

SCHEME OF AMALGAMATION

BETWEEN

FLOW TECH CHEMICALS PRIVATE LIMITED
("FLOW TECH" or "TRANSFEROR COMPANY")

AND

PRIMO CHEMICALS LIMITED
("PRIMO" or "TRANSFeree COMPANY")

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS
UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013
AND RULES MADE THEREUNDER



For Flow Tech Chemicals Pvt. Ltd.

[Signature]
Director

A. PREAMBLE

1. This Scheme of Amalgamation ("Scheme") is presented *inter-alia* for the amalgamation between Flow Tech Chemicals Private Limited ("Flow Tech" or "Transferor Company") and Primo Chemicals Limited ("Primo" or "Transferee Company") in the manner set out in the Scheme and in accordance with the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) or amendment(s) thereof) and the rules made thereunder.
2. This Scheme seeks to undertake the Amalgamation (merger by way of absorption) of Flow Tech with of Primo, being 100% holding company of Flow Tech.
3. As on the date of the approval of the Scheme by the Board of Directors, Primo holds the entire share capital of Flow Tech and accordingly, Flow Tech is a wholly owned subsidiary of Primo.
4. This Scheme also provides for various other matters consequential or otherwise integrally connected therewith

B. BACKGROUND OF THE COMPANIES

- I. Flow Tech Chemicals Private Limited ("Flow Tech" or "Transferor Company"), a wholly owned subsidiary of Primo Chemicals Limited, bearing CIN: U20119PB1996PTC067073 is a private company incorporated on May 16, 1996, under Companies Act, 1956 having its registered office at 1 A 1B SIEL Industrial Estate, Khadola, Rajpura, Patiala, Punjab, India, 140401.

Flow Tech is a chemical manufacturing company, operating primarily in the chemical industry and specializes in producing and supplying Chlorinated Paraffin and Hydrochloric Acid.

The equity shares of Flow Tech are not listed on any stock exchange in India.

- II. Primo Chemicals Limited ("Primo" or "Transferee Company") (formerly known as Punjab Alkalies & Chemicals Limited) bearing CIN: L24119CH1975PLC003607, is a public listed company incorporated on December 01, 1975, under Companies Act, 1956 and has its registered office at Bay No. 46-50, Sector 31-A, Chandigarh, India, 160030.

Primo is engaged in chemical industry, i.e., primarily manufacturing and sale of Caustic Soda and by products are Hydrochloric Acid, Liquid Chlorine, Sodium Hypochlorite and Hydrogen gas and other products are Stable Bleaching Power, Aluminium Chloride.

The equity shares of Primo are listed on the BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE").

(The Transferor Company and Transferee Company are collectively referred as "Companies")



For Flow Tech Chemicals Pvt. Ltd.


Director

C. RATIONALE

1. The Transferee Company owns the entire share capital of the Transferor Company.
2. Integration of the Transferor Company with the Transferee Company can provide the following:
 - a. Leading to a more efficient utilization of capital and creation of a consolidated base of assets and resources for future growth and a greater value for shareholders and all other stakeholders;
 - b. Simplification of overall group structure by fully integrating Flow Tech's operations directly within Primo and creating efficiencies via amalgamation;
 - c. Reduction in the management overlaps due to operation of the multiple entities and more focused leadership;
 - d. Reduction in multiplicity of legal and regulatory compliances, reduction in overheads, including administrative, managerial and other costs amongst all;
 - e. Synergy benefits, such as competitive edge, consolidation of businesses to combine growth opportunities to capitalize on future growth potential which would in-turn significantly help in efficient utilization of financial and operational resources; and
 - f. Pooling of proprietary information, personnel, financial, managerial and other resources, thereby contributing to future growth.
3. The Scheme is in the interest of the shareholders, creditors and various other stakeholders of the respective companies and is not prejudicial to their interests.

In view of the above, the Board of Directors of the Transferor Company and the Transferee Company have considered and formulated this Scheme for the transfer and vesting of the Undertaking (as defined hereinafter) of the Transferor Company with and into the Transferee Company in accordance with the provisions of Section 230 to 232, to the extent applicable, and other relevant provisions of the Companies Act, 2013 and rules made thereunder and in the manner and on the terms & conditions stated under this Scheme and in compliance with Section 2(6) of the Income-tax Act, 2025 [corresponding to Section 2(1B) of Income-tax Act, 1961] and applicable provisions of IT Act (as defined hereinafter) and rules prescribed thereunder.

D. PARTS OF THE SCHEME

The Scheme is divided into the following parts:

Part I:	Definitions and Interpretations;
Part II:	Details of share capital of the Transferor Company and Transferee Company;
Part III:	Amalgamation of the Transferor Company with and into the Transferee Company;
Part IV:	General terms and conditions that are applicable to this Scheme

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For Flow Tech Chemicals Pvt. Ltd.


Director

PART I

1. DEFINITIONS

In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the following meanings:

- 1.1 "Accounting Standards" means the generally accepted accounting principles in India and Indian Accounting Standards as notified under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015, as amended from time to time and to the extent in force and other relevant provisions of the Act;
- 1.2 "Act" or "the Act" means the Companies Act, 2013, the rules and regulations made thereunder and will include any statutory modification or re-enactment thereof for time being in force;
- 1.3 "Amalgamation" means the amalgamation of the Transferor Company with and into the Transferee Company as per Part III of this Scheme;
- 1.4 "Applicable Law" means (a) all applicable statutes, enactments, acts of legislature or parliament, laws, notifications, bye laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinances, orders or instructions having the force of law enacted or issued by any Appropriate Authority including any statutory modification or re-enactment thereof for the time being in force; and (b) administrative interpretation, writ, injunction, directions, directives, judgements, arbitral award, decree, orders or governmental approvals or, or agreements with, any Appropriate Authority;
- 1.5 "Appointed Date" means October 01, 2026, or such other date as may be fixed by the Tribunal (as defined hereinafter) or any other Appropriate Authority and accepted by the Board of Directors;
- 1.6 "Appropriate Authority" means any applicable central, state or local government, legislative body, regulatory, administrative or statutory authority, or judicial body or authority, including, but not limited to, Registrar of Companies, Regional Director, Official Liquidator, SEBI and NCLT;
- 1.7 "Board of Directors" or "Board" in relation to the Transferor Company and / or the Transferee Company as the case may be, shall mean their respective Board of Directors, and shall include any committee(s) duly constituted and authorized or any person authorized by the Board of Directors for the purposes of matters pertaining to this Scheme or any other matter relating thereto;
- 1.8 "BSE" means the BSE Limited;
- 1.9 "Central Government" means the Regional Director, Northern Region, in the Ministry of Corporate Affairs, Government of India;
- 1.10 "Companies" means collectively the Transferor Company and Transferee Company;

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for Flow Tech Chemicals Pvt. Ltd.


