

SCHEME OF AMALGAMATION
(UNDER SECTIONS 391 TO 394 AND OTHER APPLICABLE PROVISIONS OF THE
COMPANIES ACT, 1956 AND COMPANIES ACT, 2013)

BETWEEN

GOODLUCK DEALCOM PRIVATE LIMITED

AND

PHILLIPS CARBON BLACK LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS

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1. DEFINITIONS

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

"1956 Act" means the Companies Act, 1956 and the rules and regulations made thereunder, and includes any alterations, modifications, amendments made thereto;

"2013 Act" means the Companies Act, 2013 and the rules and regulations made thereunder, and includes any alterations, modifications, amendments made thereto and/or any re-enactment thereof;

"Amalgamation" means amalgamation of Transferor Company with Transferee Company in accordance with Section 2(1B) of the Income Tax Act, 1961, in terms of Chapter 2 of the Scheme;

"Appointed Date" means 1 April 2016, or such other date as may be determined by the Board of Directors of the Transferor Company or the Transferee Company or directed by the High Court;

"Audit Committee" means the audit committee of the Transferee Company, as constituted from time to time;

"Board of Directors" or "Board" in relation to each of the Companies, as the case may be, means the board of directors of such company;

"Effective Date" means such date as the Companies mutually agree being a date or the last of the dates or post the last of the dates on which all the conditions and matters referred to in clause 4 of Chapter 3 of the Scheme occur or have been fulfilled or waived in accordance with this Scheme;

"Governmental Authority" 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, statutory body or stock exchange, including but not limited to the Reserve Bank of India ("RBI") and the Securities and Exchange Board of India ("SEBI"), or any other organization to the extent that the rules, regulations and standards, requirements, procedures or orders of such authority, body or other organization have the force of law;

"High Court" means the High Court of Judicature at Calcutta having jurisdiction in relation to the Companies and shall include the National Company Law Tribunal, as applicable or such other forum or authority as may be vested with any of the powers of a High Court under the 2013 Act;

"Income Tax Act" means the Income Tax Act, 1961, including any statutory modifications, re-enactments or amendments thereof for the time being in force;

"Registrar of Companies" means the Registrar of Companies, Kolkata;

"Scheme", "the Scheme", "this Scheme" means this Scheme of Amalgamation, pursuant to Sections 391 to 394 of the 1956 Act, or the 2013 Act, upon the same becoming effective (along with any annexures, schedules, etc., attached hereto), with such modifications and amendments as may be made from time to time, and with appropriate approvals including approvals of the shareholders, as applicable, and sanction from the High Court under the 1956 Act or 2013 Act, as applicable, and under all applicable laws;

"SEBI Circular" means the circular number CIR/CFD/CMD/16/2015 dated November 30, 2015 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, both issued by the Securities and Exchange Board of India and any related and amended circulars that SEBI may issue in respect of schemes of arrangement;

"Transferee Company" means Phillips Carbon Black Limited (having CIN L23109WB1960PLC024602), a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at 31, Netaji Subhas Road, Kolkata 700 001;

"Transferor Company" means Goodluck Dealcom Private Limited (having CIN U51909WB2010PTC149077), a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at 31, Netaji Subhas Road, Kolkata 700 001;

"Undertaking" means and includes the entire business of the Transferor Company as a going concern, including, without limitation:

- (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) whether or not recorded in the books of accounts of the Transferor Company, including, without limitation, investments of all kinds (i.e. shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates) including furniture, fixtures, office equipment, computers, fixed assets, current assets, cash and bank accounts (including bank balances), contingent rights or benefits, benefits of any deposits, receivables, advances or deposits paid by or deemed to have been paid by the Transferor Company, financial assets, vehicles, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, privileges, liberties and advantages of whatsoever nature and where-so-ever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company or in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company, whether in India or abroad;
- (b) all permissions, approvals, consents, subsidies, privileges, income tax benefits and exemptions, accumulated tax losses, unabsorbed depreciation, minimum alternate tax credits, indirect tax benefits and exemptions, all other rights, benefits and liabilities related thereto including licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Company;

