

**SCHEME OF AMALGAMATION
BETWEEN
SALDHAR INVESTMENTS AND TRADING COMPANY PRIVATE
LIMITED
AND
APCOTEX INDUSTRIES LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS
(UNDER SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013 AND
THE RULES MADE THEREUNDER)**

This Scheme of Amalgamation ('Scheme') is presented under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 for amalgamation of Saldhar Investments and Trading Company Private Limited ('Saldhar') into Apcotex Industries Limited ('Apcotex'). The equity share capital of Apcotex is listed on the National Stock Exchange of India and on the Bombay Stock Exchange.

I. OBJECT OF THE SCHEME

Saldhar forms part of the Promoter Group of Apcotex. It presently holds 1,05,98,300 equity shares in Apcotex constituting 51.1% of Apcotex's paid up share capital.

It is proposed to amalgamate Saldhar into Apcotex by this Scheme, as a result of which, shareholders of Saldhar viz. the promoters of Saldhar (who are also the promoters of Apcotex), shall directly hold shares in Apcotex.

This will lead not only to simplification of the shareholding structure and reduction of shareholding tiers but also demonstrate the promoter group's direct commitment to and engagement with Apcotex.

The amalgamation would result in more effective utilization of resources of both Saldhar and Apcotex, including pooling of financial resources of Saldhar and Apcotex, leading to more effective and centralized management of funds, greater economies of scale and reduction in administrative expenses, which are presently being multiplied being separate entities.



Pursuant to the amalgamation, there would be no change in the promoter shareholding of Apcotex. The promoters would continue to hold the same percentage of shares in Apcotex, pre and post amalgamation of Saldhar in Apcotex.

All costs and charges of any nature arising of or incurred in connection with and implementing this Scheme shall be borne by Saldhar and/or its shareholders.

Further, the Scheme also provides that promoters shall indemnify Apcotex and keep Apcotex indemnified for any contingent liabilities and obligations including all demands, claims, suits, proceedings and the like which may be made or instituted by any third party(ies) including Government authorities on Apcotex which are directly relatable to Saldhar or which may devolve on Apcotex on account of this amalgamation.

In consideration of the abovementioned rationale and related benefits, this Scheme between Saldhar and Apcotex is being proposed in accordance with the terms set out hereunder.

II. PARTS OF THE SCHEME

This Scheme of Amalgamation is divided into the following parts:-

- (i) **Part A** - Definitions of the terms used in this Scheme of Amalgamation and the share capital of Saldhar and Apcotex;
- (ii) **Part B** - dealing, inter alia, with the merger of Saldhar with Apcotex;
- (iii) **Part C** - dealing with the general terms and conditions and other matters consequential to and integrally connected with the Scheme of Amalgamation.



PART A

DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

In this Scheme (as defined hereinafter), unless repugnant to the meaning or context thereof, the following expressions shall have the meaning mentioned herein below:

- 1.1 **“Act” or “the Act”** means the Companies Act, 2013 and the rules and regulations made thereunder as the case may be, and shall include any statutory modifications, re-enactment or amendments thereof for the time being in force.
- 1.2 **“Apcotex” or “Transferee Company”** means Apcotex Industries Limited incorporated under the Companies Act, 1956, having its registered office at Plot No 3/1, MIDC Industrial Area, Taloja, 410208, Maharashtra.
- 1.3 **“Appointed Date”** means March 31, 2017 or such other date as may be fixed by the National Company Law Tribunal.
- 1.4 **“Board of Directors” or “Board”** in relation to Saldhar and Apcotex as the case may be, means the board of directors of Saldhar and Apcotex and shall include a duly constituted committee thereof.
- 1.5 **“Effective Date”** means the last of the dates on which all of the conditions specified in Clause 20 of this Scheme are satisfied or complied with and any reference in this Scheme to “upon this Scheme becoming effective” or “effectiveness of this Scheme” means and refers to the Effective Date.
- 1.6 **“Government”** means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau, instrumentality, judicial or arbitral body having jurisdiction over the territory of India.
- 1.7 **“Income Tax Act”** means the Income Tax Act, 1961, including any statutory modifications, re-enactments or amendments thereof for the time being in force.
- 1.8 **“Record Date”** means the date fixed by the Board of Directors or a committee thereof of Apcotex for the purpose of determining the members



of Saldhar to whom New Equity Shares will be allotted pursuant to the Scheme.