Director

- 1.11 "Effective Date" means the day on which last of the conditions specified in Clause 21 of this Scheme are complied with or otherwise duly waived, as applicable, in accordance with this Scheme. Any reference in this Scheme to "upon the Scheme becoming effective" or "effectiveness of the Scheme" or "upon the coming into effect of the Scheme" shall mean the Effective Date;
- 1.12 "Encumbrance" means any mortgage, pledge, equitable interest, assignment by way of security, conditional sales contract, hypothecation, right of other persons, claim, security interest, encumbrance, title defect, title retention agreement, voting trust, agreement, interest, option, lien, charge, commitment, restriction or limitation of any nature whatsoever, including restriction on use, voting rights, transfer, receipt of income of exercise of any other attribute of ownership, right of set off, any arrangement (for the purpose of, or which has the effect of, granting security), or any other security interest of any kind whatsoever, or any agreement, whether conditional or otherwise to create any of the same and the term "Encumbered" shall be construed accordingly;
- 1.13 "Governmental Approval" means any approval including but not limited to permits, authorizations, licenses, consents, registrations, approvals, municipal permissions, industrial licenses, registrations as may be required pursuant to Applicable Laws for conduct of business by any of the companies which is a party to the Scheme or required for effecting this Scheme;
- 1.14 "Governmental Authority" means any authority, body, department, commission, tribunal, agency or entity exercising executive, legislative, judicial, quasi-judicial regulatory or administrative functions of, or pertaining to the government conferred by Applicable Laws, includes any applicable central, state or local government, any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction over the territory of India;
- 1.15 "Income Tax Act or IT Act" means the Income-tax Act, 2025 and shall include any statutory modification(s), re-enactment(s) thereof or amendment(s) thereto from time to time and the rules and regulations made thereunder. Any reference in this Scheme to a section, rule or concept under the Income-tax Act, 2025 shall be construed to include the corresponding or substantially equivalent provision of the Income-tax Act, 1961, to the extent applicable, including corresponding and applicable rules prescribed thereunder (and any subordinate legislation thereunder), and terminology shall be read mutatis mutandis unless the context otherwise requires
- 1.16 "INR" means Indian Rupee, the lawful currency of the Republic of India;
- 1.17 "NCLT" or "Tribunal" means the National Company Law Tribunal, Chandigarh Bench, having jurisdiction over the Transferor Company and the Transferee Company as constituted and authorized as per the provisions of the Companies Act 2013 for approving any scheme of arrangement, compromise or reconstruction of companies under Sections 230-232 of the Companies Act 2013;
- 1.18 "Registrar of Companies" means the Registrar of Companies, Chandigarh or such other Registrar of Companies having jurisdiction over the Companies;

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for Flow Tech Chemicals Pvt. Ltd.

[Signature]
Director

- 1.19 "Scheme" or "the Scheme" or "this Scheme" means this Scheme of Amalgamation between the Transferor Company and the Transferee Company and their respective shareholders and creditors pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 in its present form and with such modifications if any made, as per Clause 20 of the Scheme and amendments as may be made from time to time with the appropriate approvals and sanctions of the NCLT and other relevant regulatory/ statutory/ governmental authorities, as may be required under the Act, and/ or any other the Applicable Laws;
- 1.20 "SEBI" means the Securities and Exchange Board of India;
- 1.21 "SEBI LODR Regulations" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- 1.22 "SEBI Circular" or "SEBI Master Circular" means the Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 issued by SEBI, as amended from time to time;
- 1.23 "Stock Exchanges" means the BSE Limited and National Stock Exchange of India Limited, where the shares of Transferee Company are listed;
- 1.24 "Tax" or "Taxes" means all forms of taxes and statutory, governmental, state, provincial, local government or municipal impositions, duties, contributions and levies and whether levied by reference to income, profits, book profits, gains, net wealth, asset values, turnover, added value or otherwise and shall further include payments in respect of or on account of Tax, whether by way of deduction at source, advance tax, minimum alternate tax, goods and service tax or otherwise or attributable directly or primarily to the Transferor Company and the Transferee Company or any other person and all penalties, charges, costs and interest relating thereto;
- 1.25 "Tax Laws" means all Applicable Laws, acts, rules and regulations dealing with Taxes including but not limited to the IT Act, sales tax/ value added tax, service tax, goods and services tax, excise duty, customs duty or any other levy of similar nature;
- 1.26 "Transferee Company" or "Primo" means Primo Chemicals Limited a public company limited by shares incorporated under the provisions of the Companies Act, 1956, having Corporate Identity No. L24119CH1975PLC003607 and has its registered office at Bay No. 46-50, Sector 31-A, Chandigarh, India, 160030;
- 1.27 "Transferor Company" or "Flow Tech" means Flow Tech Chemicals Private Limited a private company limited incorporated under the provisions of the Companies Act, 1956, having Corporate Identity No. U20119PB1996PTC067073 and has its registered office at 1 A 18 SIEL Industrial Estate, Khadola, Rajpura, Patiala, Punjab, India, 140401;
- 1.28 "Undertaking" shall mean and include the whole of the business, if any, and undertakings, being carried on by the Transferor Company including the investment in its subsidiaries, if any, as on the Appointed Date and shall include (without limitation):



For Flow Tech Chemicals Pvt. Ltd.

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Director

- a. All the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature) in relation to the Undertaking, whether situated in India or abroad, including without limitation, all land, buildings and structures, offices, residential and other premises, capital work-in-progress, machines and equipment, furniture, fixtures, office equipment, computers, appliances, accessories, power lines, stocks, current assets (including inventories, sundry debtors, bills of exchange, loans and advances), investments of all kinds (including shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), cash and bank accounts, bank balances, contingent rights or benefits, benefits of any deposits, earnest monies, receivables, advances or deposits paid by or deemed to have been paid, financial assets, benefit of any bank guarantees, performance guarantees and letters of credit, leases (including lease rights), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, rights to use and avail telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties of all kind, privileges and all other rights, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situated, and related to or enjoyed by the Transferor Company;
- b. all debts, borrowings, obligations, duties and liabilities, both present and future (including deferred tax liabilities, contingent liabilities and the liabilities and obligations under any licenses or permits or schemes) of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized, whether secured or unsecured, whether in INR or foreign currency, whether provided for or not in the books of accounts or disclosed in the balance sheet of the Transferor Company;
- c. all rights and licenses including, all assignments and grants thereof, all permits, clearances and registrations whether under Central, State or other laws, all contracts and agreements (including rights/ obligations under any agreement, contracts, applications, letters of Intent, or any other contracts), subsidies, grants, tax losses including un-absorbed depreciation, tax credits (including GST, MODVAT/ CENVAT, Service Tax credits and MAT credits, if any), incentives or schemes of central/ state/ local governments, certifications and approvals, regulatory approvals, entitlements, other licenses, environmental clearances, municipal permissions, approvals, consents, tenancies, investments and/ or interest (whether vested, contingent or otherwise), cash balances, bank balances, bank accounts, reserves, deposits, advances, recoverable, receivables, benefit of insurance claims, easements, advantages, financial assets, hire purchase and lease arrangements, the benefits of bank guarantees issued by the Transferor Company, funds belonging to or proposed to be utilized by the Transferor Company, privileges, all other claims, rights and benefits (including under any powers of attorney issued by the Transferor Company or any powers of attorney issued in favor of the Transferor Company or from or by virtue of any proceeding before a legal, quasi-judicial authority or any other statutory authority, to which the Transferor Company were a party), powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity, water and other services, provisions, funds, and all other assets, rights, entitlements and benefits of whatsoever nature and description, including those arising from any pending applications

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Flow Tech Chemicals Pvt. Ltd.

