

**DATED MAY 22, 2019**

**IMPLEMENTATION AGREEMENT**

**AMONG**

**THE ADI GROUP**

**AND**

**NAHOOSH JARIWALA**

**AND**

**THE PRIVI GROUP**

**AND**

**FAIRFAX INDIA**

**AND**

**FAIRCHEM SPECIALITY LIMITED**

**AND**

**PRIVI ORGANICS INDIA LIMITED**

**AND**

**FAIRCHEM ORGANICS LIMITED**



महाराष्ट्र MAHARASHTRA

2018

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प्रधान मुद्रांक कार्यालय, मुंबई  
प.मू.वि.क्र. ८०००००९  
12 APR 2019  
सक्षम अधिकारी

श्री. प्र. ना. चिंचघरे

THIS STAMP PAPER FORMS AN INTEGRAL PART OF THE IMPLEMENTATION AGREEMENT DATED MAY 22, 2019 EXECUTED BY AND AMONG THE ADI GROUP, MR. NAHOOSH JARIWALA, THE PRIVI GROUP, FIH MAURITIUS INVESTMENTS LTD, FIH PRIVATE INVESTMENTS LTD, FAIRCHEM SPECIALITY LIMITED, PRIVI ORGANICS INDIA LIMITED AND FAIRCHEM ORGANICS LIMITED.



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प्रधान मुद्रांक कार्यालय, मुंबई  
प.म.वि.क्र. ८०००००९  
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THIS STAMP PAPER FORMS AN INTEGRAL PART OF THE IMPLEMENTATION AGREEMENT DATED MAY 22, 2019 EXECUTED BY AND AMONG THE ADI GROUP, MR. NAHDOSH JARIWALA, THE PRIVI GROUP, FIH MAURITIUS INVESTMENTS LTD, FIH PRIVATE INVESTMENTS LTD, FAIRCHEM SPECIALITY LIMITED, PRIVI ORGANICS INDIA LIMITED AND FAIRCHEM ORGANICS LIMITED.

## IMPLEMENTATION AGREEMENT

This Implementation Agreement (“**Agreement**”) is made at Mumbai on this 22<sup>nd</sup> day of May, 2019 (“**Execution Date**”) by and among:

**THE PERSONS LISTED IN SCHEDULE 1** (hereinafter collectively referred to as the “**Adi Group**” which expression shall, unless repugnant to the context or meaning thereof, include any or all of them and their respective heirs, executors, administrators, successors and permitted assigns, as the case may be) of the **FIRST PART**;

**AND**

**MR. NAHOOSH JARIWALA**, an adult Indian inhabitant (holding PAN ACZPJ5445M), aged 57 years, residing at ‘JARIWALA’ Bungalow, Beside Shashwat Bungalows, Rajpath Club – Rangoli Road, Thaltej, Ahmedabad – 380 059, Gujarat, India (hereinafter referred to as “**Nahoosh**” which expression shall, unless repugnant to the context and meaning thereof, be deemed to mean and include his heirs, executors and administrators) of the **SECOND PART**;

**AND**

**THE PERSONS LISTED IN PART A OF SCHEDULE 2** (hereinafter collectively referred to as the “**Babani Family**” which expression shall, unless repugnant to the context or meaning thereof, include any or all of them and their respective heirs, executors, administrators, successors and permitted assigns, as the case may be) of the **THIRD PART**;

**AND**

**THE PERSONS LISTED IN PART B OF SCHEDULE 2** (hereinafter collectively referred to as the “**Rao Family**” which expression shall, unless repugnant to the context or meaning thereof, include any or all of them and their respective heirs, executors, administrators, successors and permitted assigns, as the case may be) of the **FOURTH PART**;

**AND**

**FIH MAURITIUS INVESTMENTS LTD**, a private limited liability company incorporated under the laws of Mauritius whose registered office is at Level 1, Maeva Tower, Silicon Avenue, Cybercity, Ebene, 72201, Mauritius (hereinafter referred to as “**FIHM**” which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns) of the **FIFTH PART**;

**AND**

**FIH PRIVATE INVESTMENTS LTD**, a private limited liability company incorporated under the laws of Mauritius whose registered office is at Level 1, Maeva Tower, Silicon Avenue, Cybercity, Ebene, 72201, Mauritius (hereinafter referred to as “**FIHPIL**” which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns) of the **SIXTH PART**;

**AND**

**FAIRCHEM SPECIALITY LIMITED (FORMERLY KNOWN AS ADI FINECHEM LIMITED)**, a public listed company incorporated under the laws of India and with its registered office at 324, Dr. D.N. Road, Fort, Mumbai - 400 001 and having its principle business office at 253/P and 312, Village Chekhala, Sanand – Kadi Highway, Taluka Sanand, District Ahmedabad – 382 115, Gujarat, India (hereinafter referred to as “**FSL**” or “**Demerged Company**”, which expression shall, unless repugnant to the context or meaning thereof, be deemed to include its successors and permitted assigns) of the **SEVENTH PART**;

**AND**

**PRIVI ORGANICS INDIA LIMITED**, a public company incorporated under the laws of India and with its registered office at Privi House, A-71, TTC Thane Belapur Road, Near Kopar Khairane Railway Station, Navi Mumbai, Thane – 400709, Maharashtra, India (hereinafter referred to as “**POIL**”, which expression shall, unless repugnant to the context or meaning thereof, be deemed to include its successors and permitted assigns) of the **EIGHTH PART**;

**AND**

**FAIRCHEM ORGANICS LIMITED**, a public company incorporated under the laws of India and with its registered office at Plot A-71, TTC Industrial Estate, Near Thane Belapur Road, Kopar Khairane, Mumbai – 400709, Maharashtra, India (hereinafter referred to as “**FOL**” or “**Resulting Company**”, which expression shall, unless repugnant to the context or meaning thereof, be deemed to include its successors and permitted assigns) of the **NINTH PART**.

The Babani Family and the Rao Family are collectively referred to as the “**Privi Group**”. FIHM and FIHPIL are collectively referred to as “**Fairfax India**”. The Adi Group and Nahoosh are collectively referred to as the “**Nahoosh Group**”. The Nahoosh Group, the Privi Group, Fairfax India, FSL, POIL and FOL shall collectively be referred to as “**Parties**” and individually as a “**Party**”.

**WHEREAS:**

- A. FSL is a public listed company and is engaged, *inter alia*, in the Business (*as defined hereinafter*).
- B. As on the Execution Date, (a) the Adi Group holds 10,25,000 (ten lakh and twenty five thousand) FSL Equity Shares (*as defined hereinafter*), representing approximately 2.62% (two point six two per cent) of the FSL Share Capital (*as defined hereinafter*), (b) the Privi Group holds 88,57,773 eighty eight lakh fifty seven thousand seven hundred and seventy three) FSL Equity Shares, representing approximately 22.68% (twenty two point six eight per cent) of the FSL Share Capital, and (c) Fairfax India holds 1,90,46,078 (one crore ninety lakh forty six thousand and seventy eight) FSL Equity Shares, representing 48.76% (forty eight point seventy six per cent) of the FSL Share Capital, as more particularly set out in **Schedule 3** hereto.

- C. FOL is a public unlisted company incorporated on March 27, 2019 and is a wholly owned subsidiary of FSL.
- D. POIL is a public unlisted company and is a wholly owned subsidiary of FSL. POIL is engaged in the business of development, manufacture and processing of the Aroma Chemicals (*as defined hereinafter*) and to supply and export the Aroma Chemicals which are used mainly in the flavour and fragrance industry (“**Privi Business**”).
- E. The Parties have agreed that, through the Scheme (*as defined hereinafter*): (a) with effect from the Appointed Date 1 (*as defined hereinafter*), *inter alia*, (i) the Demerged Undertaking (*as defined hereinafter*) shall be transferred by way of demerger from FSL to FOL and the relevant FOL Consideration Shares (*as defined hereinafter*) will be issued and allotted by FOL to the FSL Equity Holders (*as defined hereinafter*) in accordance with the Share Entitlement Ratio (*as defined hereinafter*), such that the FSL Equity Holders shall hold FOL Equity Shares (*as defined hereinafter*) in the same ratio as their shareholding in FSL on the Record Date (*as defined hereinafter*), (ii) simultaneously with the issue and allotment of the FOL Consideration Shares by FOL to the FSL Equity Holders, the FOL Equity Shares held by FSL in FOL shall stand cancelled (steps (a)(i) and (a)(ii) are collectively referred to as the “**Proposed Demerger**”), and (b) with effect from the Appointed Date 2 (*as defined hereinafter*), POIL, a wholly owned subsidiary of FSL, shall stand merged into FSL and simultaneously, the equity shares held by FSL in POIL shall stand cancelled (“**Proposed Merger**”).
- F. The Privi Group and the Adi Group have also executed an option agreement on the date hereof pursuant to which, after the Effective Date, (a) the Privi Group has the option to require the Adi Group to sell 2.62% (two point six two per cent) of the FSL Share Capital; and (b) the Adi Group has the option to require the Privi Group to purchase 2.62% (two point six two per cent) of the FSL Share Capital (“**Adi Option Agreement**”), in accordance with the terms thereof.
- G. Further, the Privi Group and Fairfax India have also executed an option agreement on the date hereof pursuant to which, after the Effective Date, the Privi Group has the option to require Fairfax India to sell 9.84% (nine point eight four per cent) of the FSL Share Capital (“**Fairfax Option Agreement**”), in accordance with the terms thereof.
- H. After the Effective Date, pursuant to the Proposed Demerger, Fairfax India proposes to acquire 17.9% (seventeen point nine per cent) of the FOL Share Capital from the Privi Group, and the Adi Group proposes to acquire 4.78% (four point seven eight per cent) of the FOL Share Capital from the Privi Group, collectively constituting the entire shareholding of the Privi Group in FOL, subject to and in accordance with the share purchase agreements entered into on the Execution Date respectively between the Privi Group and the Adi Group (“**Other FOL SPA**”) and the Privi Group and Fairfax India (“**FOL SPA**”). Consequently, upon the receipt of the final listing and trading approval of the Stock Exchanges for the FOL Equity Shares after the Effective Date, Fairfax India shall make a public offer for the minimum number of FOL Equity Shares permitted under Applicable Law, in accordance with the Takeover Regulations (“**FOL Public Offer**”).

- I. The Parties are now desirous of entering into this Agreement to set out the transactions envisaged in the recitals above and the rights and obligations of the respective Parties and other matters in connection with the above.

**NOW THEREFORE**, in consideration of the mutual covenants and agreements, and for other good and valuable consideration, the sufficiency of which is acknowledged by the Parties, the Parties hereby agree as follows:

## 1. DEFINITIONS AND INTERPRETATION

### 1.1 Definitions

In this Agreement, unless the context otherwise requires, the following expressions shall have the following meanings:

“**Act**” means the Companies Act, 1956 and/ or the Companies Act, 2013, as the case may be, for the time being in force, as amended from time to time and shall include any statutory replacement or re-enactment thereof and the rules and regulations framed thereunder.

“**Adi Group Remittance Instructions**” shall have the meaning ascribed to such term in Clause 7.1.4(i).

“**Adi Purchaser Representative**” shall have the meaning ascribed to the term ‘Purchaser Representative’ in the Other FOL SPA.

“**Adi Group Sale Shares**” shall have the meaning ascribed to such term in Clause 4.1.

“**Adi Option Agreement**” shall have the meaning ascribed to such term in Recital F.

“**Adi Option Agreement Conditions Precedent**” shall have the meaning ascribed to the term “Conditions Precedent” under the Adi Option Agreement.

“**Adi Option Completion Date**” shall have the meaning ascribed to the term ‘Option Completion Date’ under the Adi Option Agreement.

“**Adi Privi Put Option**” shall have the meaning ascribed to such term in Clause 4.1.

“**Affiliate**” means and includes, in respect of: (i) any Party, other than a natural Person, any other Person that directly or indirectly, through one or more intermediate Persons, Controls, is Controlled by, or is under the common Control of such Party; or (ii) in case of Parties who are natural persons, any other Person who is an Immediate Relative of such Party and any other Person Controlled by such Party or the Immediate Relatives of such Party.

“**Aggregate Liability Threshold**” shall have the meaning ascribed to the term in Clause

12.5.1.

“**Ancillary Documents**” means all agreements, instruments, undertakings, indentures, deeds, writings and other documents executed or entered into, or agreed to be executed or entered into, by any of the Party(ies) in favour of any other Party(ies) for the purpose of implementing the transactions contemplated by or under this Agreement, or the transactions contemplated by or under the Scheme. When the term ‘Ancillary Document’ is used with reference to any Party, such term shall refer to an Ancillary Document that relates to such Party.

“**Applicable Law**” means all statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines or policies, directions, directives and orders of any Governmental Authority (or any sub-division thereof), statutory authority, tribunal, board, court or recognized stock exchange.

“**Appointed Date 1**” means the closing of business hours of March 31, 2019 or such other date as may be approved by the NCLT, or any other competent authority.

“**Appointed Date 2**” means the closing of business hours of April 1, 2019 or such other date as may be approved by the NCLT, or any other competent authority.

“**Arbitration Board**” shall have the meaning ascribed to such term in Clause 21.2.

“**Aroma Chemicals**” means the products set out in **Schedule 5**.

“**BSE**” means the BSE Limited.

“**Business**” means the manufacturing, supplying and exporting of speciality oleo chemicals (natural source) and nutraceuticals (natural source) made from by-products generated from processing of crude vegetable oil refineries, including vegetable oil based fatty acid distillate and acid oils.

“**Business Day**” means a day on which scheduled commercial banks are open for business in Mumbai, India, Toronto and Mauritius.

“**Call Options**” means the Privi Adi Call Option and the Privi Fairfax Call Option.

“**Claim**” shall have the meaning ascribed to such term in Clause 12.4.

“**Claims Notice**” shall have the meaning ascribed to such term in Clause 12.4.

“**Companies Amalgamation Rules**” means the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016.

“**Conditions Precedent**” means collectively, the Filing Conditions Precedent and the Scheme Conditions Precedent.

“**Control**” including with its grammatical variations such as “**Controlled by**”, “**that Controls**” and “**under common Control with**”, when used with respect to any Person, means and includes the possession, directly or indirectly, of, acting alone or together with another Person, the ability to direct the management and policies of such Person, whether (i) through the ownership of over 50% (fifty per cent) of the voting equity of such Person; (ii) through the power to appoint half or more than half of the members of the board of directors or similar governing body of such Person; or (iii) pursuant to Applicable Law or contractual arrangements.

“**Damages Payment**” shall have the meaning ascribed to such term in Clause 12.5.8.

“**Demerged Company Indemnified Parties**” means the Demerged Company, its directors, officers and employees.

“**Demerged Undertaking**” means the entire activities, operations, business division and undertaking of FSL pertaining to the Business as described in the Scheme.

“**Disclosing Party**” shall have the meaning ascribed to such term in Clause 15.2.

“**Dispute Notice**” shall have the meaning ascribed to such term in Clause 21.2.

“**DOA**” shall have the meaning ascribed to such term in Clause 9.4.

“**Effective Date**” shall mean the date on which the Scheme is made effective by filing of the order(s) of the National Company Law Tribunal approving the Scheme along with e-Form INC-28 (or any other e-Form as may be prescribed by the Ministry of Corporate Affairs from time to time in this regard) with the relevant Registrar of Companies.

“**Encumbrance**” means: (i) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any Person, including any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Law, (ii) any power of attorney, voting trust agreement, interest, option, right of first offer, refusal, right of pre-emption or transfer restriction in favour of any Person, and (iii) any adverse claim as to title, possession or use.

“**Existing SHA**” means the shareholders agreement dated July 12, 2016 among, *inter alia*, Nahoosh Tradelink LLP, Jariwala Tradelink LLP, Nahoosh, Fairfax India, the Privi Group, FSL and POIL.

“**Fairfax India Sale Shares**” shall have the meaning ascribed to such term in Clause 4.2.

“**Fairfax Option Agreement**” shall have the meaning ascribed to such term in Recital G.

“**Fairfax Option Completion Date**” shall have the meaning ascribed to the term ‘Option

Completion Date’ under the Fairfax Option Agreement.

“**Fairfax Remittance Instructions**” shall have the meaning ascribed to such term in Clause 7.1.5(i).

“**Filing Conditions Precedent**” shall have the meaning ascribed to such term in Clause 6.1.1.

“**Filing CP Satisfaction Notice**” shall have the meaning ascribed to such term in Clause 6.1.3.

“**FOL Completion Date**” shall have the meaning ascribed to such term in Clause 7.1.6.

“**FOL Consideration Shares**” means FOL Equity Shares to be issued and allotted to the FSL Equity Holders in consideration for the Proposed Demerger, pursuant to and as contemplated in the Scheme.

“**FOL Equity Shares**” means fully paid up equity shares of FOL of a face value of INR 10 (Rupees ten) each.

“**FOL Share Capital**” means the issued and paid-up equity share capital of FOL on a fully diluted basis.

“**FOL SPA Completion**” shall have the meaning ascribed to the term ‘Completion’ under the FOL SPA.

“**FOL SPA Completion Date**” shall have the meaning ascribed to the term ‘Completion Date’ under the FOL SPA.

“**FOL SPA Conditions Precedent**” shall have the meaning ascribed to the term “Conditions Precedent” under the FOL SPA.

“**FOL SPA Shares**” shall have the meaning ascribed to such term in Clause 5.2.

“**FOL Transaction**” shall mean the transactions contemplated in Clause 5 (*FOL Transaction*).

“**FSL Equity Holders**” means a person recorded (a) in FSL’s register of members as the owner of one or more FSL Equity Shares; or (b) as the beneficial owner of one or more FSL Equity Shares in the records maintained by Registrar and Share Transfer Agent of FSL, as on the Record Date and shall include the respective heirs, executors, administrators or other legal representative or other successors in title of such person.

“**FSL Equity Shares**” means fully paid up equity shares of FSL of a face value of INR 10 (Rupees ten) each.

“**FSL Public Offer**” shall have the meaning ascribed to such term in Clause 4.3.

“**FSL Share Capital**” means the issued and paid-up equity share capital of FSL, on a fully diluted basis.

“**FSL Transaction**” shall mean the transactions contemplated in Clause 4 (*FSL Transaction*) in relation to FSL.

“**Filing Date**” means the date of filing the Scheme by FSL, FOL and POIL with the applicable NCLT.

“**Governmental Authority**” means any government authority, statutory authority, regulatory authority, government department, administrative authority, agency, commission, board, tribunal or court or other law, rule or regulation making entity having or purporting to have jurisdiction.

“**Immediate Relative**” with reference to any Person, means the spouse, children or parents of such Person.

“**Indemnified Parties**” shall, subject to the context, mean the Demerged Company Indemnified Parties (in case of indemnity obligation under Clause 12.2) or the Other Indemnified Parties, as the case may be, and “**Indemnified Party**” means any one of them.

“**Indemnifying Parties**” shall, subject to the context, mean the Resulting Company (in case of indemnity obligation under Clause 12.2) or Other Indemnifying Parties, as the case may be, and “**Indemnifying Party**” means any one of them.

“**Listing Regulations**” means the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

“**Loss**” means all direct losses, claims, liabilities, defaults, damages, reasonable expenses (including fees of professional advisors and attorneys), penalties, fines, proceedings, settlements, awards, demands, judgments and Taxes.

“**NCLT**” means the National Company Law Tribunal at Mumbai having jurisdiction in relation to the Parties as constituted and authorized as per the provisions of the Act for approving any scheme of arrangement, compromise or reconstruction of companies under Sections 230 to 232 of the Act and shall include, if applicable, such other forum or authority as may be vested with the powers of a tribunal for the purposes of Sections 230 to 232 of the Act as may be applicable.

“**NCLT Order**” means the order of the NCLT sanctioning the Scheme.

“**NSE**” means the National Stock Exchange of India Limited.

“**Order Filing Date**” shall have the meaning ascribed to such term in Clause 7.1.1(ix).

“**Other Indemnified Parties**” shall have the meaning ascribed to such term in Clause 12.1.

“**Other Indemnifying Party**” shall have the meaning ascribed to such term in Clause 12.1.

“**Other FOL SPA Completion**” shall have the meaning ascribed to the term ‘Completion’ under the Other FOL SPA.

“**Other FOL SPA Completion Date**” shall have the meaning ascribed to the term ‘Completion Date’ under the Other FOL SPA.

“**Other FOL SPA Conditions Precedent**” shall have the meaning ascribed to the term ‘Conditions Precedent’ under the Other FOL SPA.

“**Other FOL SPA Shares**” shall have the meaning ascribed to such term in Clause 5.3.

“**Permitted Transferees**” in the context of Fairfax India and the Privi Group, shall have the meaning ascribed to such term in the FSL SHA, and in the context of Adi Group, shall have the meaning ascribed to such term in the FOL SHA.

“**Person**” means any individual or other entity, whether a corporation, firm, company, joint venture, trust, hindu undivided family (HUF), association, organization, partnership, proprietorship or limited liability partnership, including any governmental agency or regulatory body.

“**Privi Adi Call Option**” shall have the meaning ascribed to such term in Clause 4.1.

“**Privi Fairfax Call Option**” shall have the meaning ascribed to such term in Clause 4.2.

“**Privi Group Representatives**” shall have the meaning ascribed to such term in the FSL SHA.

“**Receiving Party**” shall have the meaning ascribed to such term in Clause 15.2.

“**Record Date**” shall have the meaning ascribed to such term in the Scheme, as the context may so require.

“**Relevant SEBI Circular**” mean the SEBI Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017 on ‘Schemes of Arrangement by Listed Entities and (ii) Relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957’, as amended or substituted from time to time.

“**RoC**” means the Registrar of Companies.