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- (c) all contracts, agreements, engagements, licenses, leases, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, privileges and benefits of all contracts, agreements and all other rights, including license rights, lease rights, powers and facilities of every kind and description whatsoever or other understandings, deeds and instruments of whatsoever nature to which the Transferor Company are parties, including lease agreements, leave and license agreements, tenancy rights, equipment purchase agreements, hire purchase agreements, lending agreements and other agreements with the customers, sales orders, purchase orders and other agreements/contracts with the supplier of goods and/or service providers and all rights, title, interests, claims and benefits there under of whatsoever nature to which the Transferor Company is party;
- (d) all intellectual property rights (including intangible assets and business or commercial rights), registrations, trademarks, trade names, service marks, copyrights, patents, designs, domain names, including applications for trademarks, trade names, service marks, copyrights, patents, designs and domain names, used by or held for use by the Transferor Company, whether or not recorded in the books of accounts of the Transferor Company, and other intellectual rights of any nature whatsoever, books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programs, manuals, data, catalogues, quotations, list of present and former customers and suppliers, other customer information, customer credit information, customer pricing information and all other records and documents, whether in physical or electronic form relating to the business activities and operations of the Transferor Company, whether used or held for use by it;
- (e) all liabilities, lien or security thereon, whether in Indian rupees or foreign currency and whether or not provided for in the books of account or disclosed in the balance sheet of the Transferor Company; and
- (f) any and all permanent employees, who are on the payrolls of the Transferor Company, employees/personnel engaged on contract basis and contract labourers and interns/trainees, engaged by the Transferor Company, at its respective offices, branches or otherwise, and any other employees/personnel and contract labourers and interns/trainees hired by the Transferor Company.

2. INTERPRETATIONS

- 2.1 All terms and words used in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the 1956 Act or the 2013 Act, as applicable, the Income Tax Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 (including the regulations made there under), 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 for the time being in force.
- 2.2 References to clauses and recitals, unless otherwise provided, are to clauses and recitals of

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and to this Scheme.

- 2.3 The headings herein shall not affect the construction of this Scheme.
- 2.4 The singular shall include the plural and vice versa; and references to one gender include all genders.
- 2.5 Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 2.6 References to a person include any individual, firm, body corporate (whether incorporated or not), government, state or agency of a state or any joint venture, association, partnership, works councillor employee representatives body (whether or not having separate legal personality).
- 2.7 References to any of the terms taxes, duty, levy, cess in the Scheme shall be construed as reference to all of them whether jointly or severally.
- 2.8 Any reference to any statute or statutory provision shall include:
- (a) 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
 - (b) 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. SHARE CAPITAL

3.1 The Transferor Company

The share capital structure of the Transferor Company is as under:

A. Authorised Share Capital		Amount in Rupees
1,20,00,000 Equity shares of Rs. 10 each		12,00,00,000
Total		12,00,00,000
B. Issued, Subscribed and Fully Paid Up Share Capital		Amount in Rupees
83,90,000 Equity shares of Rs. 10 each fully paid up		8,39,00,000
Total		8,39,00,000

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3.2 The Transferee Company

The share capital structure of the Transferee Company is as under:

A. Authorised Share Capital		Amount in INR
5,00,00,000 Equity Shares of Rs. 10 each		50,00,00,000
	Total	50,00,00,000
B. Issued, Subscribed and Fully Paid Up Share Capital		Amount in INR
3,44,67,572 Equity shares of Rs. 10 each fully paid up		34,46,75,720
Allotment money receivable		42,000
	Total	34,46,73,720

4. OBJECTS OF THE SCHEME:

- 4.1 The Transferor Company is the wholly owned subsidiary of the Transferee Company. The registered offices of both, the Transferor Company and the Transferee Company are situated at the same place.
- 4.2 The amalgamation would result in more effective utilization of resources of both the Transferor Company and the Transferee Company, including pooling of financial resources of the Transferor Company with the Transferee Company, leading to more effective and centralised management of funds, greater economies of scale and reduction of administrative and manpower expenses and overheads, which are presently being multiplied, being separate entities.
- 4.3 For the better and more economic and efficient management, control and running of the businesses of the companies concerned and for the reasons as above, it is considered desirable and expedient to amalgamate the Transferor Company with the Transferee Company in the manner and on the terms and conditions stated in this Scheme of Amalgamation.