[Signature]
Director

made by, or approvals sought by, the Transferor Company and/or to which the Transferor Company is entitled as on the Appointed Date;

- d. all employees, if any, of the Transferor Company as on the Effective Date;
- e. all deposits and balances with Government, Semi-Government, local and other authorities and bodies, customers and other persons, share application money, earnest moneys and/ or security deposits paid or received by the Transferor Company;
- f. all books, records, files, papers, product specifications and process information, records of standard operating procedures, computer programs along with their licenses, manuals and backup copies, drawings, other manuals, data catalogues, quotations, sales and advertising materials, and other data and records whether in physical or electronic form;
- g. all civil, criminal, legal, revenue, taxation or other proceedings, enquiries or investigations of whatsoever nature initiated by or against the Transferor Company or to which the Transferor Company is otherwise a party, whether pending as on the Appointed Date or instituted any time thereafter;
- h. all intellectual property rights, if any, including all trademarks, trademark applications, trade names, patents and patent applications, domain names, logo, websites, internet registrations, copyrights, trade secrets, and all other interests exclusively relating to the Transferor Company.

It is intended that the definition of the Undertaking under this Clause would enable the transfer of all property, assets, rights, duties and liabilities of the Transferor Company as on the Appointed Date to the Transferee Company pursuant to this Scheme.

2. INTERPRETATION

- 2.1 All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning prescribed to them under the Act, other Applicable Laws, rules, regulations, bye laws, as the case may be, including any statutory modification or re-enactment thereof from time to time.
- 2.2 In this Scheme, unless the context otherwise requires:
 - a. references in this Scheme to "upon the Scheme becoming effective" shall mean the Effective Date of the Scheme;
 - b. references to an article, clause, section, paragraph or schedule is, unless indicated to the contrary, a reference to an article, clause, section, paragraph or schedule of this Scheme;
 - c. references to the singular includes a reference to plural and vice versa and reference to any gender includes a reference to all other genders;
 - d. references to persons shall include individuals, companies, bodies corporate, firms, trusts, associations, partnerships and other legal entities, whether incorporated or unincorporated;



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Director

- e. headings are inserted for ease of reference only and shall not affect the construction or interpretation of this Scheme;
- f. references to a document shall be a reference to that document as modified, amended, novated or replaced from time to time;
- g. where a wider construction is possible, the words "other" and "otherwise" shall not be construed ejusdem generis with any foregoing words;
- h. the words "directly or indirectly" include actions undertaken through one or more intermediary persons or through contractual, corporate or other legal arrangements;
- i. reference to the words 'hereof', 'herein' and 'hereby' and derivatives or similar words refer to this entire Scheme;
- j. references to the words "including", "inter alia" or any similar expression, shall be construed as illustrative and shall not limit the sense of the words preceding those terms; and
- k. any reference to any statute or statutory provision shall include:
 - i. all subordinate legislations made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated from time to time) and any retrospective amendment; and
 - ii. such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the filing of this Scheme) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to the matters contemplated under this Scheme and (to the extent liability there under may exist or can arise) shall include any past statutory provision (as amended, modified, re-enacted or consolidated from time to time) which the provision referred to has directly or indirectly replaced.

3. DATE OF TAKING EFFECT AND OPERATIVE DATE

Each part of the Scheme set out herein in its present form or with any modifications(s) in accordance with Clause 20 of the Scheme shall, unless otherwise specified, be effective from the Appointed Date but operative from the Effective Date.

4. COMPLIANCE WITH TAX LAWS

4.1 This Scheme, has been drawn up to comply with the conditions relating to "Amalgamation" as specified under the income-tax laws, specifically Section 2(6) of the IT Act (Section 2(18) of the Income-tax Act, 1961) and other relevant sections, which include the following:

- a. all properties of the Transferor Company immediately before the Amalgamation becomes properties of the Transferee Company by virtue of the Amalgamation;



- b. all the liabilities of the Transferor Company immediately before the Amalgamation become the liabilities of the Transferee Company by virtue of the Amalgamation;
- c. shareholders holding not less than three-fourths in value of the shares in the Transferor Company (other than shares already held therein immediately before the Amalgamation by, or by a nominee for, the Transferee Company) become shareholders of the Transferee Company by virtue of the Amalgamation, otherwise than as a result of the acquisition of the property of one company by the other company pursuant to the purchase of such property by the other company or as a result of the distribution of such property to the other company after the winding up of the first mentioned company.
- 4.2 Since the Transferor Company is a wholly-owned subsidiary of the Transferee Company, no shares shall be issued pursuant to the Scheme and the requirement of shareholder continuity under specifically Section 2(6) of the IT Act (Section 2(1B) of the Income-tax Act, 1961) shall be read subject to the statutory exceptions applicable to wholly-owned subsidiary amalgamations.
- 4.3 Further, this Scheme complies with the conditions relating to "Amalgamation" as specified under Section 2(6), Section 70 and other relevant sections and provisions of the IT Act and is intended to apply accordingly. If any terms or clauses of the Scheme is / are found to be or interpreted to be inconsistent with any of the said sections or provisions of the IT Act (including the conditions set out therein) at a later date, whether as a result of a new enactment or any amendment or coming into force of any provision of the IT Act or any other law or any judicial or executive interpretation or for any other reasons whatsoever, the said provisions or sections of the IT Act shall prevail and the Scheme shall stand modified to the extent necessary to comply with said provisions or sections of the IT Act. Such modification will, however, not affect other parts of the Scheme.
- 4.4 Notwithstanding the other provisions of this Scheme, the Transferor Company and the Transferee Company (acting through their respective Board of Directors) may make or assent, from time to time, to any such modifications, variations, amendments, including providing any clarifications or confirmations to / in the Scheme, which they deem necessary and expedient or beneficial to the interests of the stakeholders and / or as may be required / approved by the Tribunal and other Governmental Authority.



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PART II

5. SHARE CAPITAL

- 5.1 The authorized, issued, subscribed and paid-up share capital of the Transferor Company as on August 31, 2026, is as under:

Share Capital	Amount (in INR)
Authorised Share Capital	
10,00,000 Equity Shares of Rs. 10/- each	1,00,00,000
Total	1,00,00,000
Issued, Subscribed and Paid up Share Capital	
7,62,608 Equity Shares of Rs. 10/- each	76,26,080
Total	76,26,080

Subsequent to the above date and till date of approval of this Scheme by the Board of Directors, there has been no change in the issued, subscribed and paid-up capital of the Transferor Company. The beneficial interest in the entire issued, subscribed and paid up share capital of the Transferor Company is held by the Transferee Company and its nominees.

- 5.2 The authorized, issued, subscribed and paid-up share capital of the Transferee Company as on August 31, 2026, is as under:

Share Capital	Amount (in INR)
Authorised Share Capital	
350,000,000 Equity Shares of Rs. 2/- each	70,00,00,000
Total	70,00,00,000
Issued Share Capital	
24,27,15,730 Equity Shares of Rs. 2/- each	48,54,31,460
Total	48,54,31,460
Subscribed Share Capital	
24,27,03,980 Equity Shares of Rs. 2/- each	48,54,07,960
Total	48,54,07,960
Paid up Share Capital	
24,23,43,220 Equity Shares of Rs. 2/- each	48,46,86,440
Total	48,46,86,440

Subsequent to the above date and till date of approval of this Scheme by the Board of Directors, there has been no change in the issued, subscribed and paid-up capital of the Transferee Company.