“**Rules**” shall have the meaning ascribed to such term in Clause 21.2.

“**Scheme**” means a composite scheme of arrangement under Section 230-232 of the Act, pursuant to which the Proposed Demerger and the Proposed Merger shall be effected, substantially in the form set out in **Schedule 4**.

“**Scheme Conditions Precedent**” shall have the meaning ascribed to such term in Clause 6.2.1.

“**Scheme CP Satisfaction Notice**” shall have the meaning ascribed to such term in Clause 6.4.

“**SCRR**” means the Securities Contracts (Regulation) Rules, 1957.

“**SEBI**” means the Securities and Exchange Board of India, established under the Securities and Exchange Board of India Act, 1992.

“**Share Entitlement Ratio**” shall have the meaning ascribed to such term in Clause 3.2.

“**Stock Exchanges**” means, collectively, the BSE and NSE.

“**Takeover Regulations**” means the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

“**Tax**” or “**Taxes**” or “**Taxation**” shall mean any tax, levy, impost, duty, tariff or other charges of any kind imposed by any Governmental Authority or taxing authority, including taxes or other charges on or with respect to income, windfall or other profits, profits or dividend distributions, gross receipts, property, sales, services, use, payroll, employment, social security, workers’ compensation, unemployment compensation, minimum alternate taxes, taxes including or other charges in the nature of excise, withholding, ad valorem, stamp, transfer, value added, or gains taxes; license, registration and documentation fees; and customs’ duties, tariffs, and similar charges including any cess or penalty or default interest, late fee etc. payable in connection with any failure to pay or any delay in paying any of the same, as may be applicable.

“**Third Party Claim**” shall have the meaning ascribed to such term in Clause 12.4.1.

“**Third Party Sum**” shall have the meaning ascribed to such term in Clause 12.5.8.

“**Transaction**” means collectively the Proposed Demerger, the Proposed Merger, the FSL Transaction (subject to exercise of the Call Options and/ or the Adi Privi Put Option in accordance with the terms of the Adi Option Agreement and the Fairfax Option Agreement, as the case may be) and the FOL Transaction.

“**Transaction Documents**” means:

- (a) this Agreement;
- (b) the Scheme;

- (c) Adi Option Agreement;
- (d) FOL SPA;
- (e) Other FOL SPA;
- (f) Fairfax Option Agreement;
- (g) Shareholders agreement entered into between the Privi Group and Fairfax India on the Execution Date in relation to FSL (“**FSL SHA**”);
- (h) Shareholders agreement entered into between the Nahoosh Tradelink LLP, Jariwala Tradelink LLP, Nahoosh and Fairfax India on the Execution Date in relation to the FOL (“**FOL SHA**”); and
- (i) any Ancillary Document designated by the Demerged Company and the Resulting Company as a ‘Transaction Document’.

“**Transfer**” means to sell, give, assign, transfer any interest in trust, mortgage, alienation, encumber, grant a security interest in, amalgamate, merge or suffer to exist (whether by operation of law or otherwise) any Encumbrance on, any securities, shares or interests (including, in relation to the equity securities of FSL or FOL) or any right, title or interest therein or otherwise dispose of securities, shares or interests (including, in relation to the equity securities of FSL or FOL) in any manner whatsoever voluntarily or involuntarily.

## 1.2 Interpretation

- 1.2.1 In addition to the above terms, certain terms may be defined in the recitals or elsewhere in this Agreement and wherever, such terms are used in this Agreement, they shall have the meaning so assigned to them.
- 1.2.2 The terms referred to in this Agreement shall, unless defined otherwise or inconsistent with the context or meaning thereof, bear the meaning ascribed to them under the relevant statute/legislation.
- 1.2.3 All references in this Agreement to statutory provisions shall be construed as meaning and including references to:
  - (a) any statutory modification, consolidation or re-enactment made after the date of this Agreement and for the time being in force;
  - (b) all statutory instruments or orders made pursuant to a statutory provision; and
  - (c) any statutory provisions of which these statutory provisions are a consolidation, re-enactment or modification.

- 1.2.4 Any reference to a document in ‘Agreed Form’ is to a document in a form agreed among the Parties initialled for the purpose of identification by or on behalf of each of them.
- 1.2.5 A reference to “consent of”, “acceptable to” or “to the satisfaction of” used in the context of any Party, shall in each scenario, be construed to mean the consent of such Party, or acceptable to such Party or to the satisfaction of such Party in its “sole discretion”.
- 1.2.6 In calculations of share numbers, references to a “fully diluted basis” mean that the calculation should be made assuming that all outstanding options, warrants and other equity securities convertible into or exercisable or exchangeable for equity shares (whether or not by their term then currently convertible, exercisable or exchangeable), have been so converted, exercised or exchanged.
- 1.2.7 Words denoting the singular shall include the plural and words denoting any gender shall include all genders.
- 1.2.8 Headings, subheadings, titles, subtitles to clauses, sub-clauses and paragraphs are for information only and shall not form part of the operative provisions of this Agreement or the annexures hereto and shall be ignored in construing the same.
- 1.2.9 References to recitals, clauses or annexures are, unless the context otherwise requires, references to recitals, clauses and annexures to this Agreement.
- 1.2.10 Reference to days, months and years are to calendar days, calendar months and calendar years, respectively.
- 1.2.11 Any reference to “writing” shall include printing, typing, lithography and other means of reproducing words in visible form.
- 1.2.12 The words “include” and “including” are to be construed without limitation.

## **2. THE TRANSACTION**

- 2.1 Each Party agrees and confirms that the principal objective of this Agreement is to set out the agreement between the Parties in relation to the Transaction.
- 2.2 The Parties agree that the Transaction shall be implemented in the manner stated in the Recitals, pursuant to the Scheme and in accordance with the provisions of this Agreement and the other Transaction Documents.

## **3. PROPOSED DEMERGER AND MERGER**

- 3.1 Upon the Scheme becoming effective and with effect from the Appointed Date 1, the Demerged Undertaking shall be transferred by way of a demerger from FSL into FOL as

a going concern without any further act or deed.

- 3.2 Based upon expert independent valuation, the Parties agree that the consideration for the Proposed Demerger shall be as follows (i) FOL Consideration Shares to be issued to the FSL Equity Holders in the ratio of 1:3 i.e. 1 (one) FOL Equity Share to be issued for every 3 (three) FSL Equity Shares (the “**Share Entitlement Ratio**”); and (ii) the existing FOL Equity Shares held by FSL as on the Execution Date to be cancelled.
- 3.3 Upon the Scheme becoming effective and with effect from the Appointed Date 2, POIL, a wholly owned subsidiary of FSL, shall stand merged into FSL.
- 3.4 POIL shall, and FSL shall procure that POIL shall, take all necessary steps and actions towards the fulfilment of the transactions contemplated in the Transaction Documents, in relation to the Transaction and the Scheme.

#### **4. FSL TRANSACTION**

- 4.1 On the Adi Option Completion Date (subject to either the Privi Group having exercised its call option (“**Privi Adi Call Option**”) or the Adi Group having exercised its put option (“**Adi Privi Put Option**”) under the Adi Option Agreement), the Privi Group shall acquire from the Adi Group and the Adi Group shall sell to the Privi Group 10,25,000 (ten lakh twenty five thousand) FSL Equity Shares, representing 2.62% (two point six two per cent) of the FSL Share Capital (“**Adi Group Sale Shares**”) in accordance with the terms of the Adi Option Agreement.
- 4.2 On the Fairfax Option Completion Date (subject to the Privi Group having exercised its call option (“**Privi Fairfax Call Option**”) under the Fairfax Option Agreement), the Privi Group shall acquire from Fairfax India and Fairfax India shall sell to the Privi Group 38,41,908 (thirty eight lakh forty one thousand nine hundred and eight) FSL Equity Shares, representing 9.84% (nine point eight four per cent) of the FSL Share Capital (“**Fairfax India Sale Shares**”) in accordance with the terms of the Fairfax Option Agreement.
- 4.3 If an open offer is triggered pursuant to the exercise of any of the Call Options and/ or Adi Privi Put Option, then the Privi Group shall be solely responsible to make a public offer for the FSL Equity Shares in accordance with the Takeover Regulations (“**FSL Public Offer**”) and complying with the obligations under the Takeover Regulations.
- 4.4 In the event after the completion of the FSL Public Offer, the public shareholding in FSL falls below the ‘Minimum Public Shareholding’ requirement under Applicable Law, including Rule 19(2) and Rule 19A of the SCRR, the Privi Group shall be responsible and undertakes to take reasonable necessary steps as may be necessary to ensure that the public shareholding of FSL is at least equal to the ‘Minimum Public Shareholding’ requirement under Applicable Law. The Privi Group shall indemnify Fairfax India for any Loss suffered by Fairfax India and/ or FSL on account of breach of this provision or failure to fulfil this covenant.

- 4.5 After the Adi Option Completion Date: (a) the Nahoosh Group shall make necessary applications for the re-classification of the Nahoosh Group to 'public' category in FSL, (b) FSL shall take necessary steps for such re-classification to ensure that the Nahoosh Group is no longer classified as 'promoters' of FSL including convening of the extraordinary general meeting of the members of FSL after such period as required under Applicable Law to approve such de-classification of the Nahoosh Group as the promoters of FSL, and (c) the Privi Group and Fairfax India shall cause FSL to convene such extraordinary general meeting above and exercise their voting rights in FSL in favour of such re-classification of the Nahoosh Group from 'promoter' category to 'public' category.

## 5. FOL TRANSACTION

- 5.1 After the Effective Date, upon the receipt of listing and trading approval of the FOL Equity Shares, by FOL from the Stock Exchanges, Fairfax India shall make the FOL Public Offer and acquire such number of FOL Equity Shares as may be tendered by the public shareholders of the FOL in the FOL Public Offer in accordance with the Takeover Regulations.
- 5.2 On the FOL SPA Completion Date, Fairfax India shall, subject to and in accordance with the FOL SPA, acquire shareholding of the Privi Group in the FOL comprising of 23,30,758 (twenty three lakh thirty thousand seven hundred and fifty eight) FOL Equity Shares, representing 17.9% (seventeen point nine per cent) of the FOL Share Capital ("**FOL SPA Shares**").
- 5.3 On the Other FOL SPA Completion Date, the Adi Group shall subject to and in accordance with the Other FOL SPA, acquire shareholding of the Privi Group in the FOL comprising of 6,21,833 (six lakh twenty one thousand eight hundred and thirty three) FOL Equity Shares, representing 4.78% (four point seven eight per cent) of the FOL Share Capital ("**Other FOL SPA Shares**").
- 5.4 After the FOL SPA Completion Date and the Other FOL SPA Completion Date, (a) the Privi Group shall make necessary applications for the re-classification of the Privi Group to 'public' category in FOL, (b) FOL shall take necessary steps for such re-classification to ensure that the Privi Group is no longer classified as 'promoters' of FOL including convening of the extra-ordinary general meeting of the members of the FOL after such period as required under Applicable Law to approve such de-classification of the Privi Group as the promoters of the FOL, and (c) the Adi Group and Fairfax India shall cause the FOL to convene such extra-ordinary general meeting above and exercise their voting rights in FOL in favour of such re-classification of the Privi Group from 'promoter' category to 'public' category.
- 5.5 In the event after the completion of the FOL Public Offer, the public shareholding in FOL falls below the 'Minimum Public Shareholding' requirement under Applicable Law, including Rule 19(2) and Rule 19A of the SCRR, Fairfax India shall be responsible and undertakes to take reasonable necessary steps as may be necessary to ensure that the public shareholding of FOL is at least equal to the 'Minimum Public Shareholding' requirement under Applicable Law.

## 6. CONDITIONS PRECEDENT

### 6.1 Conditions Precedent to Filing the Scheme with NCLT

6.1.1 The obligations of FSL, FOL and POIL to file the Scheme with NCLT shall be subject to the satisfaction of the following conditions (“**Filing Conditions Precedent**”):

- (i) each of the representations and warranties provided by each Party to the other Parties under Clause 10 of this Agreement remaining true and correct in all respects on the Filing Date;
- (ii) FSL: (a) receiving the observation letter/ no objection certificate from the Stock Exchanges, pursuant to the Listing Regulations and the Relevant SEBI Circular for the Scheme with no adverse conditions; and (b) having filed the complaints report with the Stock Exchanges in terms of the Relevant SEBI Circular within the timelines prescribed therein;
- (iii) each of the Transaction Documents being valid and subsisting; and
- (iv) there being no order of any court or by any Governmental Authority or statutory body or any change in Applicable Law that restrains or prohibits consummation of the Transaction (or any material part thereof) contemplated by the Transaction Documents or if there is such order then, the Parties shall have obtained a stay on its operation through appellate, review, writ or other suitable proceedings within 3 (three) months of the issuance of such order or the enactment of such law.

6.1.2 The Parties undertake to notify each other promptly upon becoming aware that any of the Filing Conditions Precedent in Clause 6.1.1, as applicable to such Party, have been fulfilled or have become incapable of satisfaction.

6.1.3 On satisfaction of the last of the Filing Conditions Precedent, each Party shall jointly issue to the other Parties, a certificate confirming that the Filing Conditions Precedent set out in Clause 6.1.1, applicable to such Party, have been satisfied (“**Filing CP Satisfaction Notice**”).

6.1.4 If any Party becomes aware of any fact, matter or thing which has occurred after the Execution Date but prior to the Filing Date that would have an effect of preventing the satisfaction or fulfilment of any Filing Conditions Precedent, such Party, shall immediately notify the other, in writing, of such fact, matter or thing.

### 6.2 Conditions Precedent to the Effectiveness of the Scheme

6.2.1 The obligations of the Parties to give effect to the Scheme shall be subject to the satisfaction of the following conditions (“**Scheme Conditions Precedent**”):

- (i) receipt of approval of the Scheme by the various classes of shareholders and creditors of FSL, FOL and POIL in accordance with Section 230-232 and all other relevant provision of the Companies Act, 2013;
- (ii) the Adi Option Agreement Conditions Precedent shall have been completed in accordance with the terms of the Adi Option Agreement (except for the Adi Option Agreement Condition Precedent set out in clause 4.1.5 of the Adi Option Agreement);
- (iii) the Fairfax Option Agreement Conditions Precedent shall have been completed in accordance with the terms of the Fairfax Option Agreement (except for the Fairfax Option Agreement Conditions Precedent set out in clauses 4.1.5 and 4.1.6 of the Fairfax Option Agreement, respectively);
- (iv) the FOL SPA Conditions Precedent shall have been completed in accordance with the terms of the FOL SPA (except for the completion of the Regulatory Approval Condition (*as defined in the FOL SPA*) and the FOL SPA Conditions Precedent set out in clauses 3.1.8, 3.1.9, 3.1.10, 3.2.3, 3.3.5 and 3.3.7 of the FOL SPA, respectively);
- (v) the Other FOL SPA Conditions Precedent shall have been completed in accordance with the terms of the Other FOL SPA (except for the Other FOL SPA Condition Precedent set out in clauses 3.1.7, 3.1.8, 3.1.9, 3.2.3, 3.3.4 and 3.3.6 of the Other FOL SPA, respectively);
- (vi) the Scheme being sanctioned by the NCLT and / or any other competent authority, as may be applicable under Sections 230 to 232 of the Act;
- (vii) each of the representations and warranties provided by each Party to the other Parties under Clause 10 of this Agreement remaining true and correct in all respects on the Effective Date;
- (viii) each of the Transaction Documents being valid and subsisting; and
- (ix) there being no order of any court or by any Governmental Authority or statutory body or any change in law that restrains or prohibits consummation of the Transaction (or any material part thereof) contemplated by the Transaction Documents or if there is such order then, the Parties shall have obtained a stay on its operation through appellate, review, writ or other suitable proceedings within 3 (three) months of the issuance of such order or the enactment of such law.

6.3 The Parties shall take reasonable necessary steps to procure satisfaction of the Conditions Precedent which are within their control, including in the manner set out below:

6.3.1 in relation to the Filing Conditions Precedent stated in Clause 6.1.1(ii), FSL shall

apply for obtaining observation letter/ no objection certificate for the Scheme from the Stock Exchanges where its shares are listed as required under the Relevant SEBI Circular and the Listing Regulations, within 15 (fifteen) Business Days of the Execution Date;

6.3.2 in relation to the Scheme Conditions Precedent stated in Clause 6.2.1:

- (i) the Demerged Company, the Resulting Company and POIL shall be responsible for taking all reasonable steps within its power to procure the approval of the Scheme from their respective shareholders and creditors; and
- (ii) the Demerged Company, the Resulting Company and POIL shall be responsible for taking all reasonable steps for obtaining the approval of the NCLT for the Scheme and the Demerged Company, the Resulting Company and POIL shall, subject to Clause 20.6 (*Costs*), bear the respective costs in this regard.

6.4 Upon satisfaction of a Condition Precedent, the Party responsible for satisfaction of such Condition Precedent shall promptly notify the other Parties in writing, together with all supporting documents and simultaneously deliver the same to the other Parties (“**Scheme CP Satisfaction Notice**”).

6.5 For avoidance of doubt, to the extent permissible by the Applicable Law, no Party may rely on the failure of any Condition Precedent to not consummate this Agreement in accordance with the terms hereof, if such failure was caused by such Party’s failure to act in good faith or to use commercially reasonable efforts to cause the Transaction to occur, or to otherwise act as required by the provisions of this Agreement.

6.6 For the avoidance of any doubt, it is clarified that if the Filing CP Satisfaction Notice, or the Scheme CP Satisfaction Notice, as the case may be, is wrongfully withheld by a Party, it shall not affect the right of the other Parties to enforce closing upon fulfilment of the last of the Filing Conditions Precedent or Scheme Conditions Precedent, as the case may be.

## 7. IMPLEMENTATION

### 7.1 Sequence of Events

7.1.1 Without prejudice to the generality of Clause 2, the sequence of events for giving effect to the Scheme in accordance with the terms hereof shall be as follows:

- (i) On the Execution Date, the board of directors of FSL, POIL and FOL shall have approved the Scheme and the transactions contemplated therein in accordance with Applicable Law.
- (ii) FSL shall use commercially reasonable efforts to: (a) within 15 (fifteen)

Business Days of the Execution Date, file the Scheme with the Stock Exchanges in compliance with Regulation 37 of the Listing Regulations and the Relevant SEBI Circular for the purposes of obtaining no objection/ observation letter from the Stock Exchanges; and (b) file the complaints report with the Stock Exchanges in terms of the Relevant SEBI Circular within the timelines prescribed therein. The Parties agree that the Stock Exchange for the purpose of coordinating with the SEBI in terms of the Relevant SEBI Circular shall be BSE.

- (iii) Within a period of 15 (fifteen) Business Days from the issue of the Filing CP Satisfaction Notice and after receipt of approval of the Stock Exchanges pursuant to sub-clause (ii) above, FSL, FOL and POIL shall jointly file an application to the NCLT under Section 230(1) of the Act and Rule 3 of the Companies Amalgamation Rules along with prescribed documents seeking directions to convene the meetings of the respective shareholders and convene or dispense with the meetings of their respective creditors, as applicable.
- (iv) FSL shall convene meetings of its shareholders and creditors as may be directed by the NCLT.
- (v) FOL shall convene a meeting of its creditors and shareholders as may be directed by the NCLT.
- (vi) Privi Group shall procure that POIL convenes the meeting of its creditors and shareholders as may be directed by the NCLT.
- (vii) Within a period of 7 (seven) days of filing of report by the chairperson in respect of the result of voting at the meetings of respective shareholders and creditors of FSL, FOL and POIL, FSL, FOL and POIL shall jointly file a petition under Section 232 of the Act before the NCLT, seeking sanction of NCLT for the Scheme.
- (viii) At least 5 (five) days prior to the Order Filing Date:
  - (a) each of Utkarsh Bhikhoobhai Shah and Nahoosh Jayvadan Jariwala shall deliver to FSL unconditional and irrevocable signed and dated resignation letters in Agreed Form, effective as of the Effective Date;
  - (b) the directors nominated by the Privi Group, if any, on the board of directors of FOL, shall deliver to FOL unconditional and irrevocable signed and dated resignation letters in Agreed Form, effective as of the Effective Date; and
  - (c) Nahoosh Jayvadan Jariwala shall deliver to POIL unconditional and irrevocable signed and dated resignation letters in Agreed

Form, effective as of the Effective Date.

- (ix) Each of FSL, FOL and POIL shall file the NCLT Order sanctioning the Scheme with the RoC as soon as practicable on a mutually agreed date (“**Order Filing Date**”) and in any event within the time period prescribed under Applicable Law.
- (x) On the Order Filing Date:
  - (a) FSL shall convene a meeting of its board of directors: (x) for declaring the effectiveness of the Scheme, provided that failure to hold such meeting will not render the Scheme ineffective; and (y) to take on record the resignation of Utkarsh Bhikhoobhai Shah and Nahoosh Jayvadan Jariwala as of the Effective Date;
  - (b) FOL shall convene a meeting of its board of directors: (x) for declaring the effectiveness of the Scheme, provided that failure to hold such meeting will not render the Scheme ineffective; and (y) to take on record the resignation the directors nominated by the Privi Group (if any), as of the Effective Date;
  - (c) POIL shall convene a meeting of its board of directors: (x) for declaring the effectiveness of the Scheme, provided that failure to hold such meeting will not render the Scheme ineffective; and (y) to take on record the resignation of Nahoosh Jayvadan Jariwala as of the Effective Date.
- (xi) Within 10 (ten) Business Days from the Order Filing Date, FSL shall fix and inform the Stock Exchanges of the Record Date.
- (xii) FOL shall issue the FOL Consideration Shares to the FSL Equity Holders within 5 (five) Business Days from the Record Date and the FOL Equity Shares and equity shares of POIL existing at the time of filing the Scheme shall stand cancelled in terms of the Scheme.
- (xiii) All requisite forms and filings in relation to the issuance and allotment of the FOL Consideration Shares under Applicable Law shall be prepared and filed by FOL with the relevant Governmental Authorities as well as the RoC within the time prescribed under Applicable Law.
- (xiv) The Resulting Company and the Demerged Company shall be responsible for making all filings and registrations required under the Applicable Law in connection with the Scheme.
- (xv) The Resulting Company and the Demerged Company shall be responsible for filing an adjudication application in relation to the Scheme with the relevant stamping authorities in accordance with the

Applicable Law.

