorship: 1. Meghmani Novotech Private Limited. |



| Sr. No. | Name of Directors | DIN | Designation (Independent / Whole time / Executive / Nominee) | Experience including current / past position held in other firms |
|---------|------------------------|----------|--|---|
| 5 | Mr. Darshan Patel | 02047676 | Whole-time/Executive Director | He has 13 years of experience in the chemical industry. Other Directorship: 1. Vidhi Global Chemicals Limited. |
| 6 | Mr. Balkrishna Thakkar | 00430220 | Independent Director | He is a practicing chartered accountant having more than 45 years of experience in the Audit and Taxation field. Other Directorship - Nil |
| 7 | Ms. Nirali Parikh | 05309425 | Independent Woman Director | She has 6 years of experience of Financial Advisor and Visiting lecturer in the field of finance and marketing. Other Directorship - Nil |
| 8 | Mr. Manubhai Patel | 00132045 | Independent Director | He was associated with Zydus Group of Companies as CFO for 37 years. He also has rich experience, expertise and in-depth insights in the field of Forex, Treasury and Credit Management. Other Directorship: 1. Meghmani Organics Limited 2. Acme Diet Care Private Limited 3. Meghmani Industries Limited 4. Dialforhealth Unity Limited 5. Digicare Healthcare Solutions Private Limited 6. Clantha Research Limited 7. GVFL Trustee Company Private Limited 8. Paryavaran Edutech |

SHAREHOLDING PATTERN AS ON SEPTEMBER 30, 2020

| Particulars | Equity Shares | | Preference Shares | |
|-----------------------------|--------------------|-------------|---------------------|-------------|
| | Number of shares | % holding | Number of shares | % holding |
| Promoter and Promoter Group | 4,11,93,114 | 100% | 21,09,19,871 | 100% |
| Public | 0 | 0% | 0 | 0% |
| Total | 4,11,93,114 | 100% | 21,09,19,871 | 100% |

**AUDITED FINANCIALS****Standalone Financials***(Rs. In Lakhs)*

| Particulars | As at June 30, 2020* | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2018 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| Total income from operations (net) | 13,759.48 | 60,978.03 | 71,039.30 | 61,489.26 |
| Net Profit / (Loss) before tax and extraordinary items | 2,750.43 | 14,432.10 | 24,229.13 | 19,516.87 |
| Net Profit / (Loss) after tax and extraordinary items | 1,786.99 | 11,407.29 | 18,280.69 | 15,547.45 |
| Equity Share Capital | 4,119.31 | 4,119.31 | 4,119.31 | 7,076.00 |
| OCRPS | 21,091.99 | 21,091.99 | 21,091.99 | - |
| Reserves and Surplus / Other Equity | 35,192.07 | 33,411.85 | 24,065.81 | 44,656.82 |
| Net Worth ⁽¹⁾ | 60,403.37 | 58,623.14 | 49,277.11 | 51,732.82 |
| Basic earnings per share (₹) | 4.34 | 27.69 | 25.09 | 21.97 |
| Diluted earnings per share (₹) | 3.08 | 19.65 | 20.37 | 21.97 |
| Return on Net Worth ⁽²⁾ (%) | 2.96% | 19.46% | 37.10% | 30.05% |
| Net asset value per equity share ⁽³⁾ (₹) | 95.43 | 91.11 | 68.42 | 73.11 |

*Unaudited and not annualized

⁽¹⁾ Net worth is computed by adding the Equity Share Capital, OCRPS and the Reserves and Surplus as disclosed in the above table.

⁽²⁾ Return on Net Worth is computed as net profit/loss after tax divided by Net Worth as disclosed in the above table.

⁽³⁾ Net Assets value per equity share is computed as Net Worth attributable to equity shareholders divided by Total number of outstanding Equity Shares as at the end of the respective period.

Consolidated Financials – Not Applicable**INTERNAL RISK FACTORS**

1. Implementation of the Scheme is dependent on the approval from the regulatory authorities and if we are unable to manage timely compliance of regulatory requirements, it may impact the Scheme. Any modification or revision in the Scheme suggested / directed by the competent authorities, which is not acceptable to the Board of Directors of the Demerged Company, the Resulting Company or the Transferee Company may adversely impact the proposals in the Scheme.
2. The loss, shutdown or slowdown of operations at any of our manufacturing facilities or underutilization of our manufacturing facilities may have material adverse effect on our business and results of operations.
3. If we are unable to accurately forecast demand for our business, our cash flows, financials conditions and prospects may be adversely affected.
4. The success of business of the Transferee Company is largely dependent upon the knowledge and experience of the senior management, key management personnel and skilled manpower and an inability to attract and retain key personnel may have an adverse effect on its business prospects.
5. Extensive environmental, health and safety laws and regulations may result in increased liability and capital expenditure.
6. The Transferee Company has entered into related party transactions in past and may continue to do so in future.



SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

A. Total number of outstanding litigations against Meghmani Finechem Limited and amount involved –

| Nature of litigation | No. of Cases | Amount (in Rs. Lakhs)* |
|----------------------|--------------|------------------------|
| Civil Matters | 1 | 30.31 |
| Indirect Tax Matters | 5 | 730.20 |

*excluding penalty and interest.

B. Brief details of top 5 material outstanding litigations against Meghmani Finechem Limited and amount involved:

| Sr. No. | Particulars | Litigation Filed by | Current Status | Amount Involved (in Rs. Lakhs)* |
|---------|--|---------------------|---|---------------------------------|
| 1 | Demand for Custom Duty for FY 2012-13 | - | Pending before CESTAT | 621.83 |
| 2 | Service Tax liability for FY 2012-13 & 2014-15 | - | Pending before CESTAT, departmental authorities | 108.37 |

*excluding penalty and interest.

The litigations where the amount involved equals to or exceed 5% of net profit after tax as per the audited financial statements for the FY 2019-20 are considered as material litigations.

C. Regulatory Action, if any - disciplinary action taken by SEBI or stock exchanges against the Promoters of Meghmani Finechem Limited in last 5 financial years including outstanding action, if any: Nil

D. Brief details of outstanding criminal proceedings against Promoters of Meghmani Finechem Limited: Nil

RATIONALE AND BENEFITS OF SCHEME OF ARRANGEMENT

- The proposed re-structuring would create enhanced value for the shareholders through potential unlocking of value through listing of both the businesses on the NSE and BSE (i.e. "Agrochemicals & Pigment" and "Chloro-Alkali and its Derivatives");
- The restructuring would allow a focused strategy and specialization for sustained growth, which would be in the best interest of all the stakeholders and the persons connected with the aforesaid companies;
- Since both the business are having separate growth trajectories, the proposed re-structuring would enable both the businesses to pursue their growth opportunities and offer investment opportunities to potential investors;
- The proposed re-structuring would enable MOL 1 to delist its SDS's listed on SGX-ST;
- The proposed re-structuring would provide opportunity to shareholders of MOL 1 to directly participate in Chloro-Alkali and its Derivatives business;
- The proposed re-structuring would enable investors to hold investments in the businesses with different investment characteristics, which best suit their investment strategies and risk profiles;
- The proposed re-structuring would enable management to have a greater/ enhanced focus of the management on the Chloro-Alkali and its Derivatives business for exploiting opportunities.



DECLARATION

We hereby declare that all relevant provisions of SEBI Circular and Part E of Schedule VI of the SEBI (ICDR) Regulations, 2018 have been complied with and no statement made in this Document is contrary to the provisions of SEBI Circular or the SEBI (ICDR) Regulations, 2018. We further certify that all statements in this Document are true and correct.

For, Meghmani Organics Limited

Sd/-

Kamlesh Mehta
Company Secretary & Compliance Officer

Place: Ahmedabad

Date: December 12, 2020

Capitalized terms used but not defined in this Document shall have the same meaning as ascribed to them under the Scheme of Arrangement.



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(AS PROVIDED IN PART E OF SCHEDULE VI OF THE SEBI ICDR REGULATIONS, 2018)**

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| MEGHMANI ORGANOCEM LIMITED Registered and Corporate Office: 1 st to 3 rd Floor, Near Raj Bunglow, Near Safal Profitaire, Prahlad Nagar, Satellite, Ahmedabad – 380015, Gujarat, India Telephone: +91-79-71761000; Email: kamlesh.mehta@meghmani.com; Website: NA CIN: U24299GJ2019PLC110321 Contact Person: Mr. Kamlesh Mehta |
| PROMOTERS |
| Meghmani Organics Limited, Mr. Jayantilal Patel, Mr. Ashishbhai Soparkar, Mr. Natwarlal Patel, Mr. Rameshbhai Patel, Mr. Anandbhai Patel and Mr. Karana Patel |
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| 36. | Adesh K. Patel | 43,082 | 0.02% |
| 37. | Amrutbhai Shivrambhai Patel | 3,400 | 0.00% |
| 38. | Patel Narendra Bhailalbhai | 1,500 | 0.00% |
| 39. | Dhiren Madhur Goyal | 14,500 | 0.01% |
| 40. | Nayanaben Ashishbhai Soparkar | 1,42,000 | 0.06% |
| Total Shareholding | | 12,45,91,465 | 48.99% |