- 5.3 The main objects of the Transferor Company are as follows:

- a. To carry on the business of manufacturers, buyers, sellers, processors, dyers, printers, finishers, importers, exporters, bleachers, embroiderers, fabricators, agents & representatives of any or all types of cloth, textiles, rexin, coated fabrics, leather, fabrics foam fabrics.



- b. To erect, establish, set up, work and maintain complete bleaching, dyeing, printing, & finishing mills and all their accessories and auxiliaries, plants for the processing of all kinds of cotton, rexine coated fabrics, leather fabrics foam fabrics and articles, in any of their branches.
- c. To carry on the business as manufacturers, processors, dealers, stockists, importers and exporters Of chemicals, chemical products, chlorine and chlorine derivatives, plastics, synthetic resins, polymers and polymer products, and all Other allied, ancillary and related products and materials, including Chlorinated Paraffin (CPW), Sodium Hypochlorite and Other chlorine derivatives, and to undertake the manufacture, processing, treatment, formulation, conversion, trading and distribution thereof.

5.4 The main objects of the Transferee Company are as follows:

- a. To carry on the business of manufacturers, refiners, processors, Importers, exporters of and dealers in all kinds of organic and inorganic chemicals, caustic soda, chlorine both gas & liquid, hydrochloric acid, bleaching powder, ammonium chloride conforming to technical and pure grade, basic and fine chemical, dye-intermediates, coal-tar, dye stuffs, rubber chemicals, Industrial chemicals, heavy chemicals, acids, alkalies, pigment colours, cement colours, rubber colours, dye stuffs for synthetic fingers, varnishes, glycerine and fatty acids, soaps both toilet and laundry detergents.
- b. To carry on the business of engineers and contractor of chemicals processing industries and to manufacture, produce, acquire, let on hire, repair, alter and deal in all kinds of plant and machinery, equipment, components and accessories whether with or without corrosion resistant lining: such as heat exchangers, evaporators, reaction vessels, column towers, extractors, storage tanks, pressure vessels and lines kilns.
- c. To carry on the business of manufacturing, processing, mixing, compounding of and deals in all kinds of agricultural chemicals, insecticides, pesticides, fertilizers, pharmaceutical chemicals, and all other kinds of allied chemicals, including petroleum and petrochemical based products.
- d. To do business as manufacturers of heavy pharmaceuticals, chemicals and of such medical appliances needed generally by hospital, medical profession or by the general public.
- e. To carry on the business of purchasing, producing, accumulating, generation, transmission, distribution, selling, supplying, utilisation, developing and dealers of electricity including the construction, laying, fixing, establishment, operation and maintenance of electric power generating stations, power systems, transmission lines, cables, wires, sub-stations and other power works and installations and to purchase, produce, generate, sell, utilise and deal in steam and all kinds of liquid, gaseous and other fuels.



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For Flow Tech Chemicals Pvt. Ltd.

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Director

PART III

AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFeree COMPANY

6. TRANSFER AND VESTING OF UNDERTAKING OF THE TRANSFEROR COMPANY

6.1 Subject to the provisions of this Scheme and with effect from the Appointed Date, upon the Scheme becoming Effective, the entire business, Undertaking and all properties, assets, rights, title, interests, licenses, permits, approvals, contracts, arrangements, benefits, claims, records, employees, borrowings, liabilities, obligations, proceedings and authorities of the Transferor Company, whether movable or immovable, tangible or Intangible, present or future and whether or not recorded in the books of account of the Transferor Company, shall, pursuant to Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and Section 2(6) of the IT Act, stand transferred to, and vested in, or be deemed to have been transferred to and vested in, the Transferee Company as a going concern, without any further act, deed, matter, instrument or thing. Such transfer and vesting shall be subject to all existing charges, security interests, mortgages, liens and encumbrances, if any, affecting such assets or properties. Upon the Scheme becoming Effective, the said Undertaking shall become and form an integral part of the Undertaking of the Transferee Company, together with all corresponding rights, benefits, obligations and liabilities attached thereto.

6.2 Without prejudice to the generality of Clause 6.1 above, upon the coming into effect of the Scheme and with effect from the Appointed Date, the transfer and vesting shall be effected as follows:

- a. Any and all movable assets including cash in hand, bank balances and deposits if any, of the Transferor Company capable of vesting or transfer by delivery or possession, or by endorsement and/or delivery, the same shall stand so transferred or vested by the Transferor Company upon the coming into effect of this Scheme, and shall, become the assets and property of the Transferee Company with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act, without requiring any deed or instrument of conveyance for transfer or vesting of the same.
- b. In respect of movable assets other than those specified in Clause above, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances, deposits and balances, if any, with Government, Semi-Government, local and other authorities and bodies, customers and other persons, it shall not be necessary to obtain the consent of any third party or other person in order to give effect to the provisions of this Scheme, and the same shall stand transferred to and vested in the Transferee Company and/or be deemed to have been transferred to and vested in the Transferee Company, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party, upon the coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act.
- c. Any and all immovable properties (whether free hold, on lease or under a contractual entitlement), if any, of the Transferor Company, and any documents of title/ rights and easements or otherwise in relation thereto shall be vested in and transferred to and/ or

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For Flow Tech Chemicals Pvt. Ltd.

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Director

be deemed to have been transferred to and vested in the Transferee Company and shall belong to the Transferee Company in the same and like manner as was entitled to the Transferor Company. It is hereby clarified that all the rights, title and interest of the Transferor Company in any leasehold properties shall, without any further act, instrument or deed, be vested in or be deemed to have been vested in the Transferee Company.

- d. All assets, rights, title, interest, investments and properties of the Transferor Company as on the Appointed Date, whether or not included in the books of the Transferor Company, and all assets, rights, title, interest, investments and properties, which are acquired by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets, rights, title, interest, investments and properties of the Transferee Company, and shall under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme and with effect from the Appointed Date, pursuant to the provisions of Sections 230 to 232 of the Act.
- e. For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, consents, permissions, registrations, statutory licenses, arrangements, approvals, recognitions, certificates, clearances generally and/ or relating to the Transferor Company and all powers of attorney, authorities given by, issued to or executed in favor of the Transferor Company, brands, trademarks, copyrights and other intellectual property and all other interests relating to the Transferor Company, be transferred to and vested in and deemed to be transferred to and vested in the Transferee Company as if the same were originally given to, issued to or executed in favor of the Transferee Company, and the rights, claims and benefits under the same shall be available to the Transferee Company. The Transferor Company and/ or the Transferee Company shall file intimations, applications and/ or necessary clarifications and documents with the relevant authorities, who shall take the same on record, or undertake necessary actions as may be required for having the said licenses, approvals, certificates, arrangements, permissions, registrations, brands, trademarks, etc., vested or transferred to the Transferee Company.
- f. All existing and future incentives, advance taxes, claims, un-availed credits (including Goods and Services Tax input tax credits or CENVAT/ Service tax credit), exemptions, tax holidays, subsidies, benefits and other statutory benefits, income tax, customs, value added tax, service tax, etc., to which the Transferor Company are entitled to in terms of various statutes/ schemes/ policies etc. of Union and State Governments, shall be available to and vest in the Transferee Company upon this Scheme becoming effective on the same terms and conditions. The Transferee Company shall file relevant intimations, applications and/ or necessary clarifications and documents, if any, with the statutory authorities, who shall take them on record, for giving effect to the provisions of this Clause.
- g. All statutory licenses, no-objection certificates, consents, permissions, approvals, licenses, certificates, incentives, government subsidies, remedies or clearances by the Governmental Authorities, issued to or executed in favour of the Transferor Company or any applications made for the same by the Transferor Company, including but not limited