CHAPTER 2– AMALGAMATION OF TRANSFEROR COMPANY WITH TRANSFEE COMPANY

1. TRANSFER OF UNDERTAKING:

- 1.1 Upon the coming into effect of the Scheme and with effect from the Appointed Date, the Transferor Company shall, pursuant to the sanction of the Scheme by the High Court and pursuant to the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, will be and shall stand transferred to and vested in and/or be deemed to have been transferred to and vested in Transferee Company, as a going concern, in accordance with Section 2(1B) of the Income Tax Act without any further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date, part of the Transferee Company by virtue of and in the manner provided in this Chapter.

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1.2 Without prejudice to the generality of Clause 1.1 above, upon the coming into effect of the Scheme and with effect from the Appointed Date:

- a) all the estate, assets (including intangible assets), properties, investments of all kinds (that is, shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), rights, claims, title, interest and authorities including accretions and appurtenances, whether or not provided and/or recorded in the books of accounts of the Transferor Company, comprised in the Undertaking of whatsoever nature and where-so-ever situated shall, under the provisions of Sections 391 to 394 of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, will be and shall stand transferred to and vested in the Transferee Company and/or be deemed to be transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern so as to become, as and from the Appointed Date, the estate, assets (including intangible assets), properties, investments of all kinds (that is, shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), rights, claims, title, interest and authorities including accretions and appurtenances of the Transferee Company.
- b) such of the assets and properties of the Transferor Company as are movable in nature or incorporeal property or are otherwise capable of transfer by delivery or possession, or by endorsement and/or delivery shall, under the provisions of Sections 391 to 394 of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in the Transferee Company and/or be deemed to stand transferred to the Transferee Company as a part of the transfer of the Undertaking as a going concern so as to become from the Appointed Date, the assets and properties of the Transferee Company. The vesting, pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.
- c) all other movable properties of the Transferor Company, including investments of all kinds (that is, shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), sundry debtors, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, deposits with any Government, quasi government, local or other authority or body or with any company or other person shall, under the provisions of Sections 391 to 394 of the 1956 Act, and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, will be and shall stand transferred to and vested in the Transferee Company and/or deemed to have been transferred to and vested in the Transferee Company, by way of delivery of possession of the respective documents, as applicable, as a part of the transfer of the Undertaking as a going concern, so as to become from the Appointed Date, the assets and properties of the Transferee Company.

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- d) The Transferee Company may, if it so deems appropriate, give notice in such form as it deems fit and proper, to each such debtor or obligor that pursuant to the sanction of this Scheme by the High Court, such debt, loan, advance, claim, bank balance, deposit or other asset be paid or made good or held on account of the Transferee Company as the person entitled thereto, to the end and intent that the right of the Transferor Company to recover or realize all such debts (including the debts payable by such debtor or obligor to the Transferor Company) stands transferred and assigned to the Transferee Company and that appropriate entries should be passed in the books of accounts of the relevant debtors or obligors to record such change. It is hereby clarified that investments, if any, made by the Transferor Company and all the rights, title and interest of the Transferor Company in any licensed properties or leasehold properties shall, pursuant to Section 394(2) of the 1956 Act or any provision of the 2013 Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company.
- e) all lease/license or rent agreements entered into by the Transferor Company with various landlords, owners and lessors in connection with the use of the assets of the Transferor Company, together with security deposits and advance/prepaid lease/license fee, etc., shall stand transferred and vested in favour of the Transferee Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed. The Transferee Company shall continue to pay rent or lease or license fee as provided for in such agreements and the Transferee Company and the relevant landlords, owners and lessors shall continue to comply with the terms, conditions and covenants there-under. Without limiting the generality of the foregoing, the Transferee Company shall also be entitled to refund of security deposits paid under such agreements by the Transferor Company.
- f) All permissions, approvals, consents, subsidies, incentives, privileges, income tax benefits and exemptions, indirect tax benefits and exemptions, all other rights, benefits and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Company enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether on, before or after the Appointed Date, if any, shall, under the provisions of Sections 391 to 394 of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same be and stand transferred to and vest in and/or be deemed to be transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern, so as to become, as and from the Appointed Date, the permissions, approvals, consents, subsidies, privileges, income tax benefits and exemptions, indirect tax benefits and exemptions, all other rights, benefits and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions. It is further clarified that they shall be deemed to have originally been given by, issued to or executed in favour of the Transferee Company and the Transferee Company shall be bound by the terms thereof and the obligations and duties thereunder, and the rights and benefits under the same shall be available to the

Transferee Company.