- 1.9 “Saldhar” or “Transferor Company” means Saldhar Investments and Trading Company Private Limited incorporated under the Act, having its registered office at N K Mehta International House, 178 Backbay Reclamation, Babubhai M Chinnai Marg, Mumbai 400020.
- 1.10 “Scheme” or “the Scheme of Amalgamation” or “this Scheme” means this Scheme of Amalgamation in its present form or with any modification(s) made under Clause 19 of this Scheme as approved or directed by the Tribunal.
- 1.11 “SEBI” means Securities and Exchange Board of India.
- 1.12 “SEBI Circular” means circular no CFD/DIL3/CIR/2017/21 issued on March 10, 2017 by SEBI, subject to modification, if any, in accordance with any subsequent circulars and amendments that may be issued by SEBI from time to time.
- 1.13 “Stock Exchange” means BSE Limited and National Stock Exchange of India Limited.
- 1.14 “Tribunal” means the National Company Law Tribunal, Bench at Mumbai.

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, the Securities Contract (Regulation) Act, 1956, the Depositories Act, 1996 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.

2. DATE OF TAKING EFFECT AND OPERATIVE DATE

The merger of Saldhar into Apcotex, pursuant to and in accordance with this Scheme, shall take place with effect from the Appointed Date, but shall be operative from the Effective Date. Therefore, for all regulatory and tax purposes, the merger would be effective from the Appointed Date of the Scheme. Notwithstanding the above, the accounting treatment to be adopted to give effect to the provisions of the Scheme would be in consonance with Indian Accounting Standards, 103 (Ind AS 103) and the mere adoption of



such accounting treatment will not in any manner affect the vesting of the merger from the Appointed Date.

3. SHARE CAPITAL

3.1 The share capital of Saldhar as per the latest audited balance sheet as on March 31, 2016 is as under:

Authorized Capital	Amount (Rs.)
96,000 Equity Shares of Rs. 10/- each	9,60,000
400 Non-Cumulative Redeemable Preference Shares of Rs. 100/- each	40,000
Total	10,00,000
Issued, Subscribed and Paid-up Capital	Amount (Rs.)
10,000 Equity Shares of Rs. 10/- each, fully paid up	1,00,000
Total	1,00,000
Share Suspense Account	4,02,320

Subsequent to March 31, 2016, there is a change in the authorized, issued and subscribed share capital of Saldhar. Accordingly, the authorized, issued and subscribed share capital of Saldhar as on December 31, 2016 is as under:

Authorized Capital	Amount (Rs.)
4,46,000 Equity Shares of Rs. 10/- each	44,60,000
400 Non-Cumulative Redeemable Preference Shares of Rs. 100/- each	40,000
Total	45,00,000
Issued, Subscribed and Paid-up Capital	Amount (Rs.)
50,232 Equity Shares of Rs. 10/- each, fully paid up	5,02,320
Total	5,02,320



3.2 The share capital of Apcotex as per the latest audited balance sheet as on March 31, 2016 is as under:

Authorized Capital	Amount (Rs.)
2,99,40,000 Equity Shares of Rs 5/- each	14,97,00,000
500 Preference Shares of Rs 100/- each	50,000
50,000 Unclassified Shares of Rs 5/- each	2,50,000
Total	15,00,00,000
Issued, Subscribed and Paid-up Capital	Amount (Rs.)
2,07,37,984 Equity Shares of Rs.5/- each	10,36,89,920
Amount forfeited on 78,051 shares at Rs 5/- each	3,90,255
Total	10,40,80,175

Subsequent to March 31, 2016, there is a change in the authorized share capital of Apcotex. Accordingly, the authorized, issued and subscribed share capital of Apcotex as on December 31, 2016 is as under:

Authorized Capital	Amount (Rs.)
6,22,60,000 Equity Shares of Rs 5/- each	31,13,00,000
500 Preference Shares of Rs 100/- each	50,000
50,000 Unclassified Shares of Rs 5/- each	2,50,000
Total	31,16,00,000
Issued, Subscribed and Paid-up Capital	Amount (Rs.)
2,07,37,984 Equity Shares of Rs.5/- each	10,36,89,920
Amount forfeited on 78,051 shares at Rs 5/- each	3,90,255
Total	10,40,80,175



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PART B

**TRANSFER AND VESTING OF THE BUSINESS AND UNDERTAKING
OF SALDHAR INTO APCOTEX**

- 4. TRANSFER AND VESTING OF UNDERTAKING OF SALDHAR**
- 4.1 With effect from the Appointed Date and upon the Scheme becoming effective, the entire business and undertakings including all its properties and assets (whether movable or immovable, tangible or intangible, present or future or contingent of whatsoever nature) of Saldhar shall, under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, and pursuant to the orders of the Tribunal, sanctioning the Scheme shall without any further act, deed, matter or thing, stand transferred to and vested in and/or deemed to be transferred to and vested in Apcotex so as to become the properties and liabilities of Apcotex free from all encumbrances, but subject to subsisting charges and pledges, if any.
- 4.2 With effect from the Appointed Date, the whole of the undertaking of Saldhar as a going concern, including its business, all secured and unsecured debts, liabilities, duties and obligations and all the assets, properties, rights, titles and benefits, whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but without being limited to land and building (whether owned, leased, licensed), all fixed and movable plant and machinery, vehicles, fixed assets, work in progress, current assets, reserves, provisions, funds, licenses, registrations, copyrights, brands, trade and service names, patents, trademarks and other rights and licenses in respect thereof, applications for copyrights, patents, trademarks, leases, licenses, tenancy rights, premise, hire purchase and lease arrangements, lending arrangements, joint venture agreements, benefits of security arrangements, computers, office equipment, telephones, telexes, facsimile connections, communication facilities, equipment and installations and utilities, electricity, water and other service connections, benefits of agreements, contracts and arrangements, powers, authorities, permits, quotas, entitlements, allotments, approvals, consents, privileges, liberties, advantages, easements and all rights, title, interest, goodwill, benefit and advantage, deposits, advances, receivables, funds, cash, bank balances,