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Director

to applications filed for electricity duty exemption by District Industry Centre, Punjab, Industrial and Business Development Policy, 2022 and/or Industrial and Business Development Policy, 2026, as applicable, shall stand transferred to the Transferee Company, as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company. The Transferee Company shall make applications to any Governmental Authority as may be necessary in this behalf.

- h. With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description of the Transferor Company shall, without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company so as to become as and from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Clause.
- i. Loans or other obligations including in, if any, due between the Transferor Company and the Transferee Company as on the Effective Date shall stand cancelled and discharged and there shall be no liability in that behalf.
- j. Any and all bank accounts of the Transferor Company shall be transferred to and continued to be operated as the bank accounts of the Transferee Company, if required, and till such time the names of the bank accounts of the Transferor Company are replaced with that of the Transferee Company, the Transferee Company shall be entitled to give instructions and operate the bank accounts of the Transferor Company in the name of the respective Transferor Company, in so far as may be necessary.
- k. The transfer and vesting of the Undertaking as aforesaid, shall be subject to the existing securities, charges, mortgages and encumbrance if any, subsisting over or in respect of the property and assets or any part thereof of the Transferor Company.
- l. It is clarified that the securities, charges and mortgages (if any subsisting) over and in respect of the assets or any part thereof of the Transferee Company shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges or mortgages to the end and intent that such securities, charges and mortgages shall not extend or be deemed to extend, to any of the assets of the Transferor Company vested in the Transferee Company, unless otherwise agreed to by the Transferee Company. It is further clarified that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Company which shall vest in the Transferee Company by virtue of its amalgamation with the Transferee Company and the Transferee Company shall not be obliged to create any further or additional security therefore after the Scheme becomes effective, unless otherwise agreed to by the Transferee Company.
- m. With effect from the Appointed Date, all inter-party transactions, if any, between the Transferor Company and the Transferee Company shall be considered as intra party



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Director

transactions for all purposes. To the extent that there are advances, loans, deposits, balances (including any guarantees, or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, between the Transferor Company and the Transferee Company, the obligations in respect of the same shall come to an end and there shall be no liability in that behalf on either party and corresponding effect shall be given in the books of accounts and records of the Transferor Company and the Transferee Company.

7. CONTRACTS AND DEEDS

- 7.1 Upon the coming into effect of the Scheme and subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements, insurance policies and other instruments, if any, of whatsoever nature to which any of the Transferor Company is a party and subsisting or having effect on the Appointed Date shall be in full force and effect against or in favor 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.
- 7.2 The Transferee Company may enter into and/ or Issue and/ or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novation, 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 if so, considered necessary.
- 7.3 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. It is clarified that any inter-se contracts between the Transferor Company and the Transferee Company, as on the Appointed Date shall stand cancelled and cease to operate.

8. LEGAL PROCEEDINGS

- 8.1 Upon coming into effect of this Scheme, all pending legal proceedings, including arbitration proceedings, of whatsoever nature by or against the Transferor Company pending and/ or arising at or after the Appointed Date, as and from the Effective Date 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 Transferee Company in the manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company.
- 8.2 Immediately after the Effective Date, the Transferee Company shall ensure to have all legal or other proceedings initiated by or against the Transferor Company referred to in Clause 8.1 above transferred into its name and to have the same continued, prosecuted and enforced by or against the Transferee Company after the Effective Date.
- 8.3 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



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Director

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.

- 8.4 In case of any litigation, suits, recovery proceedings which are to be initiated or may be initiated against the Transferor Company, the Transferee Company shall be made party thereto and any payment and expenses made thereto shall be the liability of Transferee Company.

9. **STAFF & EMPLOYEES**

- 9.1 On the Scheme becoming effective, all the 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 Amalgamation and on terms and conditions not less favorable 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.
- 9.2 The services of such employees shall not be treated as being 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.
- 9.3 The Transferor Company shall not vary the terms and conditions of employment of any of the employees 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 the Transferor Company as the case may be, prior to the Effective Date.
- 9.4 In so far as the existing provident fund, gratuity fund and pension and/ or superannuation fund, trusts, retirement fund or benefits and any other funds or benefits created by the Transferor Company pursuant to Applicable Laws or otherwise (collectively referred to as the "Funds"), the Funds and such of the investments made by the Funds which pertains/ relates to the employees of the Transferor Company shall be transferred to separate funds of the Transferee Company for the benefit of the employees of the Transferor Company or be transferred to and merged with the similar funds, if any, of the Transferee Company. In the event that the Transferee Company does not have its own funds in respect of any of the above, the Transferee Company may, subject to necessary Governmental Approvals, continue to contribute to the relevant Funds of the Transferor Company, until such time that the Transferee Company creates its own fund, at which time the Funds and the investments and contributions pertaining to the employees of the Transferor Company shall be transferred to the funds created by the Transferee Company. It is clarified that the services of the employees of the Transferor Company will be treated as having been continuous for the purpose of the said fund or funds.



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Director

10. CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE

With effect from the Appointed Date to the Effective Date:

- 10.1 The Transferor Company undertakes to preserve and carry on its business, with reasonable diligence and business prudence and will not undertake financial commitments or sell, transfer, alienate, charge, mortgage, or encumber or otherwise deal with or dispose of any Undertaking or any part thereof save and except in each case:
- a. if the same is in its ordinary course of business as carried on by it as on the date of filing this Scheme with the Tribunal; or
 - b. if the same is expressly permitted by this Scheme; or
 - c. if the prior written consent of the Board of Directors or Committee of Directors of the Transferee Company has been obtained.
- 10.2 The Transferor Company shall carry on and be deemed to have carried on all business and activities and shall stand possessed of all the assets, rights, title and interest for and on account of, and in trust for the Transferee Company.
- 10.3 All profits and cash accruing to or losses arising or incurred (including the effect of Taxes if any thereon), by the Transferor Company shall for all purposes, be treated as the profits/ cash, Taxes or losses of the Transferee Company.
- 10.4 All assets acquired, leased or licensed, licenses obtained, benefits, entitlements, incentives and concessions granted, contracts entered into, intellectual property developed or registered, or applications made thereto, liabilities incurred, and proceedings initiated or made party to, from the Appointed Date till the Effective Date by the Transferor Company shall be deemed to be transferred and vested in the Transferee Company.
- 10.5 Where any of the debt, liabilities (including contingent liabilities), duties and obligations of the Transferor Company as on the Appointed Date, deemed to be transferred to the Transferee Company have been discharged by the Transferor Company, after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company, and all loans raised and used and all liabilities and obligations incurred by the Transferor Company after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall also without any further act, deed, matter or thing stand transferred to the Transferee Company and shall become the liabilities and obligations of the Transferee Company which undertakes to meet, discharge and satisfy the same.
- 10.6 The Transferee Company shall be entitled, pending the sanction of this Scheme, to apply to the relevant Governmental Authority and all other agencies, departments and authorities concerned as maybe necessary under any relevant law for obtaining consents, approvals and sanctions which the Transferee Company may require and deem necessary to carry on the business of the Transferor Company.
- 10.7 The Transferee Company shall, as the case may be, be entitled to apply (whether before or after the Effective Date) for the transfer, transition, endorsement, renewal, mutation or