- (xvi) It is hereby agreed that upon the occurrence of the Effective Date for the Scheme, the Demerged Undertaking shall, with effect from the Appointed Date 1, be transferred and vested in FOL, without any further act or deed required of any Party.
- (xvii) It is hereby agreed that upon the occurrence of the Effective Date for the Scheme, with effect from the Appointed Date 2, POIL shall stand amalgamated in FSL, without any further act or deed required of any Party.
- (xviii) The Demerged Company shall provide to the Resulting Company, certified copies of the audited separate financial statements of the Demerged Company, for the Demerged Undertaking, for the accounting reference period ended on the Appointed Date 1, together with, the auditors' reports and the notes to such audited financial statements, such financial statements comprising, a balance sheet, a profit and loss account and a cash flow statement, prepared in accordance with the Ind AS, as soon as practicable after the Effective Date and in any event within the quarter ending immediately after the Effective Date.

7.1.2 FOL hereby undertakes to take all such actions and perform all such acts and deeds required under and pursuant to the Applicable Law as may be necessary in connection with the application of the listing of the FOL Consideration Shares issued pursuant to the Scheme, without an initial public offer as soon as practicable after the date of allotment of FOL Consideration Shares. Without prejudice to the above:

- (i) within 7 (seven) days from the allotment of the FOL Consideration Shares, FOL shall make an application to the Stock Exchanges seeking listing and forwarding of its application to the SEBI under Regulation 19(7) of the SCRR seeking relaxation from the applicability of Rule 19(2)(b) of the SCRR;
- (ii) within 3 (three) Business Days from the grant of relaxation from the applicability of Rule 19(2)(b) of the SCRR to FOL by SEBI, FOL shall make a final listing and trading application to the Stock Exchanges;
- (iii) within 3 (three) Business Days from the Stock Exchanges issuing a notice for listing and trading of the FOL Consideration Shares, or such other date as may be agreed between the Parties in writing, FOL shall commence trading of the FOL Consideration Shares;
- (iv) before the commencement of trading of the FOL Consideration Shares, FOL shall give an advertisement in: (a) one English newspaper; (b) one Hindi newspaper with wide circulation; and (c) one regional newspaper

with wide circulation at the place where the registered office of FOL is situated stating the details set out in the Relevant SEBI Circular; and

- (v) FOL shall take steps for listing of FOL Consideration Shares to ensure that trading of the FOL Consideration Shares commences within 60 (sixty) days of the receipt of the order sanctioning the Scheme, or within such other period as may be prescribed by SEBI.

7.1.3 On the date of commencement of listing and trading of the FOL Equity Shares, Fairfax India shall make the FOL Public Offer and acquire such number of FOL Equity Shares as may be tendered by the public shareholders of FOL in the FOL Public Offer in accordance with the Takeover Regulations.

7.1.4 On the Other FOL SPA Completion Date in accordance with the Other FOL SPA, the following actions will take place simultaneously:

- (i) the Adi Group shall issue irrevocable remittance instructions for the transfer of the purchase consideration for the Other FOL SPA Shares, from the Adi Group to the Privi Group (“**Adi Group Remittance Instructions**”);
- (ii) immediately upon the Adi Group providing the Privi Group with documentary evidence of the Adi Group Remittance Instructions having been issued, the Privi Group shall deposit complete and executed delivery instructions slips with its depository participant and instruct its depository participant to transfer the Other FOL SPA Shares from the demat account(s) of the Privi Group to the demat account(s) of the Adi Group; and
- (iii) undertake such other actions as specified in the Other FOL SPA.

7.1.5 On the FOL SPA Completion Date in accordance with the FOL SPA, the following actions will take place simultaneously:

- (i) Fairfax India shall issue irrevocable remittance instructions for the transfer of the purchase consideration for the FOL SPA Shares from Fairfax India to the Privi Group (“**Fairfax Remittance Instructions**”);
- (ii) immediately upon Fairfax India providing the Privi Group with documentary evidence of the Fairfax Remittance Instructions having been issued the Privi Group shall deposit complete and executed delivery instructions slips with its depository participant and instruct its depository participant to transfer the FOL SPA Shares from the demat account(s) of the Privi Group to the demat account of Fairfax India; and
- (iii) undertake such other actions as specified in FOL SPA.

- 7.1.6 The Other FOL SPA Completion and the FOL SPA Completion shall be deemed to occur simultaneously and no transactions under the Other FOL SPA and the FOL SPA shall be consummated unless all such transactions are consummated such date is hereinafter referred to as the “**FOL Completion Date**”.
- 7.1.7 Pursuant to the Other FOL SPA Completion and the FOL SPA Completion respectively, the Adi Group shall hold FOL Equity Shares representing 7.4% (seven point four per cent) of the FOL Share Capital and Fairfax India shall hold FOL Equity Shares representing 66.66% (sixty six point six six per cent) of the FOL Share Capital (excluding the FOL Equity Shares acquired from the public shareholders pursuant to the FOL Public Offer).
- 7.1.8 The Privi Adi Call Option or the Adi Privi Put Option may be exercised in accordance with the Adi Option Agreement for the sale of the Adi Group Sale Shares to the Privi Group on the Adi Option Completion Date, in accordance with the terms of the Adi Option Agreement.
- 7.1.9 The Privi Fairfax Call Option may be exercised in accordance with the Fairfax Option Agreement for the sale of the Fairfax India Sale Shares to the Privi Group on the Fairfax Option Completion Date, in accordance with the terms of the Fairfax Option Agreement.
- 7.1.10 On the later of the Adi Option Completion Date and the Fairfax Option Completion Date, the Privi Group shall hold FSL Equity Shares representing 35.13% (thirty five point one three per cent) of the FSL Share Capital and Fairfax India shall hold FSL Equity Shares representing 38.92% (thirty eight point nine two per cent) of the FSL Share Capital.
- 7.1.11 The Existing SHA shall be terminated with effect from the Effective Date.
- 7.1.12 Certain provisions of the FSL SHA shall be effective with effect from the Effective Date and the remaining provisions will come into effect on the later of the Fairfax Option Completion Date or the Adi Option Completion Date, in accordance with the terms of the FSL SHA.
- 7.1.13 The FOL SHA shall be effective with effect from the FOL Completion Date.

## 7.2 Withdrawal of the Scheme

The Parties agree and shall ensure that FSL, FOL and POIL shall withdraw or agree to withdraw the Scheme only with the prior written consent of all the Parties.

## 8. **UNDERTAKING TO TAKE NECESSARY STEPS**

- 8.1 Each Party undertakes to take such actions and to do and perform such reasonably necessary acts and deeds in accordance with Applicable Law and execute all reasonably necessary documents including Ancillary Documents, whether the same are specifically

required in terms of this Agreement or otherwise, as may be necessary in connection with and for the completion or implementation of the Transaction, to effectively carry on the full intent and meaning of this Agreement and the Scheme, and give effect to all components of the Transaction, in accordance with the respective terms of the Transaction Documents.

8.2 Without limitation to the generality of the foregoing, but subject to Clause 8.1, each Party (to the extent applicable and as the context may require):

8.2.1 shall exercise its voting rights in any entity, and subject to Applicable Law, cause their nominees who are office bearers in any entity to exercise their voting rights, in accordance with and in furtherance and support of this Agreement, and the Scheme, including voting accordingly at the relevant extraordinary general meetings and board meetings of the Parties convened to consider and vote on this Agreement, the Scheme, or any Ancillary Documents;

8.2.2 shall promptly and in a timely manner convene meetings of the respective boards of directors and members as may be required for the purposes of this Agreement, Scheme (including as may be directed by the NCLT) or any Ancillary Documents;

8.2.3 shall co-operate to proceed to take reasonably necessary steps to procure the receipt of required regulatory and statutorily mandated approvals and meet with the requirements and/ or conditions which may be imposed by the Governmental Authorities for giving effect to the provisions of this Agreement;

8.2.4 shall provide full assistance, information and documentation for enabling receipt of such approvals and provide such further information as may be required by the Governmental Authorities for granting such approvals;

8.2.5 shall submit court applications and filings, and the notice and explanatory statement to respective shareholders and creditors (as applicable) only after seeking and considering in good faith comments from the other Parties, which shall be provided promptly;

8.2.6 shall not submit any form, application or make any filing with any Governmental Authority in relation to the Scheme unless the other Parties have been provided copies of such document prior to filing and the prior written consent in relation to matters pertaining to any of the other Parties (but not in relation to general matters or factual matters in relation to the Proposed Merger and Proposed Demerger) has been obtained and the prior consultation with such other Party with respect to all other matters in relation to such filing has been undergone, provided that the other Party shall respond in a prompt and expeditious manner to any such requests for consent or consultation, as the case may be, in relation to such filing;

8.2.7 shall in relation to any joint applications by the Parties to the NCLT, represent

and warrant to the other Parties that the information in relation to such Party is true, complete and accurate;

- 8.2.8 shall file the Scheme with the NCLT and shall in good faith, pursue the Scheme expeditiously and not voluntarily seek any amendments to or withdrawal of the Scheme except with the consent of all Parties;
- 8.2.9 in the event any approval required from a Governmental Authority is rejected or denied, shall co-operate, subject to Applicable Law, to take further steps, as may be commercially reasonable and within its power, to procure the required regulatory approvals, provided that there is no material adverse economic impact on the Parties or their ability to carry on their respective business; and
- 8.2.10 promptly provide the other Party with copies of any filing made with, correspondence received from and discussions had with, and the outcome of any meeting with, any Governmental Authority in relation to the Proposed Merger and/or the Proposed Demerger. In the event of receipt of a request for information or explanations from a Governmental Authority which is in connection with the Proposed Merger and/or the Proposed Demerger, the Parties shall discuss in good faith the response to such request and no information or explanation shall be submitted to such Governmental Authority unless due prior and timely consultation in relation to matters pertaining to the other Party(ies) (but not in relation to general matters or factual matters in relation to the Proposed Merger and/or the Proposed Demerger) has been undertaken. To the extent not prohibited by the relevant Governmental Authority, the Parties shall, either directly or through their respective advisors, make all reasonable efforts to jointly attend any meetings and calls in connection with the Proposed Merger and/or Proposed Demerger with such Governmental Authority
- 8.3 Notwithstanding anything to the contrary in the Scheme or elsewhere: (a) no modification to the Scheme shall be made without the prior written consent of the authorised signatories of the Demerged Company, POIL, the Resulting Company, Privi Group, Adi Group and Fairfax India; and (b) the Scheme shall not be withdrawn from any Governmental Authority unless such withdrawal is strictly in accordance with this Agreement.
- 8.4 Each of the members of the Privi Group, Adi Group and Fairfax India hereby grants its irrevocable consent to the Scheme and agrees to provide all documents in relation to such consent as may be reasonably required in relation to the Proposed Merger and Proposed Demerger, within a period of 5 (five) Business Days from a written request by the other Parties. Further, each of the members of the Privi Group, Adi Group and Fairfax India agrees that it shall consent to amendments to the Scheme, as requested by FSL, POIL or FOL, if: (i) such amendments are not material amendments; or (ii) such amendments are required to be made pursuant to the directions received from the NCLT or any other Governmental Authority and such amendment does not adversely affect the interests of any Party.

- 8.5 Promptly after the execution of this Agreement, the Parties shall initiate steps to procure satisfaction of those Conditions Precedent that they are responsible for in accordance with Clause 6.

**9. INTERIM PERIOD COVENANTS**

- 9.1 FSL and POIL shall, during the period from the Execution Date till the Effective Date:

9.1.1 conduct the Business and the Privi Business in the ordinary and usual course, consistent with past practice;

9.1.2 comply in all material respects with all the Applicable Laws affecting the Business and the Privi Business.

- 9.2 FOL shall during the period from the Execution Date till the Effective Date:

9.2.1 conduct the business of FOL in the ordinary and usual course, consistent with past practice;

9.2.2 comply in all material respects with all the Applicable Laws affecting FOL; and

9.2.3 shall not acquire (by merger, consolidation, acquisition of stock or assets or otherwise) any assets, securities or business division, or divest, transfer, sell, any assets, properties or business divisions or enter into any legally binding commitment with respect to any of the foregoing, without the prior written consent of each of Fairfax India, the Nahoosh Group and the Privi Group.

- 9.3 If at any time during the period from the Execution Date till the Effective Date, any Party becomes aware that:

9.3.1 there has been breach of any of its representations, warranties or covenants provided under this Agreement or the Transaction Documents; or

9.3.2 a material litigation, proceeding, inquiry or case has been initiated, or a penalty has been imposed by, or notice received from a Governmental Authority which could have an adverse impact on the completion of the Transaction (or any material part thereof),

then such Party shall, as soon as reasonably possible, notify the other Parties of that fact in writing and shall provide all relevant information in its possession in relation to such events to the other Parties.

- 9.4 On and from the Execution Date until the Effective Date, and except as agreed in the Transaction Documents:

9.4.1 no member of the Privi Group or their respective Affiliates shall directly or indirectly Transfer to any Person, or create or permit any Encumbrance over, any

equity securities of FOL and/ or FSL held or owned by such member of the Privi Group or their respective Affiliates (including any equity securities of FOL that are issued and allotted pursuant to the Proposed Demerger), other than to Permitted Transferees;

9.4.2 no member of the Adi Group or their respective Affiliates shall directly or indirectly Transfer to any Person, or create or permit any Encumbrance over, any equity securities of FOL and/ or FSL held or owned by such member of the Adi Group or their respective Affiliates (including any equity securities of FOL that are issued and allotted pursuant to the Proposed Demerger), other than to Permitted Transferees; and

9.4.3 Fairfax India and its Affiliates shall not directly or indirectly Transfer to any Person, or create or permit any Encumbrance over, any equity securities of FOL and/ or FSL held or owned by Fairfax India or its Affiliates (including any equity securities of FOL that are issued and allotted pursuant to the Proposed Demerger), other than to Permitted Transferees,

provided that in the event that any equity securities of FOL and/ or FSL are proposed to be Transferred by any of the Privi Group, Adi Group or Fairfax India to any Permitted Transferees pursuant to Clause 9.4 above: (i) then the relevant transferring shareholder group shall procure that before any such Permitted Transferee of equity securities held by the Privi Group, Adi Group or Fairfax India (as the case may be), is registered as a holder of any equity securities, such Permitted Transferee shall sign a deed of adherence agreeing to be bound by all the terms of this Agreement and the other Transaction Documents, to which the transferring shareholder group is a party, in the form set out in **Schedule 6** (“DOA”), simultaneous with such Transfer; (ii) in the event the Transfer to the Permitted Transferee is by any member of the Privi Group, then upon and after such Transfer, the Privi Group Representatives shall continue to exercise all the rights under this Agreement and the other Transaction Documents (as applicable) on behalf of such Permitted Transferee of the Privi Group, and shall continue to remain liable as the primary obligor of all obligations of, and the performance by, such Permitted Transferee under this Agreement and the other Transaction Documents (as applicable); (iii) in the event the Transfer to the Permitted Transferee is by any member of the Adi Group, then upon and after such Transfer, the Adi Group Representative shall continue to exercise all the rights under this Agreement and the other Transaction Documents (as applicable) on behalf of such Permitted Transferee of the Adi Group, and shall continue to remain liable as the primary obligor of all obligations of, and the performance by, such Permitted Transferee under this Agreement and the other Transaction Documents (as applicable); and (iv) in the event the Transfer to the Permitted Transferee is by any of FIHM or FIHPIL, then upon and after such Transfer, Fairfax India shall continue to exercise all the rights under this Agreement and the other Transaction Documents (as applicable) on behalf of such Permitted Transferee of Fairfax India, and shall continue to remain liable as the primary obligor of all obligations of, and the performance by, such Permitted Transferee under this Agreement and the other Transaction Documents (as applicable).

## 10. REPRESENTATIONS AND WARRANTIES

### 10.1 General Warranties

Each Party, as applicable, hereby represents and warrants to the other Parties that, as on the Execution Date, the Effective Date, the FOL Completion Date, the Adi Option Completion Date and the Fairfax Option Completion Date:

- 10.1.1 Organization and Standing. It is duly organized and validly existing under the laws applicable to it and has full power and authority (corporate or otherwise) to carry on its business as presently conducted.
- 10.1.2 Authority and Enforceability. Subject to obtaining the approvals set out as Conditions Precedent: (i) it has necessary power and authority to execute and deliver this Agreement and to perform all of its obligations arising or created under this Agreement; (ii) the execution, delivery and performance of this Agreement have been duly authorized after taking all required corporate action; and (iii) this Agreement will constitute a valid and legally binding obligation of that Party, enforceable in accordance with its terms, except that enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and equitable principles of general application.
- 10.1.3 No Breach. The execution, delivery and performance of this Agreement by it, does not conflict with, result in a breach of or default under, or require any consent under: (i) its memorandum or articles of association; or (ii) any Applicable Law or regulation; or (iii) any order, writ, injunction or decree of any applicable Governmental Authority.
- 10.1.4 No Breach of contracts. Except any approval or consent that may be required from any applicable Governmental Authority or any counter party, the execution, delivery and performance of this Agreement by it, does not conflict with, result in a breach of or default under, or require any consent under any instrument, contract or other agreement to which such Party is a party or by which such Party is bound.
- 10.1.5 No Conflict. Except any approval or consent that may be required from any applicable Governmental Authority or any counter party, the execution, delivery and performance of this Agreement by it, does not give rise to a right of termination under or lead to an acceleration in payment under any instrument, contract or other agreement to which such Party is a party or by which such Party is bound.
- 10.1.6 Not Insolvent. No order has been made, or resolution passed or meeting convened for its winding up or corporate insolvency resolution (or other process whereby the assets of the company concerned are distributed among the creditors and/ or shareholders or other contributories) or for the appointment of a insolvency

resolution professional, liquidator or provisional liquidator or receiver to any of its assets. There are no admitted cases or proceedings under any applicable insolvency, reorganization or bankruptcy laws concerning it.

- 10.2 Each of Fairfax India, Nahoosh Group and Privi Group hereby agree and undertake that they are not relying on the FSL, FOL or POIL, or the officers, employees, or directors of FSL, FOL or POIL in any manner whatsoever in relation to providing any of the warranties or undertakings and covenants under this Agreement.

## 11. MODIFICATIONS AND AMENDMENTS TO THE SCHEME

- 11.1 The Parties agree that if, at any time, either the NCLT or any Governmental Authority directs or requires any modification to or amendment of the Scheme, such modification or amendment shall not, to the extent it materially adversely affects the interests of a Party, be binding on such Party except where the prior written consent of such Party has been obtained for such modification or amendment, which consent shall not be unreasonably withheld by the relevant Party.
- 11.2 In the event a modification or amendment to the Scheme as required by the NCLT or any Governmental Authority is not approved in accordance with this Clause, the Parties shall, without prejudice to the binding nature of this Agreement and without jeopardizing the objectives of this Agreement, enter into good faith discussions, for a period of upto 1 (one) month or other longer period as may be mutually agreed between the Parties, on the manner in which they shall proceed in relation to consummation of the transactions contemplated under the Agreement and the Scheme.

## 12. INDEMNITY

- 12.1 On and from the Execution Date, each Party (such Party being the “**Other Indemnifying Party**”) hereby severally undertakes to indemnify, defend and hold harmless each of the other Parties, their respective directors, employees and agents (such other Parties being the “**Other Indemnified Parties**”), from and against any and all Losses suffered or incurred by such Other Indemnified Parties, as a result of or arising out of, or in relation to or otherwise in respect of:

12.1.1 failure to fulfil any covenant under this Agreement, by the Other Indemnifying Party; and

12.1.2 any inaccuracy, misstatement, misrepresentation by the Other Indemnifying Party or any breach of the warranties in Clause 10 by the Other Indemnifying Party.

### 12.2 Indemnification by Resulting Company

On and from the Effective Date, the Resulting Company agrees to indemnify and hold harmless the Demerged Company Indemnified Parties from and against, any and all Losses incurred or suffered by the Demerged Company Indemnified Parties, relating to or resulting from any Losses arising in relation to or in connection with the Demerged

Undertaking which relates to a period prior to the Effective Date.

### 12.3 Notification of Claims

Any Indemnified Party seeking indemnification under Clause 12 (“**Claim**”), shall promptly notify in writing (“**Claims Notice**”) the Indemnifying Party of any Losses for which the Indemnifying Party is asserting an indemnification claim under Clause 12. Provided however that the failure of the Indemnified Party to give prompt Claims Notice shall not release, waive or otherwise affect the Indemnifying Party’s obligations with respect thereto, except to the extent that the Indemnifying Party suffers any Loss as a result of such failure. The Claims Notice shall be accompanied with a description of the basis for such indemnification claim, to the extent available with the Indemnified Party. The Indemnifying Party shall, within 15 (fifteen) days from the date of receipt of such Claims Notice, issue a reply to the same, setting forth the Indemnifying Party’s intention to either: (a) accept the Claim for Losses and the calculation thereto; or (b) contest the Claim. In the event the Indemnifying Party accepts the Claim for Losses, then within a period of 30 (thirty) days from the date of acceptance of Claim, the Indemnifying Party shall pay the indemnification amounts as stipulated under the Claims Notice to the Indemnified Party. In the event the Indemnifying Party intends to contest the Claims Notice, then the Parties shall proceed to resolve the Claim through the dispute resolution mechanisms set out under Clause 21 (*Governing Law and Dispute Resolution*).