- g) All intellectual property rights of any nature whatsoever, including but not limited to intangible assets appertaining to the Transferor Company, whether or not provided in books of accounts of the Transferor Company, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern, so as to become, as and from the Appointed Date, the intellectual property of the Transferee Company.
- h) All intangible assets, if any, including various business or commercial rights, etc belonging to but not recorded in books of the Transferor Company shall be accounted for as per applicable Accounting Standards.
- i) All taxes (including but not limited to advance tax, tax deducted at source, tax collected at source, minimum alternate tax credits, securities transaction tax, taxes withheld/paid in a foreign country, value added tax, sales tax, service tax, excise duty, etc.) payable by or refundable to or being the entitlement of the Transferor Company, including all or any refunds or claims shall be treated as the tax liability or refunds/credits/claims, as the case may be, of the Transferee Company, and any tax incentives, advantages, privileges, exemptions, credits, tax holidays, remissions, reductions, etc as would have been available to the Transferor Company, shall pursuant to this Scheme becoming effective, be available to the Transferee Company. Benefit of tax losses including brought forward business loss, unabsorbed depreciation, etc., up to Appointed Date, shall be available to Transferee Company w.e.f. the Appointed Date in terms of section 72A of Income Tax Act.
- j) The Transferee Company shall be entitled to claim refunds or credits, including Input Tax Credits, with respect to taxes paid by, for, or on behalf of, the Transferor Company under applicable laws, including but not limited to sales tax, value added tax, service tax, excise duty or any other tax, whether or not arising due to any inter se transaction, even if the prescribed time limits for claiming such refunds or credits have lapsed. For the avoidance of doubt, Input Tax Credits already availed of or utilized by the Transferor Company and the Transferee Company in respect of inter se transactions shall not be adversely impacted by the cancellation of inter se transactions pursuant to this Scheme.
- k) All statutory rights and obligations of Transferor Company would vest on/accrue to Transferee Company. Hence, obligation of the Transferor Company, prior to the Effective Date, to issue or receive any statutory declaration or any other Forms by whatever name called, under the State VAT Acts or the Central Sales Tax Act or any other act for the time being in force, would be deemed to have been fulfilled if they are issued or received by Transferee Company and if any Form relatable to the period prior to the said Effective Date is received in the name of the Transferor Company, it would be deemed to have been received by the Transferee Company in fulfillment of its obligations.
- l) Benefits of any and all corporate approvals as may have already been taken by the Transferor Company, whether being in the nature of compliances or otherwise, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the

1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in the Transferee Company as a part of the transfer of the Transferee Company as a going concern, and the said corporate approvals and compliances shall be deemed to have originally been taken / complied with by the Transferee Company.

- m) The resolutions, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the 1956 Act or the 2013 Act as applicable, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.
- n) Such of the assets which are acquired by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern, so as to become, as and from the Appointed Date, the assets of the Transferee Company.

1.3 Without prejudice to the generality of Clause 1.1 above, upon the coming into effect of this Scheme and with effect from the Appointed Date,

- (a) All liabilities, whether or not provided in the books of the Transferor Company, shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern and the same shall be assumed by the Transferee Company, to the extent they are outstanding on the Effective Date and shall become as and from the Appointed Date the Liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same.
- (b) All liabilities which are incurred or which arise or accrue to the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to

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any third party for the transfer of the same, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern and the same shall be assumed by the Transferee Company and to the extent they are outstanding on the Effective Date on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same.