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reissuance of all licenses, registrations, approvals, consents, permits, quotas, incentives, government subsidies (to the extent transferable and applicable), and other authorizations relating to the Undertaking with the relevant municipal, governmental, regulatory, statutory or other authorities. Such applications may be made to enable the Transferee Company to continue, operate and carry on the business of the Transferor Company without interruption and with the same rights, benefits and entitlements as were available to the Transferor Company immediately prior to the Effective Date.

- 10.8 The Transferee Company and the Transferor Company shall be entitled to make application(s) for amending, cancelling, and/or obtaining fresh registrations/licenses/authorizations, as the case may be, under all applicable laws and legislations.

11. SAVING OF CONCLUDED TRANSACTIONS

- 11.1 The transfer and vesting of business under Clause 6 and the continuance of proceedings by or against the Transferor Company under Clause 8 above shall not affect any transaction or proceedings already concluded by the Transferor Company on or before Effective Date, 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 itself.

12. TAXES

- 12.1 Upon the Scheme becoming effective i.e. from the Appointed Date, all taxes payable by the Transferor Company under the Applicable Laws shall be to the account of the Transferee Company. Similarly all credits to be claimed pursuant to Applicable Laws including but not limited to minimum alternate tax on income of the Transferor Company or obligation for tax deduction at source on any payment made by or to be made by the Transferor Company shall be made or deemed to have been made and duly complied with by the Transferee Company if so, made by the Transferor Company. Similarly, all credits for tax deduction at source on income of the Transferor Company, or obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company shall be made or deemed to have been made and duly complied with by the Transferee Company if so, made by the Transferor Company. Similarly, any advance tax payment required to be made by the specified due dates in the Tax Laws shall also be deemed to have been made by the Transferee Company if so, made by the Transferor Company. Any refunds/credit under the Tax Laws due to the Transferor Company consequent to assessments made on the Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.

- 12.2 All Taxes paid or payable by the Transferor Company in respect of its operations, income, profits, gains, transactions, activities or business on and from the Appointed Date shall be deemed to be the corresponding Taxes paid or payable by the Transferee Company and shall, in all proceedings, be dealt with accordingly. Any tax liability under the Applicable Laws allocable to the Transferor Company, whether or not provided for in its books of account as on the Appointed Date, shall stand transferred to and be treated as the liability of the Transferee Company.



- 12.3 Upon the Scheme becoming effective, any advance tax, self-assessment tax, tax deducted at source, tax collected at source, minimum alternate tax credit, foreign tax credit, tax payments, deposits, credits, set-offs and other tax benefits or entitlements available to the Transferor Company as on the Appointed Date or thereafter shall be deemed to be the corresponding items of the Transferee Company and shall be available to and vest in the Transferee Company.
- 12.4 Upon the Scheme becoming effective, any refund, rebate, credit, incentive, drawback or other claim under the Applicable Laws, whether determined, pending determination, disputed or otherwise, including any refund arising pursuant to assessments, reassessments, rectification proceedings, appellate proceedings or other proceedings relating to the Transferor Company, shall belong to and be received, realized and retained by the Transferee Company.
- 12.5 Without prejudice to the generality of the foregoing, all exemptions, deductions, incentives, tax holidays, benefits, concessions, losses, unabsorbed depreciation, allowances, credits, rebates, input tax credits, GST credits, customs duty credits, CENVAT credits, service tax credits and other statutory benefits or entitlements available to the Transferor Company under the Income-tax Act or any other Applicable Laws shall, subject to Applicable Laws, be available to and vest in the Transferee Company.
- 12.6 Upon the Scheme becoming Effective and with effect from the Appointed Date, all tax compliances, filings, payments, deposits, deductions, collections, claims, credits, returns, statements, forms, certificates and other actions undertaken by the Transferor Company under any Applicable Law shall be deemed to have been undertaken by or on behalf of the Transferee Company and shall be valid and binding accordingly.
- 12.7 All tax assessment proceedings/ appeals of whatsoever nature by or against the Transferor Company pending and/ or arising at the Appointed Date and relating to the Transferor Company shall be continued and/ or enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company. Further, the aforementioned proceedings shall neither abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company with the Transferee Company or anything contained in the Scheme.
- 12.8 The Transferee Company and Transferor Company to the extent applicable, shall be entitled to file modified returns under Section 314 of IT Act (Section 170A of the Income-tax Act, 1961) and undertake such actions as may be necessary to give effect to the Scheme from the Appointed Date.
- 12.9 Upon the Scheme becoming Effective and with effect from the Appointed Date, any TDS withheld, TCS collected, TDS/TCS deposited, certificates issued, statements furnished or returns filed by the Transferor Company shall continue to hold good and shall be deemed to have been withheld, collected, deposited, issued, furnished or filed by the Transferee Company. Any obligation relating to deduction or collection of tax at source by or on behalf of the Transferor Company shall be deemed to have been duly complied with by the Transferee Company where such compliance has been undertaken by the Transferor Company.



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Director

- 12.10 Upon the Scheme becoming Effective and with effect from the Appointed Date, any GST, customs duty, input tax credit, refund, rebate, drawback, credit balance, return, statement, filing, assessment or proceeding relating to the Transferor Company shall continue to hold good and shall be deemed to pertain to and be available to the Transferee Company as if undertaken by or in the name of the Transferee Company.
- 12.11 On or after the Effective Date, the Transferor Company and the Transferee Company shall be entitled to file, revise, modify or withdraw any returns, forms, filings, statements, applications, certificates or annexures under the Applicable Laws, including under the Income-tax Act, Goods and Services Tax laws and other Tax Laws, and to claim refunds, credits, deductions, exemptions, incentives, tax benefits and set-offs, notwithstanding that the period prescribed for such revision or filing may have expired, to the extent required to give effect to the provisions of the Scheme from the Appointed Date.
- 12.12 Upon the Scheme becoming Effective and with effect from the Appointed Date, all tax assessments, reassessments, rectification proceedings, audits, investigations, enquiries, reviews, appeals or other proceedings of whatsoever nature by or against the Transferor Company, whether pending or arising on, before or after the Effective Date, shall be continued, prosecuted, defended and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued, prosecuted, defended or enforced by or against the Transferor Company. Such proceedings shall not abate, lapse or be discontinued by reason of the amalgamation or anything contained in this Scheme.
- 12.13 Upon the Scheme becoming effective, with effect from the Appointed Date, all the expenses incurred by the Transferor Company and the Transferee Company in relation to the amalgamation of the Transferor Company with the Transferee Company as per this Scheme, including stamp duty expenses and / or transfer charges, if any, shall be allowed as deduction to Transferee Company in accordance with Section 52 of the IT Act or other applicable provisions made thereunder, over a period of 5 (five) years beginning with the previous year in which the Scheme becomes effective.