Board of Directors of MOL 1:

| Sr. No. | Name of Directors | Designation | DIN |
|---------|----------------------------|----------------------------------|----------|
| 1. | Mr. Jayantilal Patel | Executive Director – Chairperson | 00027224 |
| 2. | Mr. Ashishbhai Soparkar | Managing Director | 00027480 |
| 3. | Mr. Natwarlal Patel | Managing Director | 00027540 |
| 4. | Mr. Rameshbhai Patel | Whole Time Director | 00027637 |
| 5. | Mr. Anandbhai Patel | Whole Time Director | 00027836 |
| 6. | Mr. Manubhai Patel | Independent Director | 00132045 |
| 7. | Prof. (Dr) Ganapathi Yadav | Independent Director | 02235661 |
| 8. | Ms. Urvashi Shah | Independent Director | 07007362 |
| 9. | Mr. Palakodeti Bhaskar Rao | Independent Director | 08058946 |
| 10. | Mr. Ching Seng Liew | Independent Director | 08065615 |

MOL 1 is holding 50,000 Equity Shares (including 6 Equity Shares held through nominee members) constituting 100% of the Total Equity Share Capital of Meghmani Organochem Limited.

Individual Promoters

1. **Mr. Jayantilal Patel** has experience of more than 45 years in the Dyes and Pigments Industry and more than 25 years in the Agrochemicals Industry.
2. **Mr. Ashishbhai Soparkar** has experience of more than 45 years in the Dyes and Pigments Industry and more than 25 years in the Agrochemicals Industry.
3. **Mr. Natwarlal Patel** has experience of more than 42 years in the Dyes and Pigments Industry and more than 26 years in the Agrochemicals Industry.
4. **Mr. Rameshbhai Patel** has experience of around 42 years in the Pigments Industry and more than 26 years in the Agrochemicals Industry.
5. **Mr. Anandbhai Patel** has experience of around 34 years in the Pigments Industry.
6. **Mr. Karana Patel** has experience of more than 8 years in the Agrochemical Industry.

BUSINESS MODEL / BUSINESS OVERVIEW AND STRATEGY

Meghmani Organochem Limited, the Resulting Company, is an unlisted public company limited by shares incorporated on October 15, 2019 under the provisions of the Companies Act, 2013, having Corporate Identity Number (CIN) - U24299GJ2019PLC110321 and having its Registered office situated at 1st to 3rd Floor, Near Raj Bunglow, Near Safal Profitaire, Prahlad Nagar, Satellite, Ahmedabad – 380015, Gujarat, India. Meghmani Organochem Limited is promoted by, and is Wholly Owned Subsidiary of, Meghmani Organics Limited.



Meghmani Organochem Limited is authorized by its memorandum of association to engage in the business of manufacturing and selling of Pigments and Agrochemicals products.

Currently, Meghmani Organochem Limited has no business operation. Pursuant to the Scheme of Arrangement, Agrochemical and Pigment Undertaking (*as defined in the Scheme*) will be demerged from Meghmani Organics Limited and transferred to and vested in Meghmani Organochem Limited.

BOARD OF DIRECTORS OF MEGHMANI ORGANOCEM LIMITED

| Sr. No. | Name of Directors | DIN | Designation (Independent / Whole time / Executive / Nominee) | Experience including current / past position held in other firms |
|---------|-------------------------|----------|--|---|
| 1 | Mr. Jayantilal Patel | 00027224 | Non-Executive Director | He has experience of more than 45 years in the Dyes and Pigments Industry and more than 25 years in the Agrochemicals Industry. Other Directorship: 1. Meghmani Organics Limited 2. Meghmani Chemicals Limited 3. Alkali Manufacturers Association of India |
| 2 | Mr. Ashishbhai Soparkar | 00027480 | Non-Executive Director | He has experience of more than 45 years in the Dyes and Pigments Industry and more than 25 years in the Agrochemicals Industry. Other Directorship: 1. Meghmani Organics Limited 2. Meghmani Chemicals Limited |
| 3 | Mr. Natwarlal Patel | 00027540 | Non-Executive Director | He has experience of more than 42 years in the Dyes and Pigments Industry and more than 26 years in the Agrochemicals Industry. Other Directorship: 1. Meghmani Organics Limited 2. Crop Care Federation of India 3. Meghmani Chemicals Limited 4. Meghmani Industries Limited |
| 4 | Mr. Rameshbhai Patel | 00027637 | Non-Executive Director | He has experience of around 42 years in the Pigments Industry and more than 26 years in the Agrochemicals Industry. Other Directorship: 1. Meghmani Organics Limited 2. Meghmani Industries Limited |
| 5 | Mr. Anandbhai Patel | 00027836 | Non-Executive Director | He has experience of around 34 years in the Pigments Industry. Other Directorship: 1. Meghmani Organics Limited 2. Novel Spent Acid Management |