- (c) Any liabilities of the Transferor Company as on the Appointed Date that are discharged by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to have been discharged for and on account of the Transferee Company.
- (d) All loans raised and utilized, liabilities, duties and taxes and obligations incurred or undertaken by the Transferor Company on or after the Appointed Date but prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern and the same shall be assumed by the Transferee Company and to the extent they are outstanding on the Effective Date, the Transferee Company shall meet, discharge and satisfy the same.
- (e) All loans, advances and other obligations (including any arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Transferor Company and the Transferee Company shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument, deed, cost or charge, stand discharged and come to an end and there shall be no liability in that behalf on any party and the appropriate effect shall be given in the books of accounts and records of the Transferee Company.
- (f) Upon the coming into effect of this Scheme and with effect from the Appointed Date, all encumbrances, if any, existing prior to the Effective Date over the assets of the Transferor Company which secure or relate to the liabilities shall, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, continue to relate and attach to such assets or any part thereof to which they were related or attached prior to the Effective Date and are transferred to the Transferee Company. It is being clarified that the aforesaid encumbrances shall not be extended to any assets of the Transferor Company which were earlier not Encumbered or the existing assets of the Transferee Company. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above. Any reference in any security documents or arrangements (to which the Transferor Company is a party) to the Transferor Company and its assets and properties, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferor Company transferred to the Transferee Company pursuant to this Scheme. Without prejudice to the foregoing provisions, the Transferee Company may execute any instruments or

documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.

2. CONTRACTS AND DEEDS:

All contracts, deeds, bonds, agreements, arrangements, licenses, engagements and other instruments of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which have not lapsed and are subsisting on the Effective Date, shall remain in full force and effect against or in favour of the Transferee Company as the case may be, and may be enforced by or against the Transferee Company as fully and effectually, as if instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto.

3. EMPLOYEES:

- 3.1 Upon the coming into effect of this Scheme, all permanent employees, who are on the payrolls of the Transferor Company, employees/personnel engaged on contract basis and contract labourers and interns/trainees of the Transferor Company who are on its payrolls shall become employees of the Transferee Company with effect from the Effective Date, on such terms and conditions as are no less favourable than those on which they are currently engaged by the Transferor Company, without any interruption of service as a result of this amalgamation and transfer. With regard to provident fund, gratuity, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees of the Transferor Company, upon this Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever, including with regard to the obligation to make contributions to relevant authorities, in accordance with the provisions of applicable laws or otherwise. It is hereby clarified that upon this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred employees of the Transferor Company for such purpose shall be treated as having been continuous.
- 3.2 The existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme and any other special scheme (including without limitation any employees stock option plan) or benefits created by the Transferor Company for its employees shall be continued on the same terms and conditions or be transferred to the existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme, etc., being maintained by the Transferee Company or as may be created by the Transferee Company for such purpose. It is the intent that all rights, duties, powers and obligations of Transferor Company in relation to such fund or funds shall stand transferred to the Transferee Company without need of any fresh approval from any statutory authority. Pending such transfer, the contributions required to be made in respect of such employees shall continue to be made by the Transferee Company to the existing funds maintained by the Transferor Company.
- 3.3 The Transferee Company undertakes that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits to the employees of the Transferor Company, the past services of such employees with the Transferor Company shall also be

taken into account and it shall pay the same accordingly, as and when such amounts are due and payable. Upon this Scheme becoming effective, the Transferor Company will transfer/handover to the Transferee Company, copies of employment information, including but not limited to, personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or ongoing leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files relating to its and all forms, notifications, orders and contribution/identity cards issued by the concerned authorities relating to benefits transferred pursuant to this sub-clause.

4. LEGAL PROCEEDINGS:

- 4.1 All proceedings of whatsoever nature (legal and others, including any suits, appeals, arbitrations, execution proceedings, revisions, writ petitions, if any) by or against the Transferor Company shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Undertaking or anything contained in this Scheme but the said proceedings, shall, till the Effective Date be continued, prosecuted and enforced by or against the Transferor Company, as if this Scheme had not been made.
- 4.2 Upon the coming into effect of this Scheme, all suits, actions, and other proceedings including legal and taxation proceedings, (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company, whether pending and/or arising on or before the Effective Date shall be continued and / or enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been instituted and/or pending and/or arising by or against the Transferee Company.
- 4.3 The Transferee Company undertakes to have accepted on behalf of itself, all suits, claims, actions and legal proceedings initiated by or against the Transferor Company transferred to its name and to have the same continued, prosecuted and enforced by or against the Transferee Company.