accounts (including demat accounts with depository participants) and all other rights, benefits of all agreements, subsidies, grants, tax credits (including but not limited to benefits of tax relief including under the Income-tax Act, 1961 such as credit for advance tax, minimum alternate tax, taxes deducted at source etc), software license, domain/website etc all files, papers, records engineering and catalogues, data quotations sales/advertisement materials and former customers (price information)/suppliers (credit information) other records whether in physical, electronic form in connection/relating to Saldhar and other claims and powers, of whatsoever nature and wheresoever situated belonging to or in the possession of or granted in favour of or enjoyed by Saldhar whether in India or abroad as on the Appointed Date, shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions, if any, of the Act, and without any further act or deed, be transferred to and vested in and / or be deemed to be transferred to and vested in Apcotex as a going concern so as to become as from the Appointed Date the undertaking of Apcotex and to vest in Apcotex all the rights, title, interest or obligations of Saldhar therein.

- 4.3 Without prejudice to the generality of Clause 4.1 and 4.2 above, it is expressly provided that such of the assets of Saldhar that are tangible and movable including cash on hand, etc., shall with effect from the Appointed Date and subject to the provisions of this Scheme, be transferred by physical delivery and/or endorsement and delivery to Apcotex to the end and intent that the property therein passes to Apcotex upon such delivery.
- 4.4 Without prejudice to the generality of Clause 4.1 and 4.2 above, movable assets, other than those specified in Clause 4.3 above, including sundry debtors, outstanding loans recoverable in cash or in kind or value to be received, bank balances and deposits of Saldhar shall with effect from the Appointed Date and subject to provisions of this Scheme, stand transferred to and vested in Apcotex without any notice or other intimation to the debtors and the debtors shall be obliged to make payment to Apcotex. Apcotex may, if required, give notice in such form as it may deem fit and proper to each person, debtor or depositor that pursuant to the Scheme, the said person, debtor or depositor should pay the debt, loan or advance or



make good the same or hold the same to its account and that the right of Apcotex to recover or realise the same is in substitution of the right of Saldhar.

- 4.5 All the assets and properties which are acquired by Saldhar on or after the Appointed Date but prior to Scheme becoming effective shall be deemed to be and shall become the assets and properties of Apcotex 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 Apcotex upon the coming into effect of this Scheme pursuant to the provisions of Sections 230 to 232 of the Act.
- 4.6 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, permissions, approvals, quotas or consents to carry on the operations and business of Saldhar shall stand vested in or transferred to Apcotex without any further act or deed and shall be appropriately mutated by the statutory authorities concerned in favour of Apcotex. The benefit of all statutory and regulatory permissions registrations or other licenses and consents shall vest in and shall be in full force and effect against or in favour of Apcotex and may be enforced as fully and effectually as if instead of Saldhar, Apcotex had been the party thereto or the beneficiary or obligee thereof pursuant to this Scheme.
- 4.7 With effect from the Appointed Date, all debts, liabilities (including contingent liabilities), duties and obligations of every kind, nature and description of Saldhar, shall be deemed to have been transferred to Apcotex and to the extent they are outstanding on the Scheme becoming effective shall, without any further act, deed, matter or thing be and stand transferred to Apcotex and shall become the liabilities and obligations of Apcotex which undertakes to meet, discharge and satisfy the same 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 and obligations have arisen in order to give effect to the provisions of this Clause.



Where any of the debt, liabilities (including contingent liabilities), duties and obligations of Saldhar as on the Appointed Date, deemed to be

transferred to Apcotex has been discharged by Saldhar, after the Appointed Date and prior to the Scheme becoming effective, such discharge shall be deemed to have been for and on account of Apcotex, and all loans raised and used and all liabilities and obligations incurred by Saldhar after the Appointed Date and prior to the Scheme becoming effective shall be deemed to have been raised, used or incurred for and on behalf of Apcotex and to the extent they are outstanding on the Scheme becoming effective, shall also without any further act, deed, matter or thing stand transferred to Apcotex and become the liabilities and obligations of Apcotex which undertakes to meet, discharge and satisfy the same 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 loans and liabilities have arisen in order to give effect to the provisions of this Clause.