### 12.4 Third Party Claims

12.4.1 If a third party commences a legal action against any Indemnified Party or an Indemnified Party receives a notice of assertion or commencement of any claim, demand, action, proceeding or suit by a third party relating to Loss that gives rise to an indemnification obligation under this Clause 12 (a “**Third Party Claim**”), the Indemnifying Party shall have the option of electing to take over the defence of such Third Party Claim by notifying the Indemnified Party within 10 (ten) days from the receipt of the Claims Notice or such other shorter period within which such defence ought to be assumed to comply with requirements mandated by the third party claimant’s notice or otherwise as required under Applicable Law.

12.4.2 If the Indemnifying Party elects to take over the defence of such Third Party Claim under Clause 12.4.1 above, it shall be entitled to assume the complete control and defence of such Third Party Claim and have the sole right to contest, settle, compromise or otherwise dispose of such Third Party Claim on terms that the Indemnifying Party, in its reasonable discretion, deems appropriate, provided that the prior written consent of the Indemnified Parties shall be required for any such settlement, compromise or other disposition if such settlement, compromise or other disposition adversely affects the Indemnified Parties. The Indemnifying Party shall remain liable for the costs and expenses of such Third Party Claim including all court costs, posting of any security, payment of any interim amounts as required by any Governmental Authority. Further, the Indemnifying Party shall keep the Indemnified Party informed as to the status of such Third Party Claim and shall promptly send copies of all pleadings to the Indemnified Party and in

any event within 10 (ten) days of filing any such pleadings.

- 12.4.3 Without prejudice to Clause 12.4.2 above, the Indemnifying Party shall have the right to give any representation or submissions to, make any appearances before, or undertake any actions before, a Governmental Authority or any other third party in relation to any Third Party Claims.
- 12.4.4 Notwithstanding anything to the contrary, in the event the Indemnifying Party fails to assume such defence within the period set out in Clause 12.4.2 above, the Indemnified Parties shall have the right, but not the obligation, to assume the defence of, or compromise such Third Party Claim itself. In the event the Indemnified Party assumes the defence of, or compromises such Third Party Claim itself, then, subject to the provisions of Clause 12.4.7 below, the Indemnifying Party shall remain liable for the costs and expenses of such Third Party Claim, including all court costs, posting of any security, payment of any interim amounts as required by any Governmental Authority. The Indemnified Parties shall have the right to contest, settle, compromise or otherwise dispose of such Third Party Claim on terms that the Indemnified Parties, in their sole discretion, deem appropriate.
- 12.4.5 If the Indemnifying Party has elected to take over the defence of a Third Party Claim under Clause 12.4.2 above, then, the Indemnified Parties shall not, and shall procure that their respective officers/ promoters shall not, in relation to such Third Party Claim:
- (i) make any representations, communications or submissions to, make any appearances before, or undertake any actions before, a Governmental Authority or any other third party in relation to any Third Party Claim except with the prior written consent of the Indemnifying Party which consent may be provided or refused at the sole discretion of the Indemnifying Party; and
  - (ii) make any admission of liability, agreement, settlement or compromise with any third party in relation to any such Third Party Claim without the prior written consent of the Indemnifying Party.
- 12.4.6 Notwithstanding anything to the contrary, if the Third Party Claim (i) relates to criminal allegations against any of the Indemnified Parties; (ii) relates to bribery, money laundering or other similar matters alleged solely against any of the Indemnified Parties, or (iii) relates solely to any non-monetary injunctive relief against any of the Indemnified Parties, the Indemnified Party may, by delivery of written notice to the Indemnifying Party, assume the exclusive right to defend, compromise, or settle such Third Party Claim at the expense of the Indemnifying Party.
- 12.4.7 For the avoidance of doubt, it is clarified that where a payment obligation becomes due and payable, whether interim or otherwise (including the

requirement to make any interim payment or deposit, or to issue any bank guarantee as security for such interim payment or deposit by any Governmental Authority), during the defence of a Third Party Claim or is otherwise required to be paid or deposited in connection with such Third Party Claim including pursuant to a judgment, order by any Governmental Authority or arbitral award (in each case, which is not subject to any stay or other legal suspension or postponement), or in the event a settlement or compromise having been consummated in accordance with the provisions of this Clause 12.4, the relevant Indemnifying Party shall promptly, make such payment or otherwise cause to discharge such Third Party Claim by the date on which it became due and payable. In the event, any Third Party Claim requires an Indemnifying Party to make payment or deposit any monies or issue any bank guarantees and the Indemnifying Party either (a) does not assume the defence of the Third Party Claim or (b) is unable to procure a stay of demand or injunction against such Third Party Claim, the Indemnified Parties shall have the right to make the payment or deposit for such Third Party Claim and the Indemnifying Parties undertakes to promptly and in any event no later than 5 (five) Business Days from the date of payment, refund such amount to the Indemnified Parties.

12.4.8 It is further clarified that notwithstanding the assumption of defence of a Third Party Claim in accordance with Clauses 12.4.1 and 12.4.2 above, the Indemnifying Party shall continue to be liable under its indemnity obligation towards the Indemnified Party, subject to Clause 12.5 below.

## 12.5 Indemnification related matters

12.5.1 Notwithstanding anything contained in this Agreement, the Resulting Company shall not be liable for any Claim pursuant to its indemnity obligation under Clause 12.2, unless several individual Claims, when aggregated, result in or could result in liability exceeding an amount of INR 25,00,000 (Rupees twenty five lakh) (“**Aggregate Liability Threshold**”). The Resulting Company shall be liable to pay the Demerged Company Indemnified Party only if the aggregate Claims incurred by the Demerged Company Indemnified Party exceed the Aggregate Liability Threshold, in which case the Resulting Company shall be liable for the aggregate Claim liability and not just the difference between the aggregate Claim liability and the Aggregate Liability Threshold.

12.5.2 The Parties agree that in relation to the indemnity obligation of the Resulting Company under Clause 12.2, the Resulting Company shall not be liable for any Claims if,

- (i) the Claim is arising out of a Tax liability in relation to the Demerged Undertaking and the Claims Notice (including pursuant to a Third Party Claim) is received by the Resulting Company after the expiry of 7 (seven) years from the end of the financial year in which the Effective Date takes place; and

- (ii) for all other Claims under Clause 12.2, the Claims Notice (including pursuant to a Third Party Claim) is received by the Indemnifying Party after the expiry of 3 (three) years from the Effective Date.
- 12.5.3 No Indemnified Party shall be entitled to obtain payment, reimbursement, restitution, indemnity or damages more than once on account of the same Claim.
- 12.5.4 Further, no Indemnified Party shall be entitled to be indemnified in respect of any Claim to the extent of amounts that it has received as payment under an insurance policy in respect of such Claim.
- 12.5.5 The Indemnifying Party shall not be liable to any Indemnified Party for any consequential, indirect, punitive, special or incidental damages arising in any manner or form, irrespective of whether such liability is based on contract, tort (including negligence) or otherwise.
- 12.5.6 Notwithstanding anything contained in this Agreement, to the extent an Indemnified Party has been indemnified for a claim under the provisions of any other Transaction Documents for a particular breach or Loss, the Indemnified Party shall not be permitted to make a Claim in relation to the same breach or Loss under this Agreement or receive any compensation for such Claim under this Agreement.
- 12.5.7 If an Indemnifying Party has made a payment (the “**Damages Payment**”) to an Indemnified Party in respect of any Claim, and the Indemnified Person subsequently receives a refund or payment from a third party (a “**Third Party Sum**”) in respect of any matter giving rise to such Claim, such Indemnified Person shall repay to the Indemnifying Party so much of the Damages Payment as does not exceed the sum such Indemnified Person actually received as Third Party Sum(s) after deducting Taxes, if any, payable by such Indemnified Person, and any other expenses incurred, in connection with its receipt.
- 12.5.8 The Indemnifying Party shall not be liable for a Claim with respect to any Loss to the extent that the same would not have occurred but for (i) the passing of or enactment of any new statute or a rule, regulation, directive, circular or notification published in the official gazette or issued by a Governmental Authority; (ii) any change in interpretation of Applicable Law, in each case subsequent to the Execution Date but taking effect retrospectively from a date prior to the Execution Date. For avoidance of doubt, the term ‘change in interpretation of Applicable Law’ shall mean an interpretation by a judgment, order or ruling of a Governmental Authority after the Execution Date which changes an interpretation made or issued on or before the Execution Date, provided always that if, at the relevant time, there are differing interpretations co-existing on the relevant point of law through two or more orders, judgements and/or rulings of different Governmental Authorities, then in such circumstances, the words “change in interpretation of Applicable Law” in sub-clause (ii) above, shall not apply.

12.5.9 The Indemnified Party shall procure that they provide commercially reasonable assistance to the Indemnifying Parties to avoid or mitigate any Losses which they may suffer in relation to a Claim. Without prejudice to its duty to mitigate any loss, the Indemnified Party shall provide all reasonable assistance to the Indemnifying Party to remedy any such breach.

12.5.10 The Indemnified Person shall take reasonable steps to enforce recovery from a third party from whom the Indemnified Party has a right to recover insurance or indemnity payments if the Indemnified Party has a reasonably good chance of recovering such amount from the third party, and shall keep the Indemnifying Parties informed of the progress of any action taken.

12.5.11 The Indemnifying Party shall have no liability to the Indemnified Party in respect of any contingent liability of the Indemnified Party and the Indemnified Party shall not be entitled to serve a Claims Notice on the Indemnifying Party in respect of any contingent liability until such time as it becomes an actual liability.

12.5.12 The Indemnifying Parties shall not seek restitution from FSL, FOL or POIL or, their officers, employees, or directors for any amounts paid by the Indemnifying Parties under the terms of this Agreement and the Indemnifying Parties expressly waive all rights in law, equity or otherwise in respect of such restitution.

## 12.6 Limitation of Liability

Notwithstanding anything contained in this Agreement, the maximum amount that the Resulting Company shall be liable to indemnify the Demerged Company Indemnified Parties under the Transaction Documents, for any or all Losses arising out of all Claims other than Claims involving fraud, gross negligence or wilful misconduct, shall not exceed INR 30,00,00,000 (Rupees thirty crore).

## 12.7 Exclusive Remedy

The indemnification rights of an Indemnified Party pursuant to this Clause 12 shall be the sole and the exclusive monetary remedy of such Indemnified Party in respect of any breach of the provisions of this Agreement by the Indemnifying Party.

## 12.8 No Withholding of Taxes

All payments made to Indemnified Parties pursuant to this Clause 12, shall be made free and clear of, and without withholding or deduction for any Taxes unless the Person making such payment is required to make such a withholding or deduction, in which case the sum payable in respect of a claim shall be grossed up with a view to hold the Indemnified Parties harmless of consequences of any Tax liability, if applicable, in the hands of the Indemnified Parties as a result of the such payment.

### 13. TERMINATION

- 13.1 Any time prior to the Effective Date, this Agreement shall be terminated (i) automatically without any further act or deed by any Party upon the termination of any of the Transaction Documents (other than the FOL SHA ); and (ii) by a mutual agreement, in writing, amongst the Parties.
- 13.2 Any time after the Effective Date, this Agreement may only be terminated by a mutual agreement, in writing, amongst the Parties.
- 13.3 Upon termination of this Agreement in accordance with the terms hereof, the rights and obligations of the Parties under this Agreement shall not survive, other than any right and obligation that may have accrued prior to such termination and the provisions of Clause 19 (*Survival*) to the extent that they are intended to survive the termination of this Agreement.
- 13.4 In the event this Agreement is terminated under this Clause 13.1 prior to the Effective Date, the Parties shall take necessary steps to withdraw the Scheme from the NCLT and any other Governmental Authority, to make necessary filings as may be required to withdraw the Scheme.

### 14. FURTHER ASSURANCES

Each of the Parties shall at all times act in good faith in discharge of their obligations under this Agreement and the other Transaction Documents and not contravene any of its terms. Each of the Party agrees to: (a) execute and deliver necessary documents to give full and complete legal effect to the provisions of this Agreement and the other Transaction Documents (to which it is a party); (b) exercise its right, whether through holding shares or otherwise to give full and complete legal effect to the provisions of this Agreement and the other Transaction Documents (to which it is a party); and (c) render at all times all reasonable assistance and co-operation in its power to facilitate full and successful implementation of this Agreement and the other Transaction Documents (to which it is a party).

### 15. ANNOUNCEMENTS AND CONFIDENTIALITY

- 15.1 Subject to the provisions of this Clause and except for any announcement as may be agreed between the Privi Group, Nahoosh Group and Fairfax India in writing, no announcement, circular or communication concerning the Transaction, and matters contemplated herein and in the Transaction Documents shall be made by any Party (or any Affiliates of the Parties or representatives of a Party) without the prior written consent of the other Parties, except as may be required under Applicable Law and by any applicable stock exchanges, whether in India or abroad (including the Stock Exchanges).
- 15.2 Subject to Clause 15.3, each Party (“**Receiving Party**”) agrees and undertakes that it and its Affiliates and representatives shall not reveal, to any third party any Confidential Information of any other Party (“**Disclosing Party**”), without the prior written consent of

the Disclosing Party. The term “**Confidential Information**” as used in this Agreement means: (i) any information concerning the organization, business, intellectual property, technology, trade secrets, know-how, finance, transactions or affairs of the Disclosing Party (whether conveyed in written, oral or in any other form and whether such information is furnished before, on or after the date hereof); (ii) except as required to resolve such dispute or to enforce the Receiving Party’s rights hereunder, any information whatsoever concerning or relating to: (a) any dispute arising out of or in connection with this Agreement; or (b) the resolution of such dispute; (iii) any information or materials prepared by or for the Disclosing Party or its representatives that contain or otherwise reflect, or are generated from, Confidential Information; and (iv) the terms and conditions of this Agreement.

15.3 The provisions of Clause 15 shall not apply to:

- 15.3.1 the usage and communication of any Confidential Information in relation to the Demerged Undertaking by the Nahoosh Group and Fairfax India after the FOL Completion Date and the usage and communication of any Confidential Information in relation to the Privi Businesses by the Privi Group and Fairfax India after the Adi Option Completion Date;
- 15.3.2 disclosure of Confidential Information that is already in the public domain or becomes generally available to the public other than through the act or omission of or as a result of disclosure by or at the direction of the Receiving Party or any of its representatives in breach of this Agreement;
- 15.3.3 disclosure by the Receiving Party to its representatives provided such representatives are bound by similar confidentiality obligations and the Receiving Party undertakes to ensure compliance with such obligations;
- 15.3.4 disclosure, after giving prior notice to the Disclosing Party and subject to any practicable arrangements to protect confidentiality, disclosure to the extent required under the rules of the Stock Exchanges or by the Applicable Laws;
- 15.3.5 Confidential Information acquired independently by the Receiving Party from a third party source not obligated to keep it confidential;
- 15.3.6 Confidential Information already known or already in the lawful possession of the Receiving Party as of the date of its disclosure;
- 15.3.7 disclosure in connection with the performance of obligations or the exercise of rights (including remedies) under this Agreement;
- 15.3.8 disclosure is made to any Affiliate of the Party, in each case to the extent necessary for the fulfilment of the terms of this Agreement, or to the professional advisors, auditors and bankers of either Party, provided such Persons have been informed about and have accepted the confidentiality requirement of this Clause 15.

## 16. WAIVER

- 16.1 No waiver of any right under this Agreement or any other Transaction Document shall be effective unless in writing. Unless expressly stated otherwise, a waiver shall be effective only in the circumstances for which it is given.
- 16.2 Unless otherwise specified in the Agreement, no delay or omission by any Party in exercising any right or remedy provided by the Applicable Law or under this Agreement shall constitute a waiver of such right or remedy.
- 16.3 The single or partial exercise of a right or remedy under this Agreement shall not preclude any other nor restrict any further exercise of any such right or remedy.
- 16.4 Unless otherwise stated in this Agreement, the rights and remedies provided in this Agreement are cumulative and do not exclude any rights or remedies provided by law.

## 17. NOTICES

- 17.1 Any notice provided for in this Agreement shall be in writing and shall be (i) sent by postage, prepaid registered post with acknowledgement due or by internationally recognized courier service, or (ii) transmitted by email:

### **If to FIHM:**

Address: Level 1, Maeva Tower, Silicon Avenue, Cybercity, Ebene 72201  
Mauritius  
Email: [amy.tan@fihmauritius.com](mailto:amy.tan@fihmauritius.com)  
With a copy to: [info@fihmauritius.com](mailto:info@fihmauritius.com)  
Attention: Ms. Amy Tan

### **If to FIHPIL:**

Address: Level 1, Maeva Tower, Silicon Avenue, Cybercity, Ebene 72201  
Mauritius  
Email: [amy.tan@fihmauritius.com](mailto:amy.tan@fihmauritius.com)  
With a copy to: [info@fihmauritius.com](mailto:info@fihmauritius.com)  
Attention: Ms. Amy Tan

### **If to FOL:**

Address: C/o: Fairchem Speciality Limited, 253/P & 312, Village Chekhala,  
Sanand kadi Highway, Tal. Sanand, Dist. Ahmedabad - 382115  
Email: [info@fairchem.in](mailto:info@fairchem.in) and [cs@fairchem.in](mailto:cs@fairchem.in)  
Tel: Board No.: 90163 24095, Mobile No.: 94099 58550  
Attention: Company Secretary

**If to Privi Group:**

Address: Privi Organics India Limited, Privi House, A-71, TTC, Thane Belapur Road, Kopar Khairane, Navi Mumbai – 400 709, Maharashtra, India  
Email: Mr. D.B. Rao  
Tel: 33043666  
Attention: [rao@privi.co.in](mailto:rao@privi.co.in)

**If to Adi Group:**

Address: 3, SIGMA Corporates, Sindhu Bhavan Road, Off S.G. Road, Ahmedabad – 380 059  
Tel: (079) 2970 1773 / 4008 1113  
Attention: Shri Utkarsh Shah  
Email: [ubs@adicorpindia.net](mailto:ubs@adicorpindia.net)

With a copy to:

Address: JARIWALA' Bungalow, Beside Shashwat Bungalows, Rajpath Club – Rangoli Road, Thaltej, AHMEDABAD – 380 059  
Tel: + 91 98240 22083  
Attention: Shri Nahoosh Jariwala  
Email: [njj@fairchem.in](mailto:njj@fairchem.in)

**If to Nahoosh Jariwala:**

Address: Jariwala Bungalow, Rajpath Cub – Rangoli Road, Thaltej, Ahmedabad – 380 059  
Email: [njj@fairchem.in](mailto:njj@fairchem.in)  
Tel: + 91 98240 22083

**If to FSL:**

Address: C/o: Fairchem Speciality Limited, 253/P & 312, Village Chekhala, Sanand kadi Highway, Tal. Sanand, Dist. Ahmedabad - 382115  
Email: [info@fairchem.in](mailto:info@fairchem.in) and [cs@fairchem.in](mailto:cs@fairchem.in)  
Tel: Board No.: 90163 24095, Mobile No.: 94099 58550  
Attention: Company Secretary

**If to POIL:**

Address: Privi Organics India Limited, Privi House, A-71, TTC, Thane Belapur Road, Kopar Khairane, Navi Mumbai – 400 709, Maharashtra, India  
Email: Mr. D.B. Rao  
Tel: 33043666  
Attention: [rao@privi.co.in](mailto:rao@privi.co.in)

- 17.2 All notices shall be deemed to have been validly given on (i) the Business Day immediately after the date of transmission, if transmitted by email transmission, and (ii) the expiry of 7 (seven) days after posting, if sent by post.
- 17.3 Each Party may, from time to time, change its address or representative for receipt of notices provided for in this Agreement by giving to all the other Party not less than 10 (ten) days' prior written notice.

## **18. ASSIGNMENT**

This Agreement and the rights and liabilities hereunder shall bind and inure to the benefit of the respective successors of the Parties hereto. The Parties shall not assign or transfer any of their rights and liabilities hereunder to any other Person without the prior written consent of the other Party.

## **19. SURVIVAL**

The provisions of Clause 1 (*Definitions and Interpretation*), Clause 12 (*Indemnity*), Clause 15 (*Announcements and Confidentiality*), Clause 17 (*Notices*), Clause 19 (*Survival*), Clause 20.4 (*Specific Performance*), and Clause 21 (*Governing Law and Dispute Resolution*) shall survive the termination or expiry of this Agreement together with such provisions which expressly or by implication survive termination. Parties agree that notwithstanding the termination of this Agreement, all rights and liabilities accrued by either Party prior to the date of termination of this Agreement, shall survive the termination of this Agreement.

## **20. MISCELLANEOUS**

### **20.1 No Partnership**

Nothing contained in this Agreement shall constitute or be deemed to constitute a partnership between the Parties, and no Party shall hold itself out as an agent for the other Party or any of them, except with the express prior written consent of the other Party.

### **20.2 Severability**

Each and every obligation under this Agreement shall be treated as a separate obligation and shall be severally enforceable as such and in the event of any obligation or obligations being or becoming unenforceable in whole or in part. If any provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, portions of such provision, or such provision in its entirety, to the extent necessary, shall be severed from this Agreement, and the Parties will negotiate in good faith to agree to replace such illegal, void or unenforceable provision of this Agreement with a valid and enforceable provision that will achieve, to the extent possible, the same economic, business and other purposes of the illegal, void or unenforceable provision or act in accordance with a judgment, order, decree or declaration made by a court of competent jurisdiction. The balance of this Agreement shall be enforceable in

accordance with its terms.