**SHAREHOLDING PATTERN AS ON SEPTEMBER 30, 2020**

| Particulars | Number of shares | % of total share capital |
|-----------------------------|------------------|--------------------------|
| Promoter and Promoter Group | 50,000 | 100% |
| Public | 0 | 0% |
| Total | 50,000 | 100% |

AUDITED FINANCIALS**Standalone Financials***(Amount in Rupees)*

| Particulars | As at June 30, 2020* | As at March 31, 2020 |
|--|----------------------|----------------------|
| Total income from operations (net) | - | - |
| Net Profit / (Loss) before tax and extraordinary items | - | - |
| Net Profit / (Loss) after tax and extraordinary items | - | - |
| Equity Share Capital | 5,00,000 | 5,00,000 |
| Reserves and Surplus / Other Equity | - | - |
| Net Worth | 5,00,000 | 5,00,000 |
| Basic Earnings per share (₹) | - | - |
| Diluted Earnings per share (₹) | - | - |
| Return on Net Worth (%) | - | - |
| Net Asset value per share (₹) | 10.00 | 10.00 |

Unaudited and not annualized*Consolidated Financials – Not Applicable****INTERNAL RISK FACTORS**

1. Implementation of the Scheme is dependent on the approval from the regulatory authorities and if we are unable to manage timely compliance of regulatory requirements, it may impact the Scheme. Any modification or revision in the Scheme suggested / directed by the competent authorities, which is not acceptable to the Board of Directors of the Demerged Company, the Resulting Company or the Transferee Company may adversely impact the proposals in the Scheme.
2. The loss, shutdown or slowdown of operations at any of our manufacturing facilities or underutilization of our manufacturing facilities may have material adverse effect on our business and results of operations.
3. If we are unable to accurately forecast demand for our business, our cash flows, financials conditions and prospects may be adversely affected.
4. The success of business being acquired by the Resulting Company is largely dependent upon the knowledge and experience of the senior management, Key Management Personnel (KMP) and skilled manpower and an inability to attract and retain key personnel may have an adverse effect on its business prospects.
5. Extensive environmental, health and safety laws and regulations may result in increased liability and capital expenditure.
6. The Resulting Company, presently, does not carry on any business activity.



SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

- A. Total number of outstanding litigations against Meghmani Organochem Limited and amount involved - Nil
- B. Brief details of top 5 material outstanding litigations against Meghmani Organochem Limited and amount involved - Nil
- C. Regulatory Action, if any - disciplinary action taken by SEBI or stock exchanges against the Promoters of Meghmani Organochem Limited in last 5 financial years including outstanding action, if any: Nil
- D. Brief details of outstanding criminal proceedings against Promoters of Meghmani Organochem Limited: Nil

RATIONALE OF SCHEME OF ARRANGEMENT

- a) The proposed re-structuring would create enhanced value for the shareholders through potential unlocking of value through listing of both the businesses on the NSE and BSE (i.e. "Agrochemicals & Pigment" and "Chloro-Alkali and its Derivatives");
- b) The restructuring would allow a focused strategy and specialization for sustained growth, which would be in the best interest of all the stakeholders and the persons connected with the aforesaid companies;
- c) Since both the business are having separate growth trajectories, the proposed re-structuring would enable both the businesses to pursue their growth opportunities and offer investment opportunities to potential investors;
- d) The proposed re-structuring would enable MOL 1 to delist its SDS's listed on SGX-ST;
- e) The proposed re-structuring would provide opportunity to shareholders of MOL 1 to directly participate in Chloro-Alkali and its Derivatives business;
- f) The proposed re-structuring would enable investors to hold investments in the businesses with different investment characteristics, which best suit their investment strategies and risk profiles;
- g) The proposed re-structuring would enable management to have a greater/ enhanced focus of the management on the Chloro-Alkali and its Derivatives business for exploiting opportunities.

DECLARATION

We hereby declare that all relevant provisions of SEBI Circular and Part E of Schedule VI of the SEBI (ICDR) Regulations, 2018 have been complied with and no statement made in this Document is contrary to the provisions of SEBI Circular or the SEBI (ICDR) Regulations, 2018. We further certify that all statements in this Document are true and correct.

For, Meghmani Organics Limited

Sd/-
Kamlesh Mehta
Company Secretary & Compliance Officer

Place: Ahmedabad
Date: December 12, 2020

Capitalized terms used but not defined in this Document shall have the same meaning as ascribed to them under the Scheme of Arrangement.



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MEGHMANI ORGANICS LIMITED

(CIN: L24110GJ1995PLC024052)

Registered office: Plot 184 Phase-II, GIDC, Vatva,
Ahmedabad 382 445, Gujarat

Telephone: +91 79 71761000, 29709600 Fax: +91 79 29709605

Website: www.meghmani.com Email id: helpdesk@meghmani.com