4.9 Loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between Saldhar and Apcotex shall, ipso facto, stand discharged and come to an end and there shall be no liability in that behalf on any party and appropriate effect shall be given in the books of accounts and records of Apcotex. It is hereby clarified that there will be no accrual of interest or other charges in respect of any such inter-company loans, advances and other obligations with effect from the Appointed Date.

4.10 The transfer and vesting of all the assets of Saldhar as aforesaid, shall be subject to the existing charges, mortgages and encumbrances, if any, over or in respect of any of the assets or any part thereof, provided however that such charges, mortgages and/or encumbrances shall be confined only to the relative assets of Saldhar or part thereof on or over which they are subsisting on transfer to and vesting of such assets in Apcotex and no such charges, mortgages, and/or encumbrances shall be enlarged or extend over or apply to any other asset(s) of Apcotex. Any reference in any security documents or arrangements (to which Saldhar is a party) to any assets of Saldhar shall be so construed to the end and intent that such security shall not extend, nor be deemed to extend, to any of the other asset(s) of Apcotex and Apcotex



shall not be obliged to create any further or additional security. Similarly, Apcotex shall not be required to create any additional security over assets of Saldhar vested in Apcotex under this Scheme for any loans, debentures, deposits or other financial assistance already availed by it and/or committed to be availed by it prior to the amalgamation and the charges, mortgages, and/ or encumbrances in respect thereof shall not extend or be deemed to extend or apply to the assets of Saldhar as the case may be, vested in Apcotex under this Scheme. Further clarified that the filing of certified copies of the order of the Tribunal sanctioning the Scheme with the relevant Registrar of Companies shall be deemed to be sufficient for creating or modifying the charge in favor of the secured creditors of Saldhar as required as per the provisions of this Scheme.

- 4.11 Without prejudice to the provisions of the foregoing clauses and upon the Scheme becoming effective, Saldhar and Apcotex shall execute all such instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies, Mumbai to give formal effect to the above provisions, if required.
- 4.12 Upon the Scheme being sanctioned and taking effect, Apcotex shall be entitled to operate all bank accounts (including demat accounts) related to Saldhar and all cheques, drafts, pay orders, instruction slips, direct and indirect tax balances and/or payment advices of any kind or description issued in favour of Saldhar, either before or after the Appointed Date, or in future, may be deposited with the bank / depository participant of Apcotex and credit of all receipts thereunder will be given in the accounts of Apcotex.
- 4.13 The amalgamation of Saldhar with Apcotex, pursuant to and in accordance with this Scheme covered in Clause 4.1 to 4.12 above, shall be in accordance with 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 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 the said



Section. Such modification will however not affect the other parts of the Scheme.

5. TAXATION MATTERS

- 5.1 Upon this Scheme becoming effective i.e. from the Appointed Date, all taxes payable by Saldhar under the Income-tax Act, 1961 or other applicable laws/regulations dealing with taxes/ duties/ levies (hereinafter referred to as “tax laws”), shall be to the account of Apcotex, similarly all credits for tax deduction at source on income of Saldhar or obligation for deduction of tax at source on any payment made by or to be made by Saldhar shall be made or deemed to have been made and duly complied with by Apcotex if so made by Saldhar. Similarly any advance tax payment required to be made for by the specified due dates in the tax laws shall also be deemed to have been made by Apcotex if so made by Saldhar. Further the Minimum Alternate Tax paid by Saldhar under section 115JB and / or other provisions (as applicable) of the Income-tax Act, 1961, shall be deemed to have been paid on behalf of Apcotex, and the Minimum Alternate Tax credit (if any) of Saldhar as on the Appointed Date shall stand transferred to Apcotex and such credit would be available for set-off against the tax liabilities of Apcotex. Any refunds under the tax laws due to Saldhar consequent to the assessments made on Saldhar 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 Apcotex.
- 5.2 All taxes of any nature, duties, cesses or any other like payments or deductions made by Saldhar or any of its agents to any statutory authorities such as income tax, or any tax deduction / collection at source, tax credits under tax laws, relating to the period after the Appointed Date shall be deemed to have been on account of or paid by Apcotex, and the relevant authorities shall be bound to transfer to the account of and give credit for the same to Apcotex upon relevant proof and documents being provided to the said authorities.
- 5.3 On or after the Scheme becoming effective, Saldhar and Apcotex are expressly permitted to revise their financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act, 1961(including for the purpose of re-computing tax on book profits and



claiming other tax benefits), and other tax laws, and to claim refunds and/or credits for taxes paid, and to claim tax benefits etc. and for matters incidental thereto, if required to give effect to the provisions of the Scheme from the Appointed Date.