13. CONSIDERATION

- 13.1 The entire issued, subscribed and paid-up equity share capital of Transferor Company is held by the Transferee Company and / or its nominee(s) and accordingly, the Transferor Company is a wholly owned subsidiary of the Transferee Company.
- 13.2 Accordingly, pursuant to this Scheme and on Amalgamation of the Transferor Company with the Transferee Company, no shares of the Transferee Company shall be issued and allotted in respect of the shares held by the Transferee Company in the Transferor Company. Upon the Scheme becoming effective, the entire share capital of the Transferor Company shall be cancelled and extinguished without any further act, deed or instruments as an integral part of this Scheme.

14. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEE COMPANY

- 14.1 Upon the Scheme becoming effective, the Transferee Company shall account for the

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[Signature]
Director

amalgamation of the Transferor Company in accordance with the Pooling of Interest Method of accounting as laid down in Appendix C of Indian Accounting Standard (Ind AS) 103 (Business Combinations of entities under common control) notified under Section 133 of the Companies Act, 2013, under the Companies (Indian Accounting Standard) Rules, 2015, as may be amended from time to time, in its books of accounts such that:

- a. All the assets, liabilities and reserves in the books of the Transferor Company shall stand transferred to and vested in the Transferee Company pursuant to this Scheme and shall be recorded by the Transferee Company at their respective carrying amounts as appearing in the books of the Transferor Company.
 - b. The identity of the reserves pertaining to the Transferor Company, shall be preserved and they shall be recorded in the financial statements of the Transferee Company in the same form in which they appeared in the books of the Transferor Company, and it shall be aggregated with the corresponding balance appearing in the books of the Transferee Company;
 - c. The inter-company investment in the form of the equity shares or securities of the Transferor Company, and all inter-company balances, as appearing in the books of the Transferee Company and the Transferor Company, shall stand cancelled and there shall be no further obligation in that behalf;
 - d. The difference in the value of assets over liabilities and reserves of the Transferor Company vested with and recorded by the Transferee Company (after giving effect of Clause 14.1(a), Clause 14.1(b) and Clause 14.1(c) above) shall be transferred to the 'Capital Reserve Account' in the financial statements of the Transferee Company and the same would be presented separately from other capital reserves with disclosure of its nature and purpose in the notes to the financial statements of the Transferee Company.
 - e. In case of any differences in the accounting policies between the Transferor Company and the Transferee Company, the accounting policies followed by the Transferee Company shall prevail and the impact of the same will be quantified and adjusted in the revenue reserves of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the true financial position on the basis of consistent accounting policies.
 - f. The comparative financial information presented in the financial statements of the Transferee Company should be restated as if the business combination had occurred from the beginning of the comparative period and shall be in accordance with applicable Indian Accounting Standards.
- 14.2 For accounting purposes, the Scheme will be given effect on the date when all substantial conditions for the transfer of the Transferor Company are completed.
- 14.3 Any matter not dealt with in Clause hereinabove shall be dealt with in accordance with the Indian Accounting Standards applicable to the Transferee Company.



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Director

15. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEROR COMPANY

The Transferor Company shall stand dissolved without being wound up upon this Scheme becoming effective as mentioned in Clause 18 of this Scheme and all the assets and liabilities as well as reserves shall be transferred to the Transferee Company as per Clause 14. Hence, there is no accounting treatment prescribed under this Scheme in the books of accounts of the Transferor Company.

16. REORGANISATION OF THE AUTHORISED SHARE CAPITAL OF THE TRANSFEROR COMPANY

- 16.1** As an integral part of the Scheme and upon the Scheme coming into effect with effect from the Appointed Date, the authorised share capital of the Transferor Company shall be reclassified / reorganised such that 10,00,000 Equity Shares of INR 10/- (Indian Rupees Ten) each of the Transferor Company shall stand reclassified / reorganized as 50,00,000 Equity Share of INR 2/- (Indian Rupees Two only) each.
- 16.2** It is clarified that the approval of the equity shareholder(s) of the Transferor Company to this Scheme shall be deemed to be their consent/approval to the reclassification of the authorised share capital envisaged under this Clause of the Scheme, as required under Sections 13, 61 and other applicable provisions of the Act.

17. COMBINATION OF AUTHORISED SHARE CAPITAL

- 17.1** As an integral part of the Scheme and upon the Scheme coming into effect with effect from the Appointed Date, pursuant to the reclassification and reorganization of the resultant authorized share capital of the Transferor Company as set out in Clause 16 above, the entire authorised share capital of the Transferor Company shall be deemed to be added to and be combined/amalgamated with the authorized share capital of the Transferee Company without any further act, deed or instrument.
- 17.2** Pursuant to the combination/ consolidation of the authorized share capital pursuant to Clause 17.1 above, the Memorandum of Association and Articles of Association of the Transferee Company (relating to the authorized share capital) shall, without any requirement of a further act, deed, be and stand altered, modified and amended, such that Clause V of the Memorandum of Association of the Transferee Company shall be replaced by the following:

"The Authorized Share Capital of the Company INR 71,00,00,000 (Indian Rupees Seventy One Crores only) divided into 35,50,00,000 (Thirty Five Crores Fifty Lakhs Equity Shares of INR 2/- (Indian Rupees Two only) and with power to increase or reduce the capital of the Company or to divide the shares in the capital for the time being into several classes and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions as may be determined in accordance with these presents and to modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be permitted by the said Act or provided by these presents."

- 17.3** It is clarified that the consent of the shareholders of the Transferee Company to this Scheme shall be deemed to have been obtained for the purposes of effecting this amendment, and no further resolution(s) under Section 4, 13, 14, 61 and 64 or any other applicable provisions of the Act, would be required to be separately passed.

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Director

- 17.4 In accordance with Section 232(3)(i) of the Act and the Applicable Law, the stamp duties and/ fees (including registration fees) paid on the authorized share capital of the Transferor Company shall be utilized and applied to the increased authorized share capital of the Transferee Company pursuant to Clause 17.1 above and no stamp duties and/ fees would be payable for increase in the authorized share capital of the Transferee Company to the extent of fees already paid in relation to the authorized share capital of the Transferor Company.
- 17.5 The Transferee Company shall make suitable alterations or amendments to the Memorandum & Articles of Association, if so required and necessary, for proper implementation of Scheme in compliance to the applicable provisions of the Act.
18. **DISSOLUTION OF THE TRANSFEROR COMPANY WITHOUT WINDING UP**
- 18.1 Upon the Scheme becoming effective, the Transferor Company shall be automatically dissolved without being wound up and the Board of Directors of the Transferee Company or any committee thereof is hereby authorized to take all steps as may be necessary or desirable or proper on behalf of the Transferor Company from the Effective Date to resolve any question, doubts, or difficulty whether by reason of any order(s) of the court(s) or any directive, order or sanction of any Appropriate Authority or otherwise arising out of or under this Scheme or any matter therewith.