### 20.3 Entire Agreement

This Agreement, along with the Transaction Documents, constitute the entire agreement of the Parties relating to the Transaction and supercedes any and all prior agreements, including letters of intent and term sheets, either oral or in writing, between the Parties hereto with respect to the subject matter herein. The Parties agree that the Transaction Documents have to be read as a whole and harmoniously, and that in case of discrepancy or conflict between any of the terms or provisions of this Agreement and any other Transaction Document, the terms and provisions of this Agreement shall prevail.

### 20.4 Partial Invalidity

If any provision of this Agreement or the application thereof to any Person or circumstance shall be invalid or unenforceable to any extent for any reason including by reason of any law or regulation or government policy, the remainder of this Agreement and the application of such provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law. Any invalid or unenforceable provision of this Agreement shall be replaced with a provision, which is valid and enforceable and most nearly reflects the original intent of the invalid and unenforceable provision.

### 20.5 Counterparts

This agreement may be executed in any number of counterparts, and each of the executed counterparts, when duly exchanged or delivered, shall be deemed to be an original, but, taken together, they shall constitute one and the same instrument. The delivery of signed counterparts by electronic mail in ‘portable document format’ (“.pdf”) shall be as effective as signing and delivering the counterpart in person.

### 20.6 Specific Performance

Each Party acknowledges that the breach of this Agreement may cause irreparable damage to the other Parties that may not be fully compensated by monetary relief. Therefore, the obligations of each Party under this Agreement shall be enforceable by a decree of specific performance issued by any court of competent jurisdiction, and appropriate injunctive relief may be applied for and granted in connection therewith. Such remedies shall, however, not be exclusive of, and shall be in addition to, any right of indemnification that any Party may have under this Agreement. Notwithstanding anything in this Agreement, this Agreement and any part thereof shall be capable of being specifically enforced at the instance of any Party.

### 20.7 Amendment

Except as expressly provided herein, neither this Agreement nor any term hereof may be

amended other than by a written instrument referencing this Agreement and signed by each of the Parties hereto.

#### 20.8 Costs

20.8.1 All costs, charges, levies and expenses (including but not limited to stamp duty, registration charges, statutory fees, obtaining valuation certificates and fairness opinions) in relation to or in connection with the Scheme and incidental to the completion of the Scheme and of carrying out the terms of the Scheme shall be borne by FOL and POIL in the ratio of 1:2.

20.8.2 Notwithstanding anything contained herein or the other Transaction Documents, the stamp duty payable on this Agreement shall be borne by FOL and POIL in the ratio of 1:2.

#### 20.9 Wrong Pocket

20.9.1 If, at any time within 12 (twelve) months following the end of the financial year in which the Effective Date occurs, any Party becomes aware that any asset which should have been transferred to, or any liability (whether arising prior to, at or following the Effective Date) which should have been assumed by the Resulting Company pursuant to the terms of this Agreement was not transferred to or assumed by the Resulting Company as contemplated by this Agreement, such Party shall notify the other Party of such fact in writing.

20.9.2 If, at any time within 12 (twelve) months following the Effective Date, any Party becomes aware that any asset which should not have been transferred to, or any liability (whether arising prior to, at or following the Effective Date) which should have been retained by, the Demerged Company pursuant to the terms of this Agreement was transferred to or assumed by the Resulting Company, such Party shall notify the other Party of such fact in writing.

20.9.3 On receipt of a notice under Clause 20.9.1 or 20.9.2 above, the Demerged Company and the Resulting Company shall in good faith discuss and agree on whether such asset or such liability should have been transferred to, or assumed by, the Resulting Company or should have been retained with the Demerged Company and agree on the course of action in relation to transfer of such asset or liability.

#### 20.10 Power to Remove Difficulties

The board of directors of the Parties, either by themselves or through a committee or authorised representatives appointed by them in this behalf, may jointly and as mutually agreed in writing, make any inclusions or exclusions (including without limitation in relation to assets, liabilities, and/ or the like) to the Demerged Undertaking.

#### 20.11 Refunds

Any amounts received as refunds from any third party including any Governmental Authority by the Demerged Company after the Effective Date in relation to the Demerged Undertaking and to the extent pertaining to any period prior to or after the Appointed Date 1 shall be to the account of the Resulting Company and shall promptly be paid over by the Demerged Company (net of any cost and taxes incurred in relation to such refund) to the Resulting Company.

#### 20.12 Reservation of Rights.

No forbearance, indulgence or relaxation or inaction by any Party at any time to require performance of any of the provisions of this Agreement shall in any way affect, diminish or prejudice the right of such Party to require performance of that provision. Any waiver or acquiescence by any Party of any breach of any of the provisions of this Agreement shall not be construed as a waiver or acquiescence of any right under or arising out of this Agreement or of the subsequent breach, or acquiescence to or recognition of rights other than as expressly stipulated in this Agreement.

### 21. **GOVERNING LAW AND DISPUTE RESOLUTION**

21.1 This Agreement shall be governed and construed in accordance with the laws of India without reference to its conflict of laws principles.

21.2 Arbitration. Any dispute or claim arising out of or in connection with or relating to this Agreement or the breach, termination or invalidity hereof, shall be referred at the request in writing (“**Dispute Notice**”) of any Party to binding arbitration by a panel of 3 (three) arbitrators (the “**Arbitration Board**”) in accordance with Rules of the Singapore International Arbitration Centre (the “**Rules**”) as may be modified by the provisions of this Clause 21. Within 21 (twenty one) days after a Party has served a Dispute Notice, the Party(ies) serving the Dispute Notice shall appoint 1 (one) arbitrator and the other Parties against whom the Dispute Notice is served shall jointly appoint 1 (one) arbitrator. The 2 (two) arbitrators so appointed shall appoint a third arbitrator within 7 (seven) days of the appointment of the last of the two arbitrators. If the Parties cannot agree on the appointment of an arbitrator, the arbitrator shall be appointed in accordance with the Rules. All arbitration proceedings shall be conducted in the English language and the seat of arbitration shall be Singapore. The Parties would be entitled to seek interim relief from the courts of India. The arbitrators shall decide any such dispute or claim strictly in accordance with the governing law specified in Clause 21. Judgment upon any arbitral award rendered hereunder may be entered in any court having jurisdiction, or application may be made to such court for a judicial acceptance of the award and an order of enforcement, as the case may be.

21.3 Costs. The costs and expenses of the arbitration, including the fees of the arbitration and the Arbitration Board, shall be borne equally by each Party to the dispute or claim and each Party shall pay its own fees, disbursements and other charges of its counsel, except as may be determined by the Arbitration Board. The Arbitration Board would have the

power to award interest on any sum awarded pursuant to the arbitration proceedings and such sum would carry interest, if awarded, until the actual payment of such amounts.

21.4 Final and Binding. Any award made by the Arbitration Board shall be final and binding on each of the Parties that were parties to the dispute.

21.5 Continuing Obligation. Subject to the award of the Arbitration Board, neither the existence of any dispute nor the fact that any arbitration is pending hereunder shall relieve any of the Parties of their respective obligations under this Agreement. Subject to any award of the Arbitration Board, the pendency of a dispute in any arbitration proceeding shall not affect the performance of the obligations under this Agreement.

*[signature pages follow]*

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed and delivered by their duly authorized representatives on the day and year first above written.

Signed and delivered for and on behalf of  
**FAIRCHEM SPECIALITY LIMITED**



By:  
Title: Authorised Signatory

Signed and delivered for and on behalf of  
**FAIRCHEM ORGANICS LIMITED**



By:  
Title: Authorised Signatory

IA - FSL and FoL - P sets  
(nine)

Signed and delivered for and on behalf of  
**PRIVI ORGANICS INDIA LIMITED**

For PRIVI ORGANICS INDIA LTD.

  
\_\_\_\_\_  
Authorised Signatory

By:

Title: Authorised Signatory

Signed and delivered for and on behalf of  
**FIH MAURITIUS INVESTMENTS LTD**





By: **AMY TAN**  
Title: Authorised Signatory

Signed and delivered for and on behalf of  
**FIH PRIVATE INVESTMENTS LTD**





By: **AMY TAN**  
Title: Authorised Signatory

Signed and delivered by  
**MR. MAHESH BABANI**



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Signed and delivered for and on behalf of  
**MAHESH PURSHOTTAM BABANI HUF**  
**For MAHESH PURSHOTTAM BABANI HUF**

  
**KARTA**

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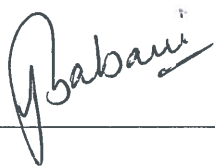
By:  
Title: Karta

Signed and delivered by  
**MRS. SEEMA BABANI**

*Sh Babani*

---

Signed and delivered by  
**MS. SNEHAL BABANI**



---

Signed and delivered by  
**MS. JYOTI BABANI**



---

Signed and delivered for and on behalf of  
**MONEYMART SECURITIES PRIVATE LIMITED**  
**For MONEYMART SECURITIES PVT. LTD.**

  
\_\_\_\_\_  
**Authorised Signatory**

By:

Title: Authorised Signatory

Signed and delivered for and on behalf of  
**VIVIRA CHEMICALS PRIVATE LIMITED**  
**For VIVIRA CHEMICALS PVT. LTD.**

  
\_\_\_\_\_  
Authorised Signatory


By:

Title: Authorised Signatory

Signed and delivered by  
**MR. DOPPALAPUDI BHAKTAVATSALA RAO**

  
\_\_\_\_\_

Signed and delivered by  
**MS. D. PREMALEELA**

  
\_\_\_\_\_

Signed and delivered by  
**MR. D. VINAYKUMAR**

  
\_\_\_\_\_

Signed and delivered by  
**MR. D. VIJAYKUMAR**

  
\_\_\_\_\_

Signed and delivered by  
**MS. GRACE VINAYKUMAR**

  
\_\_\_\_\_

Signed and delivered by  
**MS. SHARON VIJAYKUMAR**

  
\_\_\_\_\_

Signed and delivered by  
**MR. D. RAJKUMAR**



Signed and delivered by  
**MRS. PRASANNA RAJKUMAR**



Signed and delivered by  
**MR. GUDURU RAMESH**

\_\_\_\_\_ 

Signed and delivered for and on behalf of  
**VIVIRA INVESTMENT AND TRADING PRIVATE LIMITED**  
For Vivira Investment And Trading Pvt. Ltd.

  
\_\_\_\_\_ Signature

By:  
Title: Authorised Signatory

Signed and delivered by  
NAHOOSH JARIWALA



Implementation Agreement (IA) - Aadi Group - 9 sets

Signed and delivered by  
UTKARSH BHIKHOOBHAI SHAH

*Utkarsh Bhikhoobhai Shah*

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xiv

*Implementation Agreement (IA) - Adi Group - 9 sets*

Signed and delivered for and on behalf of  
**NAHOOSH TRADELINK LLP**



By:  
Title: Authorised Signatory

Signed and delivered for and on behalf of  
**JARIWALA TRADELINK LLP**



By:  
Title: Authorised Signatory

Implementation Agreement <sup>(CIA)</sup> - Adali Group - 9 sets

## **SCHEDULE 1**

### **ADI GROUP**

1. Mr. Utkarsh Bhikhoobhai Shah
2. Nahoosh Tradelink LLP
3. Jariwala Tradelink LLP

## **SCHEDULE 2**

### **PART A – BABANI FAMILY**

1. Mr. Mahesh Babani
2. Mahesh Purshottam Babani HUF
3. Mrs. Seema Babani
4. Ms. Snehal Babani
5. Ms. Jyoti Babani
6. Moneymart Securities Private Limited
7. Vivira Chemicals Private Limited

### **PART B – RAO FAMILY**

1. Mr. Doppalapudi Bhaktavatsala Rao
2. Mr. D. Premaleela
3. Mr. D. Vinaykumar
4. Mr. D. Vijaykumar
5. Ms. Grace Vinaykumar
6. Ms. Sharon Vinaykumar
7. Mr. D. Rajkumar
8. Mrs. Prasanna Rajkumar
9. Mr. Guduru Ramesh
10. Vivira Investment and Trading Private Limited

**SCHEDULE 3**

**SHAREHOLDING PATTERN AND SHARE CAPITAL OF FSL AS ON THE  
EXECUTION DATE**

Sr. No.	Name of Shareholder	No. of Equity Shares held	Holding (%)
<b>A</b>	<b>Promoter Group Shareholding</b>		
<b>I</b>	<b>Fairfax Group</b>		
1	FIH MAURITIUS INVESTMENTS LTD	19,042,828	48.75%
2	FIH PRIVATE INVESTMENTS LTD	3,250	0.01%
	<b>Sub-Total</b>	<b>19,046,078</b>	<b>48.76%</b>
<b>II</b>	<b>Adi Group</b>		
3	UTKARSH BHIKHOOBHAI SHAH	25,000	0.06%
4	JARIWALA TRADELINK LLP	336,981	0.86%
5	NAHOOSH TRADELINK LLP	663,019	1.70%
	<b>Sub-Total</b>	<b>1,025,000</b>	<b>2.62%</b>
<b>III</b>	<b>Privi Group</b>		
6	MAHESH P BABANI	3,224,718	8.26%
7	MAHESH PURSHOTTAM BABANI - HUF	1,791,720	4.59%
8	SEEMA BABANI	92,880	0.24%
9	SNEHAL M BABANI	303,750	0.78%
10	JYOTI MAHESH BABANI	135,000	0.35%
11	DOPPALAPUDI BHAKTAVATSALA RAO	723,060	1.85%
12	VINAYKUMAR DOPPALAPUDI RAO	478,278	1.22%
13	VIJAYKUMAR DOPPALAPUDI	455,004	1.16%
14	GRACE VINAYKUMAR	149,850	0.38%
15	SHARON DOPPALAPUDI	158,544	0.41%
16	PREMALEELA DOPPALAPUDI	177,174	0.45%

<b>Sr. No.</b>	<b>Name of Shareholder</b>	<b>No. of Equity Shares held</b>	<b>Holding (%)</b>
17	RAJKUMAR DOPPALAPUDI	445,824	1.14%
18	PRASANNA RAJ	185,274	0.47%
19	RAMESHBABU GOKARNESWARARAO GUDURU	60,309	0.15%
20	MONEYMART SECURITIES PVT LTD	206,712	0.53%
21	VIVIRA CHEMICALS PRIVATE LIMITED	79,758	0.20%
22	VIVIRA INVESTMENT AND TRADING PVT LTD	189,918	0.49%
	<b>Sub-Total</b>	<b>8,857,773</b>	<b>22.68%</b>
	<b>Total Promoter Shareholding (A)</b>	<b>28,928,851</b>	<b>74.06%</b>
<b>B</b>	<b>Others</b>		
	Other Shareholders	10,133,855	25.94%
	<b>Total Other Shareholding (B)</b>	<b>10,133,855</b>	<b>25.94%</b>
	<b>Total Equity Shareholding - A+ B</b>	<b>39,062,706</b>	<b>100.00%</b>

**SCHEDULE 4**

**DRAFT SCHEME**

*[To be attached separately]*

## SCHEDULE 5

### AROMA CHEMICALS

1. 1,8 CINEOLE
2. ALPHA DAMASCONE
3. ALPHA IONONE
4. ALPHA IONONE (ALPHA IONONE 950)
5. ALPHA PINENE EXTRA PURE
6. AMBER FLEUR
7. AMBER GAMMA
8. BETA IONONE Perfumery Grade
9. BETA ISO DAMASCOL
10. CAMPHENE 65
11. CARVACROL
12. CEDAR KETOL
13. CITRAL EXTRA PURE
14. CITRONELLAL
15. CITRONELLOL
16. CITRONELLOL (CITRONELLOL EXTRA)
17. CITRONELLYL ACETATE
18. CITRONELLYL NITRILE
19. CYCLOCITRAL AB
20. DIHYDROMYRCENOL
21. DIMETHYL SULPHIDE
22. DIPENTENE SUPER
23. DOUBLE DISTILLED TURPENTINE OIL (DDTO)
24. FRUITY WOODY COMPOUND AG-I
25. GAMMA METHYL IONONE
26. GERANIOL
27. GERANYL ACETATE
28. INDIAN SANDAL CORE
29. IONONE 100%
30. ISOBORNYL ACETATE
31. ISOCITRONELLENE AND ISOMERS
32. METHYL IONONE
33. NIMBEROL
34. ORTHO TERTIARY BUTYL CYCLO HEXANOL
35. ORTHO TERTIARY BUTYL CYCLO HEXYL ACETATE
36. PARA TERTIARY BUTYL CYCLO HEXANOL
37. PARA TERTIARY BUTYL CYCLO HEXYL ACETATE
38. PARA-CYMENE
39. PINE OIL
40. PRIONYL
41. ROSE ONE COMPOUND AG-I
42. ROSE OXIDE
43. ROSEPYRAN

44. SANDAL FLEUR
45. TERPINEOL PERFUMERY GRADE
46. TERPINOLENE
47. TERPINYL ACETATE
48. TETRA HYDRO GERANIOL
49. TETRA HYDRO GERANYL ACETATE
50. TETRAHYDRO FLOROL
51. TETRAHYDROMYRCENOL
52. TIMBER FORTE
53. TIMBER TOUCH
54. VIOLETONE COEUR

## SCHEDULE 6

### DEED OF ADHERENCE

This Deed of Adherence (“**Deed**”) is made this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

BETWEEN

\_\_\_\_\_, hereinafter called the “Covenantor” which expression shall, unless repugnant to the meaning or context thereof be deemed to include its successors and permitted assigns) to whom the equity securities of Fairchem Speciality Limited (hereinafter referred to as the “**Company**”) have been transferred by [●] and / or its Permitted Transferee (“**Transferor**”);

AND

The Company

AND

\_\_\_\_\_ (“**Continuing Parties**”) [*Note to Draft: The relevant parties depending on the agreements being adhered to be inserted.*]

THIS DEED IS SUPPLEMENTAL to the: (a) implementation agreement executed on May 22, 2019; (b) share purchase agreement executed on May 22, 2019; (c) option agreement executed on May 22, 2019; (d) [●]; and (e) [●]. [*Note to Draft: This should refer to each of the Transaction Documents to which the Transferor is a party, as applicable.*] (the “**Agreements**”).

NOW THEREFORE THIS DEED OF ADHERENCE WITNESSETH AS FOLLOWS:

In consideration of the Transferor having transferred its equity securities to the Covenantor and in consideration of having agreed to such transfer, the Covenantor, the Company and the Continuing Parties hereby agree and undertake as follows:

1. The Covenantor hereby confirms that a copy of the Agreements have been made available to it and hereby covenants with the Continuing Parties and the Company to observe, perform and be bound by all the terms, obligations, and liabilities of the Transferor and be entitled to all the rights and benefits of the Transferor with effect from the date of Transfer of equity securities to the Covenantor and the Covenantor shall be deemed to be a Party to the Agreements.
2. The Covenantor hereby covenants that it shall do nothing that derogates from the provisions of the Agreements, unless the same is expressly provided in the Deed.
3. The Company and the Continuing Parties shall be entitled to enforce the Agreements against the Covenantor and the Covenantor shall be entitled to all the rights and benefits that the Transferor was entitled to under the Agreements.

4. The Company and the Continuing Shareholders covenant that they shall do nothing that derogates from the provisions of the Agreements.
5. The Covenanter understands that this Deed of Adherence is in all respects supplemental to the Agreements and that at no time shall the provisions of this Deed of Adherence or any other agreement among the parties to the Agreements, be used to contravene, derogate or detract from the same, unless the same is expressly provided in the Deed.
6. For the purposes of the clauses on ‘*Notices*’ in the Transaction Documents, the address and facsimile number of the Covenanter are:

Address: [●]  
Telephone: [●]  
Fax: [●]  
Email: [●]  
  
Attention: [●]

7. Governing Law

This Deed shall be governed and construed in accordance with the laws of India without reference to its conflict of laws principles.

8. Arbitration

- (a) Any dispute or claim arising out of or in connection with or relating to this Deed or the breach, termination or invalidity hereof, shall be referred at the request in writing (“**Dispute Notice**”) of any Party to binding arbitration by 1 (one) arbitrator in accordance with Rules of the Singapore International Arbitration Centre (the “**Rules**”) as may be modified by the provisions of this Clause 8. Within 21 (twenty one) days after any Party has served a Dispute Notice, the Parties shall jointly appoint 1 (one) arbitrator. If the Parties cannot agree on the appointment of an arbitrator, the arbitrator shall be appointed in accordance with the Rules. All arbitration proceedings shall be conducted in the English language and the seat of arbitration shall be Singapore. The Parties would be entitled to seek interim relief from the courts of India. The arbitrator shall decide any such dispute or claim strictly in accordance with the governing law specified in Clause 7. Judgment upon any arbitral award rendered hereunder may be entered in any court having jurisdiction, or application may be made to such court for a judicial acceptance of the award and an order of enforcement, as the case may be.
- (b) Costs. The costs and expenses of the arbitration, including the fees of the arbitration and the arbitrator, shall be borne equally by each Party to the dispute or claim and each Party shall pay its own fees, disbursements and other charges of its counsel, except as may be determined by the arbitrator. The arbitrator would have the power to award interest on any sum awarded pursuant to the arbitration proceedings and such sum would carry interest, if awarded, until the actual payment of such amounts.

- (c) Final and Binding. Any award made by the arbitrator shall be final and binding on each of the Parties that were parties to the dispute.
  
- (d) Continuing Obligation. Subject to the award of the arbitrator, neither the existence of any dispute nor the fact that any arbitration is pending hereunder shall relieve any of the Parties of their respective obligations under this Deed. Subject to any award of the arbitrator, the pendency of a dispute in any arbitration proceeding shall not affect the performance of the obligations under this Deed.