6. CONTRACTS, DEEDS, APPROVALS, EXEMPTIONS, ETC.

6.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements, indemnities, licenses, permits, registrations, approvals, insurance policies, and other instruments, if any including tenancies, licenses and other assurances of Saldhar or the powers or authorities granted by way of any of them, of whatsoever nature to which Saldhar is a party or to the benefit of which Saldhar may be eligible, and which are subsisting or having effect on the Scheme becoming effective, shall without any further act, deed, instrument, matter or thing be and remain in full force and effect against or in favour of Apcotex, as the case may be, and may be enforced by or against Apcotex as fully and effectually as if, instead of Saldhar, Apcotex had been a party thereto or beneficiary or obligee thereto.

6.2 Without prejudice to Clause 6.1 above, Apcotex shall enter into and/ or issue and/ or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which Saldhar shall, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required. Further, Apcotex shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of Saldhar and to implement or carry out all formalities required on the part of Saldhar to give effect to the provisions of this Scheme.

7. LEGAL PROCEEDINGS

7.1 All legal proceedings of whatsoever nature by or against Saldhar pending and/ or arising on or after the Appointed Date and relating to Saldhar 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 Apcotex in the manner and to the same extent as would or might have been continued and enforced by or against Saldhar if this Scheme had not been made.



- 7.2 Apcotex undertakes to have all legal or other proceedings initiated by or against Saldhar referred to in Clause 7.1 above transferred in its name respectively and to have the same continued, prosecuted and enforced by or against Apcotex to the same extent as would or might have been continued and enforced by or against Saldhar to the exclusion of Saldhar.

8. STAFF & EMPLOYEES

- 8.1 Upon this Scheme becoming effective, all employees of Saldhar shall be deemed to have become employees of Apcotex with effect from the Appointed Date without any break, discontinuance or interruption in their service and on the basis of continuity of service, and the terms and conditions of their employment with Apcotex shall not be less favorable than those applicable to them with reference to Saldhar on the date on which scheme becomes effective.

9. CONSIDERATION

- 9.1 Upon the Scheme becoming effective and upon the amalgamation of Saldhar with Apcotex in terms of this Scheme, Apcotex shall without any application or deed, issue and allot equity shares, credited as fully paid up, to the extent indicated below, to the members of Saldhar holding fully paid up equity shares of Saldhar and whose name appear in the register of members of Saldhar 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 Saldhar/Apcotex in the following proportion:

"1,05,98,300 fully paid-up equity shares (face value of INR 5 each) of Apcotex against 1,05,98,300 fully paid equity shares (face value of INR 5 each) of Apcotex held by Saldhar in Apcotex shall be issued and allotted to shareholders of Saldhar in the proportion of their holding in Saldhar."

"In the event Saldhar holds more than 1,05,98,300 fully paid up equity shares of Apcotex (without incurring any additional liability) on the Record Date, such additional number of equity shares of Apcotex (if any) as may be held by Saldhar in Apcotex, shall also be issued and allotted to equity shareholders of Saldhar in proportion to their holding in Saldhar."



- 9.2 It is clarified that any positive net assets of Saldhar as on the Appointed Date, other than the investment in the shares of Apcotex, will not affect/alter the share exchange ratio.
- 9.3 The equity shares issued and allotted pursuant to Scheme of Amalgamation and shall be hereinafter referred to as “New Equity Shares”.
- 9.4 The New Equity Shares to be issued to the members of Saldhar shall be in multiples of 1 (One) and, in case of any fractional entitlement, the same shall be rounded to the nearest integer. However, in no event shall the number of New Equity Shares to be allotted by Apcotex to the shareholders of Saldhar exceed the number of equity shares held by Saldhar in Apcotex on the Record Date.
- 9.5 The New Equity Shares to be issued to the members of Saldhar as above shall be subject to the Memorandum and Articles of Association of Apcotex. Further, the New Equity Shares issued shall rank *pari passu* with the existing equity shares of Apcotex in all respects including dividends, if any that may be declared by Apcotex on or after the Scheme becoming effective, as the case may be.
- 9.6 The issue and allotment of the New Equity Shares to the shareholders of Saldhar as provided in Clause 9.1 of this Scheme, is an integral part of the Scheme thereof, and shall be deemed to be have carried out without requiring any further act on the part of Apcotex or its shareholders as if the procedure laid down under Section 62 of the Act and any other applicable provisions of the Act, were duly complied with.
- 9.7 The New Equity Shares shall be issued in dematerialized form to those equity shareholders of Saldhar, whose details relating to their accounts with the depository participants are available with Apcotex. All those equity shareholders who desire to obtain New Equity Shares in physical form shall be issued New Equity Shares in physical form, at the option of such shareholders to be exercised by them on or before the Record Date by giving a notice in writing to Apcotex.
- 9.8 The investment held by Saldhar in the equity share capital of Apcotex shall, without any further application, act, instrument or deed stand cancelled. The share certificates, if any, in relation to the shares held by Saldhar shall be of



no effect and the shares held by Saldhar in dematerialized form shall be extinguished on and from such issue and allotment of New Equity Shares.