5. BOOKS & RECORDS:

All books, records, files, papers, information, databases, and all other books and records, whether in physical or electronic form, of the Transferor Company, to the extent possible and permitted under applicable laws, be handed over to the Transferee Company.

6. CONDUCT OF BUSINESS:

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

- 6.1 the Transferor Company shall carry on and be deemed to have carried on all business and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of the entire business for and on account of, and in trust for, the Transferee Company;
- 6.2 all profits and income accruing or arising to the Transferor Company, and losses and expenditure arising or incurred by the Transferor Company for the period commencing from the Appointed Date shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure, as the case may be, of the Transferee Company;

- 6.3 any of the rights, powers, authorities or privileges exercised by the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of, and in trust for and as an agent of the Transferee Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken for and on behalf of and as an agent of the Transferee Company;
- 6.4 all taxes, where applicable, (including but not limited to advance income tax, tax deducted at source, minimum alternate tax, wealth tax, taxes withheld/paid in a foreign country, sales tax, excise duty, customs duty, service tax, VAT, tax refunds) payable by or refundable to the Transferor Company, including all or any tax refunds or tax liabilities or tax claims arising from pending tax proceedings, under any law, on or before the Effective Date, shall be treated as or deemed to be treated as the tax liability or tax refunds/ tax claims (whether or not recorded in the books of the Transferor Company) as the case may be, of the Transferee Company, and any unabsorbed tax losses and depreciation, etc., as would have been available to the Transferor Company on or before the Effective Date, shall be available to the Transferee Company upon the Scheme coming into effect;

7. SAVING OF CONCLUDED TRANSACTIONS:

Subject to the terms of the Scheme, the transfer and vesting of the Undertaking, the continuance of Proceedings and the effectiveness of contracts and deeds as per the provisions of the Scheme shall not affect any transactions or proceedings already concluded by the Transferor Company on or before the Appointed Date or after the Appointed Date till the Effective Date. The Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Company in respect thereto, as if done and executed on its behalf.

8. CANCELLATION OF SHARES:

Upon the Scheme coming into effect, the shares held by the Transferee Company in the share capital of the Transferor Company will stand cancelled and there will be no issuance of shares by the Transferee Company.

9. ACCOUNTING TREATMENT:

- 9.1 An account shall be taken of the assets and liabilities of the Transferor Company to be transferred to the Transferee Company under this Scheme as on a date immediately preceding the Appointed Date. The Scheme of Amalgamation will be accounted for by the Transferee Company in conformity with the applicable accounting standards.
- a) The identity of the reserves of Transferor Company shall be preserved/aggregated and shall appear in the financial statements of the Transferee Company under the same head in which they appeared in the financial statements of the Transferor Company.
 - b) The balance of the retained earnings appearing in the financial statements of the Transferor Company is aggregated with the corresponding balance appearing in the financial statements of the Transferee Company. Alternatively, it is transferred to

General Reserve, if any.

- 9.2 The equity shares held by the Transferee Company in the Transferor Company appearing in the books of accounts of the Transferee Company shall stand cancelled in terms of clause 8 above and there shall be no further obligation in that behalf.
- 9.3 To the extent that there are inter-company loans, advances, deposits, balances unpaid dividend or other obligations as amongst the Transferor Company and the Transferee Company, the obligation in respect thereof will come to an end and corresponding effect shall be given in the books of account and records of the Transferee Company as well as Transferor Company for the reduction of any assets or liabilities as the case may be and there would be no accrual of interest or any other charges in respect of such inter-company loans, deposits or balances, with effect from the Appointed Date.
- 9.4 The Transferee Company shall record in its books of account, all transactions of the Transferor Company in respect of assets, liabilities, income and expenses, from Appointed Date to the Effective Date.