Executed as a DEED the day and year first before written.

For the Covenantor

\_\_\_\_\_  
By:  
Title:

For the Continuing Parties

\_\_\_\_\_  
By:  
Title:

For the Company

\_\_\_\_\_  
By:  
Title:

**COMPOSITE SCHEME OF ARRANGEMENT AND AMALGAMATION**

**AMONGST**

**FAIRCHEM SPECIALITY LIMITED**

**(‘DEMERGED COMPANY’ / ‘TRANSFEREE COMPANY’)**

**AND**

**FAIRCHEM ORGANICS LIMITED**

**(‘RESULTING COMPANY’)**

**AND**

**PRIVI ORGANICS INDIA LIMITED**

**(‘TRANSFEROR COMPANY’)**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS**

**UNDER SECTIONS 230 TO 232 READ WITH SECTION 66 AND  
OTHER APPLICABLE PROVISIONS OF COMPANIES ACT 2013**

## **A. PREAMBLE**

This Composite Scheme of Arrangement and Amalgamation ('Scheme') is presented under sections 230 to 232, section 66 and other applicable provisions of the Companies Act, 2013 for demerger of Demerged Undertaking (as defined below) of Fairchem Speciality Limited ('FSL' or 'Demerged Company' or 'Transferee Company') into Fairchem Organics Limited ('FOL' or 'Resulting Company') and amalgamation of Privi Organics India Limited ('Privi Organics' or 'Transferor Company') with Fairchem Speciality Limited.

## **B. BACKGROUND OF THE COMPANIES**

- i. FSL is engaged in the business of manufacturing, supplying and exporting of speciality oleo chemicals (natural source) and nutraceuticals (natural source) made from by-products generated from processing of crude vegetable oil refineries, including vegetable oil based fatty acid distillate and acid oils.
- ii. The equity shares of FSL are listed and traded on the BSE Limited and the National Stock Exchange of India Limited. The registered office of FSL is at 324, DR. D.N. Road Fort, Mumbai – 400001, Maharashtra, India.
- iii. FOL is authorized by its memorandum of association to inter alia carry on the business of processing by-products / waste products generated during refining of any kind of edible or non-edible vegetable oils and manufacture various kinds of fatty acids, nutraceuticals intermediates and / or their derivatives utilizing chemical, solvents, catalysts or physical process. FOL is an unlisted public company and the entire share capital of FOL is held by FSL and its nominees. The registered office is at Plot A-71, Thane Belapur Road, Near Kopar Khairane Railway Station, Navi Mumbai - 400709, Maharashtra, India.

- iv. Privi Organics is in the business of development, manufacture and processing of the Aroma Chemicals and to supply and export the Aroma Chemicals which are used mainly in the flavor and fragrance industry. Aroma Chemicals means the products set out in Annexure -1.
- v. Privi Organics is currently an unlisted public company and the entire equity share capital of Privi Organics is held by FSL and its nominees. The registered office of Privi Organics is at Privi House, A-71, Thane Belapur Road, Near Kopar Khairane Railway Station, Navi Mumbai - 400709, Maharashtra, India.

### **C. RATIONALE OF THE COMPOSITE SCHEME OF ARRANGEMENT AND AMALGAMATION**

- i. The current corporate structure of FSL comprises an operating business of manufacturing, supplying and exporting of speciality oleo chemicals and nutraceuticals and a business of developing, manufacturing, supplying, exporting aroma chemicals. The business of aroma chemicals is carried out through Privi Organics, a wholly owned subsidiary of FSL.
- ii. Both the businesses – that of oleo chemical and nutraceuticals; and aroma chemicals require different skill sets, business strategies, R&D support and capital assets. The nature of risk, competition, challenges, opportunities and business methods for both the businesses are distinctly different.
- iii. Each of the varied business being carried out by FSL and by Privi Organics, the wholly owned subsidiary of FSL have significant potential for growth and profitability.
- iv. However, as each business requires significantly different operating and financial strategies, their individual potential will be best realized if the businesses are operated separately and independently.

- v. It is proposed to consolidate the businesses carried on by FSL and through its wholly owned subsidiary into a single identified entity and segregate other businesses into another identified entity. This will create two niche, dedicated and focused business segments without any risk or overlap of one business over the other. Thus, the oleo chemical and nutraceutical business will be housed in a Demerged Undertaking and the business of aroma chemicals will be housed in FSL. To that effect, Privi Organics will be merged with FSL.
- vi. The restructuring arrangement would enable greater/ enhanced focus of the management in each business of FSL and Demerged Undertaking which would facilitate the management of both FSL and the Demerged Undertaking to not only efficiently exploit opportunities for each of the businesses but also enhance efficiency in overall combined business including economies of scale, efficiency of operations which can be deployed more efficiently for the purpose of development of businesses of the respective entities and their growth opportunities, eliminate inter corporate dependencies, minimize the administrative compliances and to maximize shareholders value.
- vii. The Scheme will create enhanced value for shareholders and allow a focused strategy and specialisation for sustained growth, which would be in the best interest of all the stakeholders and the persons connected with the aforesaid companies.
- viii. The Scheme will not in any manner be prejudicial to the interests of the concerned shareholders and creditors or general public at large.

## **I. PARTS OF THE SCHEME**

This Scheme is divided into the following parts:

- i. **Part A** deals with the definitions and share capital;
- ii. **Part B** deals with transfer of Demerged Undertaking (as defined below) from Demerged Company into Resulting Company;

- iii. **Part C** deals with amalgamation of Transferor Company with Transferee Company; and
- iv. **Part D** deals with general terms and conditions applicable to this Scheme.

**PART A**  
**DEFINITIONS AND SHARE CAPITAL**

**1. DEFINITIONS**

In this Scheme, in addition to the terms defined in the text of this Scheme, the following expressions, unless inconsistent with the subject or context, shall have the meanings respectively assigned against them:

- 1.1. **‘Act’** means the Companies Act, 2013 and the rules and/ or regulations framed under such a statute and includes any alterations, modifications and amendments made to such a statute or any re-enactment of such a statute, and/ or other guidelines or notifications under Applicable Laws, made thereunder from time to time.
- 1.2. **‘Applicable Law’** means any applicable central, provincial, local or other law including all applicable provisions of all (a) constitutions, decrees, treaties, statutes, laws (including the common law), codes, notifications, rules, regulations, policies, guidelines, circulars, directions, directives, ordinances or orders of any Appropriate Authority, statutory authority, court, tribunal having jurisdiction over the Demerged Company and/or the Resulting Company and/or the Transferor Company; (b) Permits; and (c) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any Appropriate Authority having jurisdiction over the Demerged Company and/or the Resulting Company and/or the Transferor Company.

- 1.3. **‘Appointed date 1’** means the closing of business hours of 31 March 2019 or such other date as may be approved by the NCLT, or any other competent authority.
- 1.4. **‘Appointed date 2’** means the opening of business hours of 1 April 2019 or such other date as may be approved by the NCLT, or any other competent authority.
- 1.5. **‘Appropriate Authority’** means:
- i. the government of any jurisdiction (including any central, state, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, central bank, commission or other authority thereof;
  - ii. any public international organisation or supranational body and its institutions, departments, agencies and instrumentalities; and
  - iii. any governmental, quasi-governmental or private body or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, licensing, competition, tax, importing or other governmental or quasi-governmental authority.
- 1.6. **‘Board of Directors’ or ‘Board’** means and includes the respective Board of Directors of Demerged Company and / or Resulting Company and/or Transferor Company as the case may be, and shall include a duly constituted committee (if any) by such board of directors for the purposes of the Scheme.
- 1.7. **‘Demerged Undertaking’** means undertaking of the Demerged Company engaged in manufacturing, supplying and exporting of specialty oleo chemicals (natural source) and neutraceuticals (natural source) made from by-products generated from processing of crude vegetable oil refineries, including vegetable oil based fatty acid distillate and acid oils as a going concern, including the entire business of such undertaking (‘Demerged Company Business’) including in particular the

following, but without in any manner whatsoever limiting the scope thereof:

- i. The assets, wherever situated, whether moveable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including freehold land, leasehold land, buildings, residential or commercial properties, offices, plant and machinery embedded in the earth, manufacturing units, laboratories, warehouses, godowns, depots, vehicles, other fixed assets, brands, trademarks, patents, copyrights, or any other right of a similar nature and other intellectual property rights, domain names, uniform resource locators, leases, leasehold and other tenancy rights, premises, hire purchase and lease arrangements, joint venture agreements and arrangements, right of way agreements and arrangements, rights under business arrangements / agreements / contracts, membership of any club, institution, trade body etc., computers, office equipment, furniture, telephones, telexes, facsimile connections, communication facilities, electrical and other installations, current assets including sundry debtors, deposits, receivables, funds cash, bank balances, accounts, claims, sales tax, service tax, goods and services tax (GST) and other taxes, duties, cess, levies etc. paid regularly or in advance wherever required by Applicable Law or otherwise and all other rights, benefits of all agreements, subsidies, grants, taxes, tax credits, various exemptions / incentives granted under different schemes of the central and state governments and other industrial and intellectual property, import quotas, import entitlements, right to use and avail of telephones, telex, facsimile and other communication facilities and all other interests, raw materials, wrapping, supply, advertisement promotional and packaging material, asset and stores and spares purchase agreements and arrangements, maintenance contracts and arrangements, rights and power of every kind, nature and description, whatsoever, privileges, liberties, advantages, benefits, consents, sanctions and approvals, bills of

exchange, letters of intent and loans and advances whether or not appearing in the books of accounts pertaining to the Demerged Company Business;

- ii. All permits, rights, entitlements, bids, tenders, letters of intent, expressions of interest, municipal and other statutory permissions, approvals including but not limited to approvals under Pollution Control Regulations and Department of Industrial and Scientific Research, consents, licenses, registrations, filings, rights, contracts, agreements, engagements, insurance licenses, arrangements, authorities, allotments, notarization, declaration, subsidies, concessions, exemptions, incentives, grants, claims, tenancy rights, liberties, special status and other benefits or privileges, remissions, tenancies in relation to office, bank accounts, lease rights, licenses, industrial and other licenses, if any, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, provisions, funds, benefits of any guarantees, reversions, powers, agreements, contracts and arrangements and all other approvals, sanctions and consents of every kind, nature and description whatsoever and all other interests in connection with or relating to the Demerged Company Business;
- iii. All books, records, files, papers, engineering and process information, computer programs, software, software licenses, manuals, test reports, catalogues, quotation, sales and advertising materials, product registration, data whether in physical or electronic form in connection with or pertaining to the Demerged Company Business;
- iv. All earnest moneys and/or security deposits, if any, paid or received by the Demerged Company in connection with or pertaining to the Demerged Company Business;

- v. All debts, borrowings, obligations, duties and liabilities both present and future (including deferred tax liabilities, contingent liabilities and the liabilities and obligations under any licenses or permits or schemes) of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized, whether secured or unsecured, whether in rupees or foreign currency, relating to the Demerged Company Business;
- vi. For the purpose of this Scheme, it is clarified that liabilities pertaining to the Demerged Company Business will include:
  - a. The debts, liabilities obligations incurred and duties of any kind, nature or description (including contingent liabilities) which arise out of the activities or operations of the Demerged Company Business;
  - b. The specific loans or borrowings (including debentures bonds, notes and other debt securities raised, incurred and utilized solely for the activities or operations of the Demerged Company Business); and
  - c. In cases other than those referred to in Clause (a) or (b) above and not directly relatable to the Demerged Company Business, being the amounts of any general or multipurpose borrowings of the Demerged Company as stand in the same proportion which the value of assets, transferred under this Clause, of the Demerged Company Business bears to the total value of the assets of the Demerged Company immediately before the Appointed Date 1;
- vii. Employees of the Demerged Company employed by the Demerged Company Business as identified by the Board of the Demerged Company, as on the Effective Date;
- viii. Without prejudice to the generality of the provisions of sub-clauses (i), (ii) above, the Demerged Company Business shall include all of the Demerged Company's rights and licenses, all assignments and

grants thereof, benefits, of agreements, contracts and arrangements, powers, authorities, municipal permissions, registrations, engagements, quotas, permits, allotments, approvals, export licenses, sanctions, remissions, special reservations, holidays, incentives, concessions and other authorizations, benefits, entitlements and incentives of any nature whatsoever including but not limited to GST / sales tax remissions and custom duty exemption certificates, consents, privileges, liberties, advantages, easements pertaining to the Demerged Company Business and all the rights, title, interest, goodwill benefits, entitlement and advantages pertaining to the Demerged Company Business and all other rights and claims of whatsoever nature, howsoever described, and wheresoever situated which pertain to the Demerged Company Business;

- ix. All legal proceedings of whatsoever nature by or against the Demerged Company pending on the Appointed Date 1 and relating to the Demerged Company Business.

*Explanation:*

Any question that may arise as to whether a specified asset or liability pertains or does pertain to the Demerged Company Business or whether or not it arises out of the activities would be decided by the mutual agreement between the Board of the Demerged Company and the Resulting Company. It is clarified that the Demerged Company Business shall not include any employees, assets, liabilities, rights and obligations belonging to and forming part of the Remaining Business of the Demerged Company.

- 1.8. **‘Effective Date’** means the date which is the later of (i) the last of the dates on which all the conditions and matters referred to in Clause 28.1 to 28.4 have been fulfilled, obtained or waived, as applicable or (ii) the last of the dates on which the certified or authenticated copies of the orders of the NCLT sanctioning this Scheme is filed with the relevant

Registrar of Companies. Any reference of this Scheme to the 'date of coming into effect of this Scheme' or 'effectiveness of the Scheme' or 'Scheme taking effect' shall mean the Effective Date.

- 1.9. **'FOL' or 'Resulting Company'** means Fairchem Organics Limited, a company incorporated under the Companies Act, 2013 and having its registered office at Plot A-71, Thane Belapur Road, Near Kopar Khairane Railway Station, Navi Mumbai - 400709, Maharashtra, India.
- 1.10. **'FSL' or 'Demerged Company'** means Fairchem Speciality Limited, a company incorporated under the Companies Act, 1956 and having its registered office at 324, DR. D.N. Road Fort, Mumbai – 400001, Maharashtra, India.
- 1.11. **'NCLT'** means the National Company Law Tribunal having jurisdiction over the Demerged Company, the Resulting Company and the Transferor Company, as the case may be or such other forum or authority as may be vested with any of the powers for approving any scheme of arrangement, compromise or reconstruction of a company under Section 230 to 232 of the Act of the above mentioned tribunals under the Act.
- 1.12. **'NCLT Order'** means all order(s) passed by the NCLT sanctioning the Scheme and includes any orders passed by NCLT or any other Appropriate Authority's order(s) for extension of time or condonation of delay in filing of the requisite forms with the Registrar of Companies in relation to this Scheme, if applicable.
- 1.13. **'Permits'** means all consents, licences, permits, permissions, authorisations, rights, clarifications, approvals, clearances, confirmations, declarations, waivers, exemptions, registrations, filings, whether governmental, statutory, regulatory under Applicable Law.
- 1.14. **'Privi Organics' or 'Transferor Company'** means Privi Organics India Limited, a company incorporated under the Companies Act, 2013 and having its registered office at Privi House, A-71 TTC, Thane Belapur

Road, Near Kopar Khairane Railway Station, Navi Mumbai 400 709  
Maharashtra.

- 1.15. **'Record Date'** means the date to be fixed by the Board of the Resulting Company for the purpose of determining the equity shareholders of the Demerged Company to whom equity shares of the Resulting Company shall be allotted pursuant to demerger under this Scheme.
- 1.16. **'Registrar of Companies'** means the relevant Registrar of Companies, having jurisdiction over the Demerged Company, Resulting Company and Transferor Company, as the case may be.
- 1.17. **'Remaining Business'** means the business of the Demerged Company other than the Demerged Undertaking, along with the investment in Privi Organics India Limited.
- 1.18. **'Scheme' or 'the Scheme' or 'this Scheme'** means this composite scheme of arrangement and amalgamation in its present form or with any modification(s) made under Clause 27 of this Scheme, as approved or directed by the NCLT.
- 1.19. **'SEBI'** means Securities and Exchange Board of India, established under the Securities and Exchange Board of India Act, 1992.
- 1.20. **'SEBI Circular'** means together the circular no CFD/DIL3/CIR/2017/21 issued on March 10, 2017, the circular no. CFD/DIL/3/CIR/2017/26 dated March 23, 2017, the circular no. CFD/DIL3/CIR/2017/105 dated September 21, 2017, and the circular No. CFD/DIL3/CIR/2018/2 dated January 3, 2018 each issued 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.
- 1.21. **'Stock Exchanges'** shall mean BSE Limited and the National Stock Exchange of India Limited collectively.

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

Reference to clauses, recitals and annexures, unless otherwise provided, are to clauses, recitals and annexures of and to this Scheme. The singular shall include the plural and vice versa.

## **2. DATE OF TAKING EFFECT AND OPERATIVE DATE**

2.1 This Scheme as set out herein in its present form or with any modification(s) and amendment(s), as may be approved or imposed or directed by the NCLT or made under Clause 27 of this Scheme, shall become effective from Appointed Date 1 or Appointed 2, as the case may be, but shall be operative from the Effective Date.

## **3 SHARE CAPITAL**

3.1 The share capital of the Demerged Company as on March 31 2019 was as under:

<b>Particulars</b>	<b>Amount (Rs.)</b>
<b>Authorised</b>	
50,000,000 Equity Shares of Rs. 10 each	5,00,000,000
5,000,000 Preference Shares of Rs. 10 each	5,00,00,000
<b>Total</b>	<b>550,000,000</b>
<b>Issued, Subscribed and Paid Up</b>	
39,062,706 equity shares of Rs. 10 each, fully paid up	39,06,27,060

<b>Particulars</b>	<b>Amount (Rs.)</b>
<b>Total</b>	<b>39,06,27,060</b>

As on date of the Scheme being approved by the Board of Directors of the Demerged Company, there has been no change in the authorized, issued, subscribed and paid up share capital of the Demerged Company.

- 3.2 The share capital of the Resulting Company as on March 31, 2019 was as under:

<b>Particulars</b>	<b>Amount (Rs.)</b>
<b>Authorised</b>	
10,000 Equity shares of Rs. 10 each	1,00,000
<b>Total</b>	<b>1,00,000</b>
<b>Issued Subscribed and Paid Up</b>	
10,000 Equity shares of Rs. 10 each, fully paid up	1,00,000
<b>Total</b>	<b>1,00,000</b>

The Resulting Company is a wholly owned subsidiary of the Demerged Company.

- 3.3 The share capital of the Transferor Company as on March 31, 2019 was as under:

<b>Particulars</b>	<b>Amount (Rs.)</b>
<b>Authorised</b>	
10,000 Equity Shares of Rs. 10 each	1,00,000
<b>Total</b>	<b>1,00,000</b>
<b>Issued, Subscribed and Paid Up</b>	
10,000 Equity Shares of Rs. 10 each, fully paid up	1,00,000

<b>Particulars</b>	<b>Amount (Rs.)</b>
<b>Total</b>	<b>1,00,000</b>

As on date of the Scheme being approved by the Board of Directors of the Transferor Company, there has been no change in the authorized, issued, subscribed and paid up share capital of the Transferor Company. The entire share capital of the Transferor Company is held by the Transferee Company.

## **PART B**

### **TRANSFER AND VESTING OF DEMERGED UNDERTAKING**

#### **4. TRANSFER AND VESTING OF DEMERGED UNDERTAKING FROM THE DEMERGED COMPANY TO THE RESULTING COMPANY**

- 4.1 With effect from the Appointed Date 1, and subject to the provisions of this Scheme and pursuant to and in accordance with Sections 230 to 232 of the Act, the Demerged Undertaking along with all its assets, liabilities, contracts, arrangements, employees, approvals, Permits, records, etc. shall, without any further act, instrument or deed, be demerged from Demerged Company and transferred to and be vested in or be deemed to have been vested in the Resulting Company as a going concern so as to become as and from the Appointed Date 1, the assets, liabilities, contracts, arrangements, employees, Permits, licences, records, approvals, etc. of the Resulting Company by virtue of, and in the manner provided in this Scheme.
- 4.2 In respect of such of the assets and properties forming part of the Demerged Undertaking as are movable in nature or are otherwise capable of transfer by delivery or possession, or by endorsement and/or delivery, the same shall stand transferred by the Demerged Company upon coming into effect of this Scheme and shall, ipso facto and without any other order to this effect, become the assets and properties of the Resulting Company.
- 4.3 Subject to Clause 4.4 below, with respect to the assets of the Demerged Undertaking, other than those referred to in Clause 4.2 above, including all rights, title and interests in the agreements (including agreements for lease or license of the properties), sundry debtors, claims from customers or otherwise, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, whether

or not the same is held in the name of the Demerged Company, shall, without any further act, instrument or deed, be transferred to and vested in and/ or be deemed to be transferred to and vested in the Resulting Company, with effect from the Appointed Date 1 by operation of law as transmission or as the case may be in favour of Resulting Company. With regard to the licenses of the properties, the Resulting Company will enter into novation agreements, if it is so required.

- 4.4 All immovable properties (including land together with the building and structures standing thereon) of the Demerged Undertaking, whether freehold or leasehold and any documents of title, rights and easements in relation thereto shall stand transferred to and be vested in the Resulting Company, subject to Applicable Law, without any act or deed required by either the Demerged Company or the Resulting Company. Upon this Scheme becoming effective and with effect from the Appointed Date 1, the Resulting Company shall be entitled to exercise any and all rights and privileges and shall be liable to pay ground rent, municipal taxes and fulfill all obligations, in relation to or applicable to such immovable properties (if any), shall be made and duly recorded by the Appropriate Authorities pursuant to the sanction of this Scheme in accordance with the terms hereof without any requirement of a further act or deed on part of the Resulting Company. The Resulting Company shall subsequent to the Scheme becoming effective be entitled to the delivery and possession of all documents of title to such immovable property in this regard. Further, it is hereby provided that immovable properties of the Demerged Undertaking other than those situated in the state of Maharashtra may become property of the Resulting Company through a separate deed of conveyance or through any such manner as may be decided by the Board of Directors of the Resulting Company. However, the above manner of the transfer of immovable properties is for administrative exigency but for purpose of the Scheme it shall be treated as transferred pursuant to Scheme only.