10. LISTING OF NEW EQUITY SHARES OF APCOTEX

10.1 The New Equity Shares to be issued and allotted in terms of Clause 9.1 above, shall, in compliance with the requirement of applicable regulations, be listed and/or admitted to trading on the Stock Exchange where the existing equity shares of Apcotex are listed. Apcotex shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with applicable laws or regulations for complying with the formalities of the Stock Exchange. On such formalities being fulfilled, the Stock Exchange shall list and/or admit the New Equity Shares for the purpose of trading.

11. REDUCTION OF SHARE CAPITAL

11.1 Upon the Scheme becoming effective and simultaneous to the New Equity Shares being issued by Apcotex, the equity shares of Apcotex held by Saldhar on Scheme becoming effective shall be cancelled without any further act or deed without any payment or consideration and no shares of Apcotex shall be issued in lieu thereof to that extent. Accordingly, the share capital of Apcotex shall stand reduced to the extent of face value of shares held by Saldhar as on the Effective date.

11.2 Such reduction of share capital of Apcotex as provided in Clause 11.1 above shall be effected as integral part of the Scheme.

12. ACCOUNTING TREATMENT ON MERGER OF SALDHAR INTO APCOTEX

12.1 Apcotex shall account for the merger in accordance with Pooling of Interest method in accordance with IndAS 103 notified under the provisions of the Companies Act, 2013 read with relevant rules framed thereunder and other applicable accounting standards prescribed under the Act.

12.2 The assets and liabilities of Saldhar transferred to and vested in Apcotex shall be recorded at their respective carrying amount and in the same form as appearing in the books of accounts of Saldhar.



- 12.3 The reserves of Saldhar (other than reserves created as per the Reserve Bank of India Act) will be taken over and merged in the books of Apcotex at the same value and nomenclature as appearing in the books of Saldhar. The Reserves created in the books of Saldhar as per the Reserve Bank of India Act will be taken over and merged in General Reserves in the books of Apcotex.
- 12.4 The shares of Apcotex held by Saldhar shall not be recorded by Apcotex and shall be cancelled.
- 12.5 To the extent there are inter-company loans, advances, deposits, balances or other obligations amongst Saldhar and Apcotex, the obligation in respect thereof will come to an end and corresponding effect shall be given in the books of account and records of Apcotex as well as Saldhar for the reduction of any assets or liabilities as the case may be.
- 12.6 The difference between the assets and liabilities of Saldhar transferred to and recorded by Apcotex in terms of Clause 12.2 and the reserves referred to in Clause 12.3 above, over the amount credited as share capital in terms of Clause 9.1 and the amount of shares cancelled in accordance with Clause 11.1, hereinabove (after adjusting intercompany balances and investments as mentioned in Clause 12.4 and Clause 12.5 above) shall be adjusted against Capital Reserve.

13. CONDUCT OF BUSINESS UNTIL THE SCHEME BECOMES EFFECTIVE

With effect from the Appointed Date and upto the date the Scheme becomes effective:

- 13.1 Saldhar shall (i) carry on and be deemed to have carried on its businesses and activities; and (ii) be deemed to have held and stood possessed of and shall hold and stand possessed of its entire businesses and undertakings, including assets for and on account of and in trust for Apcotex.
- 13.2 All the profits, taxes or income accruing or arising to Saldhar or costs, charges, expenditure or losses incurred or arising to Saldhar shall for all purposes be treated and deemed to be and accrue as the profits, taxes or



income or cost, charges, expenditure or losses (as the case may be) of Apcotex.

- 13.3 Saldhar shall carry on its businesses and activities in the ordinary course of business with reasonable diligence and business prudence and shall not undertake financial commitments either for itself or on behalf of group companies or any third party or sell, transfer, alienate, charge, or encumber or otherwise deal with or dispose of its business or undertaking or any part thereof, save and except in the ordinary course of business or with the prior written consent of Apcotex. Notwithstanding, the aforesaid, Saldhar will not, in any event, transfer or otherwise dispose of or create any form of encumbrance in any manner over the shares held by Saldhar in Apcotex.
- 13.4 Apcotex shall be entitled to apply to the Central Government and any other Government or statutory authorities/agencies/body concerned as are necessary under any law for such consents, approvals, licenses, registrations and sanctions which Apcotex may require to carry on the business of Saldhar.
- 13.5 Any income, profits or other funds of Saldhar will first be utilized to meet any current or expected liabilities of Saldhar, including any tax liabilities or costs in relation to the amalgamation of Saldhar with Apcotex, before they are utilized for other purposes, including but not limited to utilization in accordance with Clause 17 of this Scheme.
- 13.6 With effect from the Appointed Date and upto and including upto the date the Scheme becomes effective, in the event Apcotex distributes dividend (including interim dividend) or issues bonus shares or offers rights shares to its shareholders, Saldhar shall be entitled to receive such dividend and bonus shares, and subscribe to such rights shares offered by Apcotex.