10. DISSOLUTION OF THE TRANSFEROR COMPANY:

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

CHAPTER 3 – OTHER TERMS AND CONDITIONS

1. REORGANISATION OF AUTHORISED SHARE CAPITAL:

- 1.1 As an integral part of the Scheme, upon this Scheme becoming effective and with effect from Appointed Date, the authorised share capital of the Transferor Company as on the Effective Date shall, without any further act, instrument or deed or payment of additional fees payable to the Registrar of Companies or stamp duty, stand transferred to and be merged with the authorised share capital of the Transferee Company.
- 1.2 Clause V of the Memorandum of Association of the Transferee Company shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Section 13 of the 2013 Act and other applicable provisions of the 2013 Act, as the case may be and be replaced by the following clause:

"The Authorised Share Capital of the Company is Rs 62,00,00,000 (Rupees Sixty two Crores only) divided into 6,20,00,000 (Six Crores Twenty Lacs) Equity Shares of Rs 10/- (Rupees Ten only) each, with rights, privileges and conditions attaching thereto as may be provided by the Articles of Association of the Company. The Company shall have the power to increase or reduce its capital for the time being and to consolidate, divide or sub-divide and re-classify the shares in such capital and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions as to dividend, voting or otherwise and to vary, modify or abrogate any such rights, privileges or conditions in accordance with the provisions of the Act and Articles of the Company and issue Shares of higher or lower denominations."

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- 1.3 It is further clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be their consent/approval for the increase of the authorized capital, amendment of the capital clause of the Memorandum of Association, under the provisions of Section 13 of the 2013 Act and other applicable provisions of the 2013 Act.

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2. CONDITIONS TO EFFECTIVENESS OF THE SCHEME:

2.1 The Scheme is conditional upon and subject to:

- (a) this Scheme being approved by the respective requisite majorities of the various classes of shareholders, as applicable, of the Transferor Company and the Transferee Company as required under the 1956 Act or the 2013 Act, as applicable, and the requisite order of the High Court being obtained, or dispensation having been received from the High Court in relation to obtaining such consent from the shareholders, as applicable;
- (b) approval of the Scheme by the public shareholders of the Transferee Company in accordance with the provisions of the SEBI Circulars. Such approval will be obtained through resolution passed through postal ballot and e-voting and the Scheme shall be acted upon only if the votes cast by public shareholders in favour of the proposal are more than the number of votes cast by public shareholders against it.
- (c) the High Court having accorded sanction to the Scheme; and
- (d) such certified/authenticated copy of the Order of the High Court being filed with the Registrar of Companies, Kolkata.

2.2 In case any of the conditions in the Scheme are not satisfied or waived, then the Transferor Company and /or the Transferee Company shall be at liberty to withdraw the Scheme.

3. DIVIDEND:

- 3.1 The Transferor Company and the Transferee Company shall be entitled to declare and pay dividends, whether interim and/or final, to their members in respect of the accounting period prior to the Effective Date.
- 3.2 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 the Transferor Company and the Transferee Company to demand or claim any dividends which, subject to the provisions of the 1956 Act or the 2013 Act, as applicable, shall be entirely at the discretion of the respective Boards of Directors of the Companies, and subject to the approval, if required, of the respective members of the Companies.

4. APPLICATION:

- 4.1 The Transferor Company and the Transferee Company shall make necessary applications before the High Court for the sanction of this Scheme under Sections 391 to 394 and other applicable provisions of the 1956 Act or relevant provision of 2013 Act, as applicable, seeking orders for dispensing with or convening, holding and/or conducting of the meetings of the classes of their respective shareholders and for sanctioning this Scheme with such modifications, as may be approved by the Court.
- 4.2 The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority, if required, under any law for such consents and approvals which the Transferee Company may require to carry on the business of the Transferor Company.

5. MODIFICATIONS TO THE SCHEME:

The Transferor Company and the Transferee Company (by their respective Board of Directors) may, in their full and absolute discretion, jointly and as mutually agreed in writing:

- (a) assent to any alteration(s) or modification(s) to this Scheme which a High Court and/or any other Governmental Authority may deem fit to approve or impose, and/or effect any other modification or amendment jointly and mutually agreed in writing, including, without limitation, any modifications to the accounting treatment set out in the Scheme due to the Indian Accounting Standards being made applicable to the Companies or to the matters set forth in this Scheme, and to do all acts, deeds and things as may be necessary, desirable or expedient for the purposes of this Scheme;
- (b) give such directions (acting jointly) as they may consider necessary to settle any question or difficulty arising under the Scheme or in regard to and of the meaning or interpretation of this Scheme or implementation hereof or in any matter whatsoever connected therewith, or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to any of those (to the extent permissible under law);
- (c) modify or vary this Scheme prior to the Effective Date in any manner at any time; or
- (d) if any part of this Scheme is found to be unworkable for any reasons whatsoever withdraw this Scheme prior to the Effective Date in any manner at any time; or
- (e) determine jointly whether any asset, liability, employee, legal or other proceedings pertains to the Transferor Company or not, on the basis of any evidence that they may deem relevant for this purpose.