- 4.5 The Demerged Company shall, at its sole discretion but without being obliged, give notice in such form as it may deem fit and proper, to such persons, as the case may be, that the said debt, receivable, bill, credit, loan, advance or deposit stands transferred to and vested in the Resulting Company and that appropriate modification should be made in their respective books/ records to reflect the aforesaid changes.
- 4.6 Upon the coming into effect of this Scheme, all debts, liabilities, loans and obligations incurred, duties or obligations of any kind, nature or description (including contingent liabilities) pertaining to the Demerged Undertaking, as on the Appointed Date 1 shall, without any further act or deed, stand transferred to and vested in and be deemed to have been transferred to and vested in the Resulting Company on the same terms and conditions as applicable to the Demerged Company, and shall become the debts, liabilities, loans, duties and obligations of the Resulting Company which shall meet, discharge and satisfy the same and further that it shall not be necessary to separately obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of any of the liabilities which have arisen in order to give effect to the provisions of this Clause. The liabilities relating to the Demerged Undertaking shall include:
- 4.6.1 the debts, liabilities obligations incurred and duties of any kind, nature or description (including contingent liabilities) which arise out of the activities or operations of the Demerged Undertaking;
  - 4.6.2 the specific loans or borrowings (including debentures bonds, notes and other debt securities raised, incurred and utilized solely for the activities or operations of the Demerged Undertaking); and
  - 4.6.3 in cases other than those referred to in Clauses 4.6.1 or 4.6.2 above and not directly relatable to the Demerged Undertaking, being the amounts of any general or multipurpose borrowings of the Demerged Company as stand in the same proportion which the value of assets, transferred under this Clause, of the Demerged Undertaking bears to the total value of the assets of the

Demerged Company immediately before the Appointed Date 1.

- 4.7 Where any of the liabilities relating to the Demerged Undertaking have been discharged by the Demerged Company after the Appointed Date 1 and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Resulting Company.
- 4.8 Upon the coming into effect of the Scheme, all debts, liabilities, loans and obligations incurred and duties and obligations undertaken pertaining to the Demerged Undertaking after the Appointed Date 1 and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Resulting Company and to the extent they are outstanding on the Effective Date, shall also without any further act, or deed, stand transferred to and vested in and be deemed to have been transferred to and vested in the Resulting Company and shall become the debts, liabilities, loans, duties and obligations of the Resulting Company which shall meet, discharge and satisfy the same.
- 4.9 Upon the coming into effect of this Scheme, the Resulting Company shall be liable to perform all obligations in respect of the liabilities relating to the Demerged Undertaking and debts, liabilities, loans and obligations incurred and duties and obligations undertaken pertaining to the Demerged Undertaking after the Appointed Date 1 and prior to the Effective Date, which have been transferred to it in terms of this Scheme, and the Demerged Company shall not have any obligations in respect of such liabilities related to the Demerged Undertaking and debts, liabilities, loans and obligations incurred and duties and obligations undertaken pertaining to the Demerged Undertaking after the Appointed Date 1 and prior to the Effective Date.
- 4.10 The transfer and vesting of the Demerged Undertaking as aforesaid shall be subject to the existing securities, charges, mortgages and other encumbrances if any, subsisting over or in respect of the property and assets or any part thereof relating to the Demerged Undertaking to the

extent such securities, charges, mortgages, encumbrances are created to secure the liabilities forming part of the Demerged Undertaking.

- 4.11 The Demerged Company shall in respect of any refunds, benefits, incentives, grants, subsidies in relation to or in connection with the Demerged Undertaking, if so required by the Resulting Company, issue notices in such form as the Resulting Company may deem fit and proper stating that pursuant to the NCLT having sanctioned this Scheme, the relevant refund, benefit, incentive, grant, subsidies, be paid or made good or held on account of the Resulting Company, as the person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realise the same, stands transferred to the Resulting Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.
- 4.12 Upon the coming into effect of this Scheme, all the credit for taxes including but not limited to tax deduction at source, tax collected at source, advance tax, tax demand paid under protest with the Demerged Company in relation to or in connection with the Demerged Undertaking shall be available and vest in the Resulting Company.
- 4.13 Upon the coming into effect of this Scheme, all unutilized input tax credit of central goods and service tax, integrated goods and service tax, state goods and service tax, union territory goods and service tax, goods and service tax compensation cess etc. lying unutilised with the Demerged Company in relation to or in connection with the Demerged Undertaking shall be available and vest in the Resulting Company.
- 4.14 On and from the Effective Date and till such time that the name of the bank accounts of the Demerged Company, in relation to or in connection with the Demerged Undertaking, have been replaced with that of the Resulting Company, the Resulting Company shall be entitled to maintain and operate the bank accounts of the Demerged Company, in the name of the Demerged Company for such time as may be mutually agreed between the Resulting Company and the Demerged Company. All

cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Demerged Company, in relation to or in connection with the Demerged Undertaking, after the Effective Date shall be accepted by the bankers of the Resulting Company and credited to the account of the Resulting Company, if presented by the Resulting Company.

- 4.15 Any third party or Appropriate Authority required to give effect to any provisions of this Scheme, shall take on record the NCLT Orders sanctioning the Scheme on its file and duly record the necessary substitution or endorsement in the name of the Resulting Company as successor in interest, pursuant to the sanction of this Scheme by the NCLT, and upon this Scheme becoming effective. For this purpose, the Resulting Company shall file certified copies of such NCLT Order and if required file appropriate applications or forms with relevant authorities concerned for statistical and information purposes only and there shall be no break in the validity and enforceability of Governmental approvals, Permits (including the licenses granted by any Appropriate Authority for the purpose of carrying on its business or in connection therewith), exemptions, registrations, no-objection certificates, quotas, rights, entitlements, and certificates of every kind and description of whatsoever nature.
- 4.16 Without prejudice to the provisions of the foregoing sub clauses of this Clause 4, and upon coming into effect of the Scheme, the Demerged Company and the Resulting Company shall be entitled to apply to the Appropriate Authorities as are necessary under any Applicable Law for such consents, approvals and sanctions which the Resulting Company may require and execute any and all instruments or documents and do all the acts and deeds as may be required, including filing of necessary particulars and/ or modification(s) of charge, with the concerned Registrar of Companies or filing of necessary applications, notices, intimations or letters with any authority or person to give effect to the Scheme.

- 4.17 Upon coming into effect of this Scheme, to the extent that there are inter- company transactions or balances including loans and advances, receivables, payables and other dues outstanding in relation to the Demerged Undertaking between the Demerged Company and the Resulting Company, as on or from the Appointed Date 1, the obligations in respect thereof shall come to an end.
- 4.18 All registrations, licenses, trademarks, copyrights, domain names, applications for copyrights, trade-names and trademarks, etc. pertaining to the Demerged Company in relation to the Demerged Undertaking, if any, shall stand vested in the Resulting Company without any further act, instrument or deed, upon the sanction of the Scheme and upon this Scheme becoming effective.
- 4.19 The Resulting Company shall, at any time after this Scheme coming into effect, in accordance with the provisions hereof, if so required under any Applicable Law or otherwise, execute appropriate deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to which the Demerged Company in relation to the Demerged Undertaking have been a party, including any filings with Appropriate Authorities, in order to give formal effect to the above provisions. The Resulting Company shall for this purpose, under the provisions hereof, be deemed to have been authorized to execute any such writings on behalf of the Demerged Company solely in relation to the Demerged Undertaking and to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Company solely in relation to the Demerged Undertaking.
- 4.20 For avoidance of doubt and without prejudice to the generality of any applicable provisions of this Scheme, it is clarified that in order to ensure (i) implementation of the provisions of the Scheme; (ii) uninterrupted transfer of the relevant Permits in relation to the Demerged Undertaking; and (iii) continued vesting of the benefits, exemptions available to the Demerged Company in relation to the Demerged Undertaking in favour of the Resulting Company, the Board of Directors

of the Demerged Company and the Resulting Company or such persons as may be authorized by them shall be deemed to be authorized to execute or enter into necessary documentations with any regulatory authorities or third parties, if applicable and the same shall be considered as giving effect to the NCLT Order(s) and shall be considered as an integral part of this Scheme.

- 4.21 Subject to the necessary consents being obtained in accordance with the terms of this Scheme, the provisions of the above sub-clauses shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue of any security document, all of which instruments, deeds or writings shall stand modified and / or superseded by the foregoing provisions.

This part of the Scheme has been drawn up to comply with the conditions relating to “Demerger” as specified under Section 2(19AA) of the Income-tax Act, 1961. If any terms or provisions of the Scheme is / are inconsistent with the provisions of Section 2(19AA) of the Income-tax Act, 1961, the provisions of Section 2(19AA) of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent necessary to comply with Section 2(19AA) of the Income-tax Act, 1961; such modification to not affect or modify other parts of the Scheme including the accounting treatment specified in clause 12.

## **5. PERMITS**

- 5.1. With effect from the Appointed Date 1, Permits relating to the Demerged Undertaking shall be transferred to and vested in the Resulting Company and the concerned licensor and grantors of such Permits shall endorse where necessary, and record the Resulting Company on such Permits so as to empower and facilitate the approval and vesting of the Demerged Undertaking in the Resulting Company and continuation of operations pertaining to the Demerged Undertaking in the Resulting Company without any hindrance, and shall stand transferred to and vested in and shall be deemed to be transferred to and vested in the Resulting

Company without any further act or deed and shall be appropriately mutated by the Appropriate Authorities concerned therewith in favour of the Resulting Company as if the same were originally given by, issued to or executed in favour of the Resulting Company and the Resulting Company shall be bound by the terms thereof, the obligations and duties thereunder and the rights and benefits under the same shall be available to the Resulting Company.

- 5.2. The benefit of all Permits pertaining to the Demerged Undertaking shall without any other order to this effect, transfer and vest into and become available to the Resulting Company pursuant to the sanction of this Scheme.

## **6. CONTRACTS, DEEDS AND OTHER INSTRUMENTS**

- 6.1. Upon coming into effect of this Scheme and with effect from the Appointed Date 1 and subject to the provisions of this Scheme, all contracts, deeds, bonds, lease deeds, arrangements entered into with various persons, arrangements and other instruments of whatsoever nature in relation to the Demerged Undertaking and to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible, and which are subsisting or have effect as on the Effective Date, shall continue in full force and effect on or against or in favor of, as the case may be, of the Resulting Company and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee thereto or thereunder, in all cases subject to the terms and provisions of such contracts, deeds, bonds, lease deeds, agreements, arrangements or instruments.
- 6.2. Without prejudice to the other provisions of this Scheme and notwithstanding that the demerger and subsequent vesting of the Demerged Undertaking from the Demerged Company to the Resulting Company occurs by virtue of this Scheme itself, the Resulting Company, may, at any time after the coming into effect of this Scheme in

accordance with the provisions hereof, if so required, under any Applicable Law or otherwise, execute deeds, confirmation or other writings or arrangements with any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary to be executed merely in order to give formal effect to the above provisions. The Resulting Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Demerged Company solely in relation to the Demerged Undertaking and to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Company to be carried out or performed solely in relation to the Demerged Undertaking.

- 6.3. On and from the Effective Date, and thereafter, the Resulting Company shall be entitled to enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of the Demerged Company, in relation to or in connection with the Demerged Undertaking, in the name of the Resulting Company in so far as may be necessary until the transfer of rights and obligations of the Demerged Undertaking to the Resulting Company under this Scheme have been given effect to under such contracts and transactions.
- 6.4. Even after this Scheme becomes effective, the Resulting Company shall, in its own rights, be entitled to realise all monies and complete and enforce all pending contracts and transactions in respect of the Demerged Undertaking, in so far as may be necessary.
- 6.5. Without prejudice to the aforesaid, it is clarified that if any assets (estate, claims, rights, title, interest in or authorities relating to such assets) or any contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Demerged Undertaking which the Demerged Company owns or to which the Demerged Company is a party to, cannot be transferred to the Resulting Company for any reason, whatsoever, the Demerged Company shall hold

such assets, contracts, deeds, bonds, agreements, schemes, arrangements, or other instruments of whatsoever nature in trust for the benefit of the Resulting Company, in so far as it is permissible so to do, till such time as the transfer is effected.

## **7. EMPLOYEES**

- 7.1. Upon coming into effect of this Scheme, with effect from the Effective Date, the Resulting Company undertakes to engage, without any interruption in service, all employees of the Demerged Company, engaged in or in relation to the Demerged Undertaking on the Effective Date, on the terms and conditions not less favourable than those on which they are engaged by the Demerged Company. The Resulting Company agrees that the services of all such employees with the Demerged Company prior to the demerger shall be taken into account for the purposes of all existing benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits.
- 7.2. The existing funds or benefits, including provident fund and gratuity fund, created by the Demerged Company inter alia for the employees of the Demerged Undertaking (collectively referred to as the 'Funds') in terms of this Scheme shall be continued for the benefit of such employees on the same terms and conditions in the Resulting Company. With effect from the Effective Date, the Resulting Company shall make the necessary contribution for such employees taken over. Upon the Scheme being effective, the Resulting Company shall, to the extent pertaining to the Demerged Undertaking, stand substituted for the Demerged Company for all purposes whatsoever related to the administration or operation of such Fund or in relation to the obligations to make a contribution to the said Funds in accordance with the provisions of the Fund or according to the terms provided in the respective Fund deeds or other documents or, in the alternative, create / establish / setup / provide the facility of one or more alternative trusts

being not less favourable than the existing Fund in the Demerged Company of which such employees were members in the Demerged Company. The Resulting Company undertakes and assumes all the duties and obligations and takes over and assumes all the rights and powers of the Demerged Company upon the Scheme being effective, in relation to aforesaid Funds of the Demerged Company. The services of the employees of the Demerged Undertaking will be treated as having been continuous for the purposes of availing the benefits of the aforesaid funds or provisions of any Funds for such employees.

## **8. LEGAL PROCEEDINGS**

- 8.1. Upon the Scheme becoming effective, all legal proceedings, suits, claims, actions before any statutory or quasi-judicial authority or tribunal of whatsoever nature, pertaining to the Demerged Undertaking, by or against the Demerged Company arising after the Appointed Date 1, shall be continued and enforced by or against the Demerged Company only until the Effective Date. On and from the Effective Date, the Resulting Company shall and may, if required, initiate any legal proceedings in relation to the relevant matters pertaining to the Demerged Undertaking in the same manner and to the same extent as would or might have been initiated by the Demerged Company. The Demerged Company shall in no event be responsible or liable in relation to any such legal or other proceedings against the Resulting Company. The Resulting Company shall be replaced / added as party to such proceedings and shall prosecute or defend such proceedings at its own cost, in co-operation with the Demerged Company.
  
- 8.2. The Resulting Company undertakes to have all legal proceedings initiated by or against the Demerged Company referred to in Sub-Clause 8.1 above transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company. Both the Demerged Company and the Resulting

Company shall make relevant applications in that behalf. It is clarified that the Demerged Company shall in no event be responsible or liable in relation to any proceedings relating to the Demerged Undertaking that stand transferred to the Resulting Company.

- 8.3. If any suit, appeal or other proceedings relating to the Demerged Undertaking, of whatever nature by or against the Demerged Company be pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the demerger of the Demerged Undertaking or by anything contained in this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Resulting Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Demerged Company as if this Scheme had not been made.

## **9. SAVING OF CONCLUDED TRANSACTIONS**

- 9.1. The transfer and vesting of the properties, liabilities and obligations pertaining to the Demerged Undertaking pursuant to this Scheme shall not affect any transactions or proceedings already completed by the Demerged Company on or before the Appointed Date 1 to the end and intent that, the Resulting Company accepts all acts, deeds and things done and executed by and / or on behalf of the Demerged Company and pertaining to the Demerged Undertaking which shall vest in the Resulting Company in terms of this Scheme as acts, deeds and things made, done and executed by and on behalf of the Resulting Company.

## **10. CONSIDERATION**

- 10.1. Upon coming into effect of this Scheme, and in consideration of the transfer and vesting of the Demerged Undertaking into the Resulting Company pursuant to the provisions of this Scheme, the Resulting Company shall, without any further application, act, deed, consent, acts, instrument or deed, issue and allot, on a proportionate basis to each shareholder of the Demerged Company and whose name is recorded in

the register of members and records of the depository as members of the Demerged Company, on the Record Date fully paid up equity shares of Resulting Company in the following manner (**“Share Entitlement Ratio”**) :

*“1 (One) fully paid up equity share of Rs. 10 (Rupees Ten) each of the Resulting Company for every 3 (Three) equity shares of Rs. 10 (Rupees Ten) of the Demerged Company.”*

- 10.2. The equity shares of the Resulting Company to be issued and allotted as per the Share Entitlement Ratio provided in Clause 10.1 above shall be subject to the provisions of the memorandum of association and articles of association of Resulting Company and shall rank *pari passu* in all respects with any existing equity shares of Resulting Company after the Effective Date including with respect to dividend, bonus, right shares, voting rights and other corporate benefits.
- 10.3. In case any shareholder’s shareholding in the Demerged Company is such that such shareholder becomes entitled to a fraction of an equity share of the Resulting Company, the Resulting Company shall not issue fractional share certificate to such shareholder but shall consolidate such fractions and round up the aggregate of such fractions to the next whole number and issue and allot the consolidated shares directly to a trustee nominated by the Board of Resulting Company in that behalf, who shall sell such shares in the market at such price or prices and on such time or times as the trustee may in its sole discretion decide and on such sale, shall pay to the Resulting Company, the net sale proceeds (after deduction of applicable taxes and other expenses incurred), whereupon the Resulting Company shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders of Demerged Company in proportion to their respective fractional entitlements.
- 10.4. The equity shares to be issued by the Resulting Company pursuant to Clause 10.1 shall be in dematerialized form.

- 10.5. The equity shares to be issued by the Resulting Company pursuant to Clause 10.1 above in respect of such equity shares of the Demerged Company which are held in abeyance under the provisions of Section 126 of the Act or otherwise shall, pending allotment or settlement of the dispute by order of a court or otherwise, also shall be kept in abeyance by the Resulting Company.
- 10.6. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholders of the Demerged Company, the Board of Directors of the Demerged Company shall be empowered prior to or even subsequent to the Record Date, to effectuate such transfers in the Demerged Company as if such changes in registered holders were operative as on the Record Date, in order to remove any difficulties arising to the transferors of the shares in relation to the shares issued by the Resulting Company. The Board of Directors or Stakeholders Relationship Committee, if any, of the Resulting Company shall be empowered to remove such difficulties that may arise in the course of implementation of the Scheme and registration of new shareholders in the Resulting Company on account of difficulties faced in the transition period.
- 10.7. The issue and allotment of the equity shares of the Resulting Company in terms of this Scheme shall be deemed to have been carried out as if the procedure laid down under Section 62 of the Act and any other applicable provisions of the Act have been complied with.
- 10.8. The equity shares of the Resulting Company issued pursuant to Clause 10.1 shall, in compliance with the applicable regulations, be listed and admitted to trading on the Stock Exchanges pursuant to this Scheme and the SEBI Circular. The Resulting Company shall make all requisite applications and shall otherwise comply with the provisions of the SEBI Circular and Applicable Laws and take all steps to procure the listing of the equity shares issued by it pursuant to Clause 10.1 above.

- 10.9. The equity shares allotted by the Resulting Company pursuant to the Scheme shall remain frozen in the depository system till listing/trading permission is given by the Stock Exchanges.
- 10.10. The Resulting Company shall and to the extent if required, increase its authorised share capital to facilitate issue of equity shares under this Scheme.
- 10.11. The approval of this Scheme by the shareholders of the Demerged Company and the Resulting Company respectively, under Sections 230 to 232 of the Act to have the approval under Sections 13, 14 and other applicable provisions of the Companies Act, 2013 and all Applicable Laws.

**11. REDUCTION OF SHARE CAPITAL OF RESULTING COMPANY**

- 11.1 Simultaneously, with the issue and allotment of the new equity shares by the Resulting Company to the shareholders of the Demerged Company in terms of Clause 10 of the Scheme, the equity shares issued by the Resulting Company to the Demerged Company ('Resulting Company Cancelled Shares') shall stand cancelled, without any further act, instrument or deed. Such cancellation of the share capital of the Resulting Company shall be effected as a part of the Scheme itself and not in accordance with Section 66 of the Act. The NCLT Order sanctioning the Scheme shall be deemed to be an order under Section 66 of the Act confirming the reduction and no separate sanction under Section 66 of the Act shall be necessary. The Resulting Company shall debit its share capital account in its books of account with the aggregate face value of Resulting Company Cancelled Shares and the capital reserve in the books of the Resulting Company shall be increased to the extent of the amount of Resulting Company Cancelled Shares.