14. SAVING OF CONCLUDED TRANSACTIONS

- 14.1 The transfer and vesting of the assets, liabilities and obligations pertaining /relating to Saldhar, pursuant to this Scheme, and the continuance of the proceedings by or against Apcotex, under Clause 7 hereof shall not affect any transactions or proceedings already completed by Saldhar, on and after the Appointed Date to the end and intent that Apcotex accepts all acts, deeds and things done and executed by and/ or on behalf of Saldhar, as acts, deeds and things done and executed by and on behalf of Apcotex.



15. DISSOLUTION OF SALDHAR

15.1 Upon the coming into effect of the Scheme, Saldhar shall, without any further act, instrument or deed, stand dissolved without winding up.



PART C

GENERAL TERMS AND CONDITIONS

16. COMBINATION OF AUTHORISED SHARE CAPITAL AND AMENDMENT OF MEMORANDUM AND ARTICLES OF ASSOCIATION

16.1 The authorised share capital of Saldhar aggregating to Rs 45,00,000 divided into 4,46,000 equity shares of Rs 10/- each and 400 Non-Cumulative Redeemable Preference Shares of Rs. 100/- each shall stand transferred to and combined with the authorised share capital of Apcotex and shall be re-classified without any further act or deed. The filing fees and stamp duty already paid by Saldhar on its authorised share capital shall be deemed to have been so paid by Apcotex on the combined authorised share capital and accordingly Apcotex shall not be required to pay any fees/stamp duty on the authorised share capital so increased.

16.2 Pursuant to the Scheme, the authorised share capital of Apcotex will be as under:

Particulars	Amount (in Rs.)
Authorised Capital	
6,31,60,000 Equity Shares of Rs 5/- each	31,58,00,000
500 Preference Shares of Rs 100/- each	50,000
50,000 Unclassified Shares of Rs 5/- each	250,000
Total	31,61,00,000

16.3 Clause V of the Memorandum of Association of Apcotex shall be substituted by the following clause:

"The Authorised Share Capital of the Company is Rs 31,61,00,000 (Rupees Thirty One Crore and Sixty One Lakhs Only) divided into 6,31,60,000 (Six Crore Thirty One Lakhs and Sixty Thousand) Equity Shares of Rs 5/- (Rupees Five Only) each and 500 (Five Hundred) Preference Shares of Rs 100/- (One Hundred) each and 50,000 (Fifty Thousand) Unclassified Shares of Rs 5/- (Rupees Five) each."

16.4 Clause 2(a) of the Articles of Association of Apcotex be substituted by the following clause:



“The Authorised Share Capital of the Company is Rs 31,61,00,000 (Rupees Thirty One Crore and Sixty One Lakhs Only) divided into 6,31,60,000 (Six Crore Thirty One Lakhs and Sixty Thousand) Equity Shares of Rs 5/- (Rupees Five Only) each and 500 (Five Hundred) Preference Shares of Rs 100/- (One Hundred) each and 50,000 (Fifty Thousand) Unclassified Shares of Rs 5/- (Rupees Five) each.”

16.5 Apcotex shall file the requisite documents/information with the Registrar of Companies or any other Applicable Authority for such increase of the authorised share capital and amendment of its Memorandum of Association and Articles of Association.

16.6 It is further clarified that combination of authorised share capital shall become operative on the scheme becoming effective and the approval of the members of Apcotex to the Scheme shall be deemed to be their consent/approval for the consolidation and increase of authorized share capital, amendment to the capital clause of the Memorandum of Association, under the provisions of Sections 13, 14 and 61 of the Act and other applicable provisions of the Act.

17. DIVIDENDS/ACQUISITION OF ADDITIONAL SHARES OF APCOTEX

17.1 Apcotex shall be entitled to declare and pay dividends, whether interim and/or final, to its members, including Saldhar, in respect of the accounting period prior to Scheme becoming effective.

17.2 Until the Scheme becomes effective, Saldhar may utilize its income/available cash, if any, (a) for declaration or payment of dividend, whether interim or final, to its shareholders; (b) for further acquisition of equity shares of Apcotex, including by way of purchase on floor of Stock Exchange; and/or (c) meeting its expenses in the ordinary course of business or for the purposes specified in the Scheme.

17.3 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of Apcotex/Saldhar to demand or claim dividend which, subject to the provisions of the Act, shall be entirely at the discretion of the Board of Directors of Apcotex and Saldhar.