6. WHEN THE SCHEME COMES INTO OPERATION

- 6.1 The Scheme shall come into operation from the Appointed Date but the same shall become effective on and from the Effective Date.
- 6.2 With effect from the Effective Date, the Transferee Company shall carry on and shall be authorized to carry on the businesses of the Transferor Company. For the purposes of giving effect to the order of the High Court under Section(s) 391 to 394 and other applicable provisions of the 1956 Act or relevant provision of 2013 Act as applicable, approving the Scheme, the Transferee Company shall at any time pursuant to such orders be entitled to get the recordal of the change in the legal right(s) upon the amalgamation of the Transferor Company in accordance with the provisions of the Section(s) 391 to 394 of the 1956 Act or the relevant provision of the 2013 act as applicable. The Transferee Company is and shall always be deemed to have been authorized to execute any pleadings, applications, forms etc. as may be required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of the Scheme.
- 6.3 The Transferor Company and the Transferee Company shall be entitled to, amongst other, file/ or revise its income tax returns, TDS/TCS returns, wealth tax returns, service tax, excise, VAT, entry tax, professional tax or any other statutory returns, if required. The Transferee Company shall be entitled to claim credit for advance tax paid, tax deducted at source or tax

collected at source, claim for deduction of sum prescribed under Section 43B of the Income Tax Act on payment basis, claim for deduction of provisions written back by Transferee Company previously disallowed in the hands of Transferor Company under the Income Tax Act, credit of tax under Section 115JB read with Section 115JAA of the Income Tax Act, credit of foreign taxes paid/ withheld etc., if any, pertaining to the Transferor Company as may be required consequent to implementation of this Scheme and where necessary to give effect to this Scheme, even if the prescribed time limits for filing or revising such returns have lapsed without incurring any liability on account of interest, penalty or any other sum. The Transferee Company shall have the right to claim refunds, tax credits, set-offs and/or adjustments relating to its income or transactions entered into by it with effect from Appointed Date. The taxes or duties paid by, for, or on behalf of, the Transferor Company relating to the period on or after Appointed Date shall be deemed to be the taxes or duties paid by the Transferee Company and the Transferee Company shall be entitled to claim credit or refund for such taxes or duties.

- 6.4 Any advance tax, self-assessment tax, minimum alternate tax and/or TDS/TCS credit available or vested with the Transferor Company, including any taxes paid and taxes deducted/collected at source and deposited by the Transferor Company on inter se transactions during the period between Appointed Date and the Effective Date shall be treated as tax paid by the Transferee Company and shall be available to the Transferee Company for set-off against its liability under the Income Tax Act and any excess tax so paid shall be eligible for refund together with interest. Further, TDS/TCS deposited, TDS/TCS certificates issued or TDS/TCS returns filed by the Transferor Company on transactions other than inter se transactions during the period between Appointed Date and the Effective Date shall continue to hold good as if such TDS/TCS amounts were deposited, TDS/TCS certificates were issued and TDS/TCS returns were filed by the Transferee Company. Any TDS/TCS deducted/collected by, or on behalf of, the Transferor Company on inter se transactions will be treated as tax deposited or tax collected by the Transferee Company.

7. **SEVERABILITY**

If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Companies, affect the validity or implementation of the other parts and/or provisions of this Scheme.

8. **COSTS**

All costs, charges and expenses (including, but not limited to, any taxes and duties, stamp duty, registration charges, etc.) in relation to or in connection with the Scheme and incidental to the completion of the Amalgamation in pursuance of the Scheme shall be borne by the Transferee Company.

9. **RESIDUAL PROVISIONS:**

In the event of this Scheme failing to take effect finally, this Scheme shall become null and void and in that case no rights or liabilities whatsoever shall accrue to or be incurred *inter se* by the parties or their shareholders or creditors or employees or any other person.

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