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Director

PART IV

GENERAL TERMS AND CONDITIONS

19. APPLICATION TO NCLT

- 19.1 The Transferor Company and the Transferee Company, with all reasonable dispatch, make joint applications to the NCLT, under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the said Act, seeking orders for dispensing with or convening, holding and conducting of the meetings of the classes of their respective shareholders and/or creditors and for sanctioning this Scheme, with such modifications as may be approved by the NCLT and accepted by the Board of Directors of each Company.
- 19.2 The Scheme should be read in a manner which is appropriate to the intent and purpose of the Scheme and in line with the preamble as mentioned hereinabove.
- 19.3 Even after the Scheme becomes effective, the Transferor Company and/ or the Transferee Company may approach the NCLT, the Hon'ble National Company Law Appellate Tribunal, or any other court or authority competent to exercise jurisdiction in relation to the Scheme, for any incidental order(s) to remove any deficiency or overcome any difficulty in implementation of the Scheme or clear any ambiguity or to comply with any statutory requirements which necessitates the order of the NCLT.
- 19.4 Upon this Scheme becoming effective, the respective shareholders of the Transferor Company and the Transferee Company shall be deemed to have also accorded their approval under all relevant provisions of the Act for giving effect to the provisions contained in this Scheme.

20. MODIFICATION OR AMENDMENTS TO THE SCHEME

- 20.1 Subject to approval of the NCLT, the Transferor Company and the Transferee Company by their respective Board of Directors or any duly authorized committee may make or consent to any modifications or amendments to the Scheme, or to any conditions or limitations that the NCLT or any other authority may deem fit to direct or impose, or which may otherwise be considered necessary, desirable or appropriate by the respective Board of Directors or committees, including withdrawal of this Scheme and solve all difficulties that may arise for carrying out the Scheme and do all acts, deeds and things necessary for putting the Scheme into effect. No modification or amendment to the Scheme will be carried out or effected by the respective Board of Directors without approaching the NCLT.
- 20.2 The Transferor Company and the Transferee Company shall be at liberty to withdraw this Scheme, in case any condition or alteration is / are imposed by the NCLT or any other authority is unacceptable to them or otherwise if so mutually agreed.
- 20.3 For the purpose of giving effect to this Scheme or to any modification thereof, the Board of Directors of the Transferor Company and the Transferee Company or any other duly authorized committee thereof are authorized severally to give such directions including directions for settling any question of doubt or difficulty that may arise under this Scheme or in regard to and of the meaning or interpretation of this Scheme or implementation thereof

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Director

or in any matter whatsoever connected therewith, and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in the Scheme.

21. CONDITIONALITY OF THE SCHEME

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

- 21.1 The Scheme being approved by the respective requisite majorities of the shareholders/creditors of the Transferor Company and the Transferee Company, if required under the Act and as may be directed by the NCLT and / or any other competent authority and it being sanctioned by the NCLT and / or any other competent authority, as may be applicable.
- 21.2 The Scheme is being approved by the public shareholders of Transferee Company through e-voting and shall be acted upon only if the votes cast by the public shareholders in favor of the Scheme are more than the number of votes cast by the public shareholders against it.
- 21.3 The requisite consent, approval or permission of the relevant Governmental Authority or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.
- 21.4 The sanctioning of this Scheme by the NCLT, whether with any modifications or amendments as NCLT may deem fit or otherwise under Section 230 to 232 of the Act and other applicable provisions of the Act;
- 21.5 Any other sanctions and orders as may be directed by the NCLT and accepted by the Board of the Companies while sanctioning the Scheme;
- 21.6 Filing of the certified copies of the order of the NCLT sanctioning the Scheme, by the Transferor Company and the Transferee Company, under the applicable provisions of the Act, with the Registrar of Companies, Chandigarh and/ or other applicable authority
- 21.7 Each Section of the Scheme shall be given effect to as per the chronology in which it has been provided for in the Scheme. Each part in each Section is independent of each Section and is severable. The Scheme shall be effective upon sanction of the NCLT. However, failure of any one part of one Section for lack of necessary approval from the shareholders / statutory regulatory authorities or for any other reason that the Board of Directors may deem fit then this shall not result in the whole Scheme failing. It shall be open to the concerned Board of Directors to consent to sever such part(s) of the Scheme and implement the rest of the Scheme with such modification.

22. SEVERABILITY

- 22.1 If any part of this Scheme hereof is invalid, ruled illegal by the NCLT or any other Governmental Authority, or unenforceable under present or future Applicable Laws, then it is the Intention of Transferor Company and the Transferee Company that such part shall be severable from the remainder of the Scheme. Further, if the deletion of such part of this Scheme may cause this Scheme to become materially adverse to the Transferor Company and

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the Transferee Company, then such attempts shall be made to bring about a modification to the Scheme, as will best preserve the interests of the Transferor Company and the Transferee Company, the benefits and obligations of the Scheme.

23. EFFECT OF NON-RECEIPT OF APPROVALS

- 23.1 In the event of any of the said sanctions and approvals referred to in the preceding clauses not being obtained and / or the Scheme not being sanctioned by the NCLT or such other competent authority and / or the Order not being passed as aforesaid before such date or period as may be agreed upon between the Transferor Company and the Transferee Company by their respective Board of Directors (and which the Board 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.

24. IMPLEMENTATION OF THE SCHEME

- 24.1 It is hereby clarified that submission of this Scheme to the Tribunal and to the Governmental Authorities for their respective approvals is without prejudice to all rights, interests, titles or defenses that the Companies may have under or pursuant to all Applicable Law.
- 24.2 On the approval / deemed approval of this Scheme by the shareholders of the Companies and such other classes of persons relating to the Companies, if any, such shareholders and classes of persons shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable to all the matters related or arising pursuant to the Scheme.

25. NON-RECEIPT OF APPROVALS AND WITHDRAWAL OF THIS SCHEME

- 25.1 Companies shall be at liberty to withdraw from this Scheme at any time as may be mutually agreed in writing between the Companies.
- 25.2 In the event the Scheme not being sanctioned by the Tribunal, and/or the order or orders not being passed as aforesaid on or before such date as may be agreed to by the Companies, this Scheme shall become null and void and both Transferor Company and Transferee Company shall bear and pay its respective costs, charges and expenses for and/or in connection with this Scheme unless otherwise mutually agreed.
- 25.3 In the event of withdrawal of the Scheme under Clause 25.1 or Clause 25.2 above, except as otherwise agreed between the Companies, no rights and liabilities whatsoever shall accrue to or be incurred inter se the Companies or their respective shareholders or creditors or employees or any other person, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or in accordance with Applicable Law and in such case, both Transferee Company and Transferor Company shall bear its own costs, unless otherwise

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mutually agreed.

26. COSTS, CHARGES & EXPENSES

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

27. NO CAUSE OF ACTION

No third party claiming to have acted or changed his position in anticipation of this Scheme taking effect, shall get any cause of action against the Transferor Company or the Transferee Company or their directors or officers, if the Scheme does not take effect or is withdrawn, amended or modified for any reasons whatsoever.



For Flow Tech Chemicals Pvt. Ltd.


Director

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