17.4 It is clarified that upon amalgamation of Saldhar with Apcotex in terms of this Scheme, Apcotex will issue and allot such additional number of New Equity Shares of Apcotex to the equity shareholders of Saldhar as on the Record Date in accordance with Clause 9 of the Scheme, in lieu of additional equity shares of Apcotex (if any) acquired by Saldhar in accordance with Clause 17.2 of the Scheme. Further, such additional shares of Apcotex (if any) acquired by Saldhar in accordance with Clause 17.2 of the Scheme, shall also stand cancelled in accordance with Clause 11 of the Scheme upon amalgamation of Saldhar with Apcotex and issuance of New Equity Shares by Apcotex to the equity shareholders of Saldhar on the Scheme becoming effective.

18. APPLICATION

18.1 Saldhar and Apcotex shall make necessary applications before the Tribunal for the sanction of this Scheme under Sections 230 to 232 of the Act and other applicable provisions of the Act, and for seeking orders for dispensing with or convening, holding and/or conducting of the meetings of respective shareholders/creditors and for sanctioning of this Scheme.

19. MODIFICATIONS/AMENDMENTS TO THE SCHEME

19.1 Saldhar and Apcotex by their respective Board of Directors may assent to any modifications/amendments to the Scheme or to any conditions or limitations that the Tribunal and/or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e. the Board of Directors).

19.2 The term 'any other authority' referred to in Clause 19.1 above, shall specifically include the Stock Exchanges with which the shares of Apcotex are listed and with which Apcotex shall file a copy of the Scheme under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 or any other Government authority.

19.3 No modification or amendment to the Scheme will be carried out or effected by the Board without approaching the Tribunal.

19.4 Saldhar and Apcotex by their respective Board of Directors be and are authorized to take all such steps as may be necessary, desirable or



proper to resolve any doubts, difficulties or questions of law or otherwise, whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

19.5 Saldhar and Apcotex in their full and absolute discretion, may modify, vary or withdraw this Scheme prior to the Scheme becoming effective in any manner at any time.

20. CONDITIONALITY OF THE SCHEME

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

20.1 The Scheme being approved by the requisite majorities of the members and/or creditors if required of Saldhar and Apcotex, as prescribed under the Act and as may be directed by the Tribunal or any other appropriate authority as may be applicable;

20.2 Apcotex complying with other provisions of the SEBI circular, including seeking approval of its shareholders through e-voting. The Scheme shall be acted upon only if the number of votes cast by public shareholders in favour of the proposal are more than the number of votes cast by public shareholders against it, in accordance with the aforesaid SEBI circular. The term 'public' shall carry the same meaning as defined under Rule 2 of Securities Contracts (Regulation) Rules, 1957;

20.3 The requisite sanctions and approvals of any Government authority including Stock Exchanges and SEBI, as may be required by law, in respect of the Scheme being obtained;

20.4 The sanction of this Scheme by the Tribunal under Sections 230 to 232 of the Act, and other applicable provisions, if any of the Act in favour of Saldhar and Apcotex; and

20.5 Certified or authenticated copy of the Order of the Tribunal sanctioning the Scheme being filed with the Registrar of Companies, Mumbai, by Saldhar and Apcotex respectively.

21. EFFECT OF NON-RECEIPT OF APPROVALS



21.1 In the event of any of the said sanctions and approvals referred to in the Clause 20 not being obtained or for any other reason, the Scheme cannot be implemented on or before December 31, 2018 or within such further period(s) that the Boards of Saldhar and Apcotex may mutually agree upon (and which the Board of Directors of Saldhar and Apcotex are hereby empowered and authorized to agree to and extend the Scheme from time to time without any limitation), or Saldhar and Apcotex withdraw from this Scheme pursuant to Clause 19 above, the Scheme shall become null and void and in such event no rights or liabilities whatsoever shall accrue to or be incurred by Saldhar and Apcotex or their shareholders or creditors or employees or any other person.

22. INDEMNITY BY SHAREHOLDERS OF SALDHAR

22.1 The shareholders of Saldhar shall indemnify and hold harmless Apcotex and its directors, officers, representatives, employees and agents (collectively the "Indemnified Persons") for losses, liabilities, costs, charges, expenses whether or not resulting from third party claims, including those paid or suffered pursuant to any actions, proceedings, claims and including interest and penalties discharged by the Indemnified Persons, which may devolve on the Indemnified Persons on account of amalgamation of Saldhar into Apcotex but would not have been payable by such Indemnified Persons otherwise, in the form and manner as may be agreed amongst Apcotex and shareholders of Saldhar.

23. COSTS, CHARGES AND EXPENSES

23.1 All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne by Saldhar and / or its shareholders.

24. DIFFERENCES

24.1 In case any doubt or difference or issue (in relation to the Scheme) arises between Saldhar and Apcotex, any of their shareholders, creditors, employees or persons, entitled to or claiming any right to any New Equity Shares in Apcotex or as to the interpretation of any terms of the Scheme or implementation of the Scheme after the Scheme becomes effective, then the



Board of Directors of Apcotex shall resolve all such disputes and its decision shall be final and binding on all concerned.