## **12. ACCOUNTING TREATMENT**

### **12.1. Accounting treatment in the books of the Demerged Company:**

Notwithstanding anything to the contrary contained in any other clause in the Scheme, the Demerged Company shall give effect to the demerger in its books of accounts as per the accounting principles prescribed under the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) notified under Section 133 of the Companies Act, 2013, and as may be amended from time to time and on the date determined in accordance with Ind AS as under:

- 12.1.1. The Demerged Company shall upon the Scheme becoming effective, reduce the assets and liabilities pertaining to the Demerged Undertaking transferred to and vested in the Resulting Company pursuant to the Scheme at their respective book values;
- 12.1.2. Inter-company balances and transaction between the Demerged Undertaking of the Demerged Company and the Resulting Company, if any, including inter-company investments, will stand cancelled; and
- 12.1.3. The difference being the excess of the book value of assets over the book value of the liabilities pertaining to the Demerged Undertaking and demerged from the Demerged Company pursuant to this Scheme after giving effect to Clause 12.1.2 above shall be adjusted to Other Equity of the Demerged Company.

### **12.2. Accounting treatment in the books of the Resulting Company**

Notwithstanding anything to the contrary contained in any other clause in the Scheme, the Resulting Company shall give effect to the demerger in its books of accounts as per the accounting principles prescribed under the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) notified under Section 133 of the Companies Act, 2013, and as may

be amended from time to time and on the date determined in accordance with Ind AS as under:

- 12.2.1. Upon the coming into effect of this Scheme, the Resulting Company shall record the assets and liabilities pertaining to the Demerged Undertaking, transferred to and vested in it pursuant to this Scheme at their respective carrying values, if any, as appearing in the books of the Demerged Company in accordance with IND AS;
- 12.2.2. The Resulting Company shall credit to its share capital in its books of account, the aggregate face value of the new equity shares issued by it to the members of the Demerged Company pursuant to this Scheme;
- 12.2.3. Inter-company balances and transaction between the Demerged Undertaking of the Demerged Company and the Resulting Company, if any, including inter-company investments, will stand cancelled; and
- 12.2.4. The difference, if any, between the assets and liabilities of the Demerged Undertaking as recorded by the Resulting Company after considering the effect of clause 12.2.2 and 12.2.3 above shall be adjusted as capital reserve in the books of the Resulting Company.

### **13. CONDUCT OF BUSINESS**

With effect from the Appointed Date 1 and up to and including the Effective Date:

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

- 13.2. All the profits or income accruing or arising to the Demerged Company in respect of the Demerged Undertaking, or expenditure or losses arising to or incurred by the Demerged Company in respect of the Demerged Undertaking, shall for all purposes and intents be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses (as the case may be) of the Resulting Company.
- 13.3. The Demerged Company shall carry on the business and activities with reasonable diligence and prudence and shall not without the prior written consent of the Board of Directors of the Resulting Company respectively, alienate, charge, mortgage, encumber or otherwise deal with or dispose-off, the Demerged Undertaking, except in the ordinary course of business. The Demerged Company shall not, without the prior written consent of the Resulting Company undertake any new businesses within the Demerged Undertaking except in the ordinary course of its business.
- 13.4. Where any of the liabilities and obligations attributed to the Demerged Undertaking, has been discharged by the Demerged Company, on or after the Appointed Date 1 but before the Effective Date, such discharge shall be deemed to have been for and on behalf of the Resulting Company.
- 13.5. All loans raised and liabilities incurred by the Demerged Company after the Appointed Date 1 but before the Effective Date for operations of the Demerged Undertaking shall be discharged by the Resulting Company respectively on or after the Effective Date.
- 13.6. The Demerged Company shall not vary the terms and conditions of service of the employees or conclude settlements with unions or employees, except in the ordinary course of business or consistent with past practice or pursuant to any pre-existing obligation, without the prior written consent of the Board of Directors of the Resulting Company.

13.7. The Resulting Company shall be entitled, pending the sanction of the Scheme by the jurisdictional NCLT(s), to apply to the central/state government and all other agencies, departments and authorities concerned as are necessary under any Applicable Law for such consents, approvals and sanctions which the Resulting Company may require to own and carry on the business of the Demerged Undertaking.

**PART C**  
**AMALGAMATION OF TRANSFEROR COMPANY WITH**  
**TRANSFeree COMPANY**

**14. TRANSFER OF ASSETS AND LIABILITIES**

- 14.1. Immediately on Part B of the Scheme being effective and with effect from the Appointed Date 2, and subject to the provisions of this Scheme and in accordance with and pursuant to Section 230 to 232 of the Act, the Transferor Company shall stand amalgamated with the Transferee Company as a going concern and all assets, investments (including shares held in subsidiaries i.e. Privi Biotechnologies Private Limited and Privi Organics USA Corp), liabilities, contracts, arrangements, employees, Permits, licences, records, approvals, etc. of the Transferor Company shall, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, so as to become as and from the Appointed Date 2, the assets, liabilities, contracts, arrangements, employees, Permits, licences, records, approvals, etc. of the Transferee Company by virtue of, and in the manner provided in this Scheme.
- 14.2. In respect of such of the assets and properties of the Transferor Company that are movable in nature or are otherwise capable of being transferred by delivery or possession, or by endorsement and/ or delivery, the same shall stand transferred by the Transferor Company upon coming into effect of this Scheme and shall, ipso facto and without any other order to this effect, become the assets and properties of the Transferee Company.
- 14.3. Subject to Clause 14.4 below, with respect to the assets of the Transferor Company, other than those referred to in Clause 14.2 above, including all rights, title and interests in the agreements (including

agreements for lease or license of the properties) sundry debtors, claims from customers or otherwise, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, whether or not the same is held in the name of the Transferor Company, shall, without any further act, instrument or deed, be transferred to and vested in and/ or be deemed to be transferred to and vested in the Transferee Company, with effect from the Appointed Date 2 by operation of law as transmission, as the case may be, in favour of Transferee Company. With regard to the licenses of the properties, the Transferee Company will enter into novation agreements, if it is so required.

14.4. All immovable properties (including land together with the building and structures standing thereon) of the Transferor Company, whether freehold or leasehold and any documents of title, rights and easements in relation thereto shall stand transferred to and be vested in the Transferee Company, subject to Applicable Law, without any act or deed. Upon this Scheme becoming effective and with effect from the Appointed Date 2, the Transferee Company shall be entitled to exercise any and all rights and privileges and shall be liable to pay ground rent, municipal taxes and fulfill all obligations, in relation to or applicable to such immovable properties (if any), shall be made and duly recorded by the appropriate authorities pursuant to the sanction of this Scheme in accordance with the terms hereof without any requirement of a further act or deed on part of the Transferee Company. The Transferee Company shall subsequent to the Scheme becoming effective be entitled to the delivery and possession of all documents of title to such immovable property in this regard.

14.5. All debts, liabilities, duties and obligations of the Transferor Company shall, without any further act, instrument or deed be transferred to, and vested in, and/ or deemed to have been transferred to, and vested in, the Transferee Company, so as to become on and from the Appointed Date 2,

the debts, liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and it shall not be necessary to obtain the consent of any person who is a party to contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this Clause 14.

- 14.6. All the existing securities, mortgages, charges, encumbrances, if any, as on the Appointed Date 2 and those created by the Transferor Company after the Appointed Date 2, over the assets of the Transferor Company transferred to the Transferee Company shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date. Such securities, mortgages, charges, encumbrances or liens shall not relate or attach or extend to any of the other assets of the Transferee Company.
- 14.7. Any existing securities, mortgages, charges, encumbrances, if any, over the assets and properties of the Transferee Company or any part thereof which relate to the liabilities and obligations of the Transferee Company prior to the Effective Date shall continue to relate only to such assets and properties of the Transferee Company and shall not extend or attach to any of the assets and properties of the Transferor Company (except those assets and properties which are encumbered on account of loans taken by the Transferee Company by creating charge over the assets of the Transferor Company, if any) transferred to and vested in the Transferee Company by virtue of this Scheme.
- 14.8. Upon the coming into effect of this Scheme, all the credit for taxes including but not limited to tax deduction at source, tax collected at source, advance tax, minimum alternate tax, tax demand paid under protest with the Transferor Company shall be available and vest in the Transferee Company.

- 14.9. Upon the coming into effect of this Scheme, all unutilized input tax credit of central goods and service tax, integrated goods and service tax, state goods and service tax, union territory goods and service tax, goods and service tax compensation cess etc. lying unutilised with the Transferor Company shall be available and vest in the Transferee Company.
- 14.10. On and from the Effective Date and till such time that the name of the bank accounts of the Transferor Company has been replaced with that of the Transferee Company, the Transferee Company shall be entitled to maintain and operate the bank accounts of the Transferor Company in the name of the Transferor Company and for such time as may be determined to be necessary by the Transferee Company. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company.
- 14.11. Upon coming into effect of this Scheme, to the extent that there are inter-company transactions or balances including loans and advances, receivables, payables and other dues outstanding between Transferor Company and Transferee Company as on or from the Appointed Date 2, the obligations in respect thereof shall stand cancelled.
- 14.12. The Transferee Company shall, at any time after this Scheme coming into effect, in accordance with the provisions hereof, if so required under any Applicable Law or otherwise, execute appropriate deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to which the Transferor Company have been a party, including any filings with Appropriate Authorities, in order to give formal effect to the above provisions. The Transferee Company shall for this purpose, under the provisions hereof, be deemed to have been authorized to execute any such writings on behalf of the

Transferor Company in relation to the Transferee Company and to carry out or perform all such formalities or compliances referred to above on Transferor Company.

- 14.13. For avoidance of doubt and without prejudice to the generality of any applicable provisions of this Scheme, it is clarified that in order to ensure (i) implementation of the provisions of the Scheme; (ii) uninterrupted transfer of the relevant Permits; and (iii) continued vesting of the benefits, exemptions available to the Transferor Company in favour of the Transferee Company, the Board of Directors of the Transferor Company and the Transferee Company or any persons authorized by them shall be deemed to be authorized to execute or enter into necessary documentations with any regulatory authorities or third parties, if applicable and the same shall be considered as giving effect to the NCLT Order(s) and shall be considered as an integral part of this Scheme.
- 14.14. Subject to the necessary consents being obtained in accordance with the terms of this Scheme, the provisions of the above sub-clauses shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue of any security document, all of which instruments, deeds or writings shall stand modified and / or superseded by the foregoing provisions.

The Scheme has been drawn up to comply with the conditions relating to “Amalgamation” as specified under Section 2(1B) of the Income-tax Act, 1961. If any terms or provisions of the Scheme is/are inconsistent with the provisions of Section 2(1B) of the Income-tax Act, 1961, the provisions of Section 2(1B) of the Income-tax Act shall prevail and the Scheme shall stand modified to the extent necessary to comply with Section 2(1B) of the Income-tax Act, 1961; such modification to not affect or modify other terms or provisions of the Scheme including the accounting treatment specified in clause 21.

## **15. PERMITS**

- 15.1. With effect from the Appointed Date 2, Permits relating the Transferor Company shall be transferred to and vested in the Transferee Company and the concerned licensor and grantors of such Permits shall endorse where necessary, and record the Transferee Company on such Permits so as to empower and facilitate the approval and vesting of the Transferor Company in the Transferee Company and continuation of operations of the Transferor Company in the Transferee Company without any hindrance, and shall stand transferred to and vested in and shall be deemed to be transferred to and vested in the Transferee Company without any further act or deed and shall be appropriately mutated by the Appropriate Authorities concerned therewith in favour of the Transferee Company as if the same were originally given by, issued to or executed in favor of the Transferee Company and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder and the rights and benefits under the same shall be available to the Transferee Company.
- 15.2. The benefit of all Permits pertaining to the Transferor Company shall without any other order to this effect, transfer and vest into and become available to the Transferee Company pursuant to the sanction of this Scheme.

## **16. CONTRACTS, DEEDS AND OTHER INSTRUMENTS**

- 16.1. Upon coming into effect of this Scheme and with effect from the Appointed Date 2 and subject to the provisions of this Scheme, all contracts, deeds, bonds, lease deeds, arrangements entered into with various persons, arrangements and other instruments of whatsoever nature by the Transferor Company and to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or have effect as on the Effective Date, shall continue in full force and effect on or against or in

favor of, as the case may be, of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto or thereunder, in all cases subject to the terms and provisions of such contracts, deeds, bonds, lease deeds, agreements, arrangements or instruments.

- 16.2. Without prejudice to the other provisions of this Scheme and notwithstanding that the amalgamation and subsequent vesting of the Transferor Company to the Transferee Company occurs by virtue of this Scheme itself, the Transferee Company, may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any Applicable Law or otherwise, execute deeds, confirmation or other writings or arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to be executed merely in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.
- 16.3. On and from the Effective Date, and thereafter, the Transferee Company shall be entitled to enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of the Transferor Company, in the name of the Transferee Company in so far as may be necessary until the transfer of rights and obligations of the Transferor Company to the Transferee Company under this Scheme have been given effect to under such contracts and transactions.
- 16.4. Even after this Scheme becomes effective, the Transferee Company shall, in its own rights, be entitled to realise all monies and complete and

enforce all pending contracts and transactions of the Transferor Company, in so far as may be necessary.

- 16.5. Without prejudice to the aforesaid, it is clarified that if any assets (estate, claims, rights, title, interest in or authorities relating to such assets) or any contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature which the Transferor Company owns or to which the Transferor Company is a party to, cannot be transferred to the Transferee Company for any reason, whatsoever, the Transferor Company shall hold such assets, contracts, deeds, bonds, agreements, schemes, arrangements, or other instruments of whatsoever nature in trust for the benefit of the Transferee Company, in so far as it is permissible so to do, till such time as the transfer is effected.

## **17. EMPLOYEES**

- 17.1. Upon coming into effect of this Scheme, with effect from the Effective Date, the Transferee Company undertakes to engage, without any interruption in service, all employees of the Transferor Company, on the Effective Date, on the terms and conditions not less favourable than those on which they are engaged by the Transferor Company. The Transferee Company agrees that the services of all such employees with the Transferor Company prior to the amalgamation shall be taken into account for the purposes of all existing benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits.
- 17.2. The existing funds or benefits, including provident fund and gratuity fund, created by the Transferor Company (collectively referred to as the 'Transferor Company Funds') in terms of this Scheme shall be continued for the benefit of such employees on the same terms and conditions in the Transferee Company. With effect from the Effective Date, the Transferee Company shall make the necessary contribution for such employees taken over. Upon the Scheme being effective, the Transferee

Company shall stand substituted for the Transferor Company for all purposes whatsoever related to the administration or operation of such Transferor Company Fund or in relation to the obligations to make a contribution to the said Transferor Company Funds in accordance with the provisions of the Fund or according to the terms provided in the respective Transferor Company Fund deeds or other documents or, in the alternative, create / establish / setup / provide the facility of one or more alternative trusts being not less favourable than the existing Transferor Company Fund in the Transferor Company of which such employees were members in the Transferor Company. The Transferee Company undertakes and assumes all the duties and obligations and takes over and assumes all the rights and powers of the Transferor Company upon the Scheme being effective, in relation to aforesaid Transferor Company Funds of the Transferor Company. The services of the employees of the Transferor Company will be treated as having been continuous for the purposes of availing the benefits of the aforesaid funds or provisions of any Transferor Company Funds for such employees.

## **18. LEGAL PROCEEDINGS**

- 18.1. Upon the Scheme becoming effective, all legal proceedings, suits, claims, actions before any statutory or quasi-judicial authority or tribunal of whatsoever nature, by or against the Transferor Company arising after the Appointed Date 2, shall be continued and enforced by or against the Transferor Company only until the Effective Date. On and from the Effective Date, the Transferee Company shall and may, if required, initiate any legal proceedings in the same manner and to the same extent as would or might have been initiated by the Transferor Company. Except as otherwise provided herein, the Transferor Company shall in no event be responsible or liable in relation to any such legal or other proceedings against the Transferee Company. The Transferee Company shall be replaced / added as party to such proceedings and shall

prosecute or defend such proceedings at its own cost, in co-operation with the Transferor Company.

18.2. The Transferee Company undertakes to have all legal proceedings initiated by or against the Transferor Company referred to in Sub-Clause 18.1 above transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against the Transferee Company to the exclusion of the Transferor Company. Both the Transferor Company and the Transferee Company shall make relevant applications in that behalf. It is clarified that except, as otherwise provided herein, the Transferor Company shall in no event be responsible or liable in relation to any proceedings that stand transferred to the Transferee Company.

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

## **19. SAVING OF CONCLUDED TRANSACTIONS**

The transfer and vesting of the properties, liabilities and obligations of the Transferor Company pursuant to this Scheme shall not affect any transactions or proceedings already completed by the Transferor Company on or before the Appointed Date 2 to the end and intent that, the Transferee Company accepts all acts, deeds and things done and executed by and / or on behalf of the Transferor Company which shall vest in the Transferee Company in terms of this Scheme as acts, deeds and things made, done and executed by and on behalf of the Transferee Company.

## **20. CONSIDERATION**

- 20.1. The entire issued, subscribed and paid up capital of Transferor Company is held by the Transferee Company. Upon the Scheme becoming effective, the entire equity share capital of the Transferor Company held by the Transferee Company shall stand automatically cancelled and there will not be any issue and allotment of equity shares in the Transferee Company.

## **21. ACCOUNTING TREATMENT**

Notwithstanding anything to the contrary contained in any other clause in the Scheme, the Transferee Company shall give effect to the amalgamation in its books of accounts as per the accounting principles prescribed under the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) notified under Section 133 of the Companies Act, 2013, and as may be amended from time to time and on the date determined in accordance with Ind AS as under:

- 21.1. All the assets, liabilities and reserves including debit balances, if any in the books of the Transferor Company shall stand transferred to and vested in the Transferee Company pursuant to the Scheme and shall be recorded by the Transferee Company in its books of accounts at their carrying amount as prescribed in IND - AS 103;
- 21.2. The investment in the equity share capital of Transferor Company as appearing in the books of accounts of Transferee Company on Effective Date, if any shall stand cancelled;
- 21.3. Inter Company balances and transactions between the Transferor Company and Transferee Company, if any will stand cancelled;
- 21.4. The difference, if any, being excess/deficit arising pursuant to the Scheme, after giving effect to the above adjustments, shall be adjusted as Capital Reserve in the books of the Transferee Company; and

21.5. In case of any differences in accounting policy between Transferor Company and Transferee Company, the accounting policies followed by Transferor Company will prevail and the difference shall be adjusted in Capital Reserves of Transferee Company, to ensure that the financial statements of Transferee Company reflect the financial position on the basis of consistent accounting policy.

## **22. INCREASE IN AUTHORISED SHARE CAPITAL**

22.1. As an integral part of the Scheme, and upon the effectiveness of Part C of this Scheme, the authorised share capital of the Transferor Company shall stand transferred to and be amalgamated with the authorised share capital of the Transferee Company, and that the authorised share capital of the Transferee Company shall automatically stand increased, without any further act, instrument or deed on the part of the Transferee Company, without any liability for payment of any additional fees (including fees and charges to the Registrar of Companies) or stamp duty. Consequently, the authorised share capital of the Transferee Company shall be Rs. 55,01,00,000/- (Rupees Fifty Five Crores and One Lakh only) comprising of 5,00,10,000 (Five Crores and Ten Thousand) Equity shares of Rs. 10/- (Rupees Ten only) each, without any further act, instrument or deed and 50,00,000 (Fifty Lakhs) Preference Shares of Rs. 10/- (Rupees Ten only) each.

22.2. Clause V. of the Memorandum of Association of the Transferee Company shall, upon the effectiveness of Part C of this Scheme and without any further act or deed, be replaced by the following clause:

"V. The Authorised Share Capital of the Company is Rs. 55,01,00,000 (Rupees Fifty Five Crores One Lakh) divided into 5,00,10,000 (Five Crores Ten Thousand only) Equity Shares of Rs. 10/- (Rupees ten only) each and 50,00,000 (Fifty Lakhs only) Preference Shares of Rs.10/- with power to increase and reduce the capital of the Company or to divide the shares in the capital for the time being into several classes and to attach

thereto respectively such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for time being be provided by the Articles of Association of the Company.”

- 22.3. The consent of the shareholders of the Transferor Company and the Transferee Company to the Scheme shall be deemed to be sufficient for purposes of effecting the above and that no further action under section 13 or section 61 or any other applicable provisions of the Act, shall be separately required nor shall any additional fees (including fees and charges to the Registrar of Companies) or stamp duty be payable by the Transferee Company.

### **23. CONDUCT OF BUSINESS**

With effect from the Appointed Date 2 and up to and including the Effective Date:

- 23.1. The Transferor Company shall be deemed to have been carrying on and shall carry on its business and activities and shall hold and stand possessed of and hold all its properties and assets for and on account of and in trust for the Transferee Company. The Transferor Company hereby undertakes to hold its said assets with utmost prudence until the Effective Date.
- 23.2. All the profits or income accruing or arising to the Transferor Company, or expenditure or losses arising to or incurred by the Transferor Company shall for all purposes and intents be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses (as the case may be) of the Transferee Company.
- 23.3. The Transferor Company shall carry on the business and activities with reasonable diligence and prudence and shall not without the prior

written consent of the Board of Directors of the Transferee Company, alienate, charge, mortgage, encumber or otherwise deal with or dispose-off any assets and liabilities of the Transferor Company, except in the ordinary course of business. The Transferor Company shall not, without the prior written consent of the Transferee Company undertake any new businesses except in the ordinary course of its business.

- 23.4. Where any of the liabilities and obligations of the Transferor Company, has been discharged by the Transferor Company, on or after the Appointed Date 2 but before the Effective Date, such discharge shall be deemed to have been for and on behalf of the Transferee Company.
- 23.5. All loans raised and liabilities incurred by the Transferor Company after the Appointed Date 2 but before the Effective Date shall be discharged by the Transferee Company respectively on or after the Effective Date.
- 23.6. The Transferor Company shall not vary the terms and conditions of service of the employees or conclude settlements with unions or employees, except in the ordinary course of business or consistent with past practice or pursuant to any pre-existing obligation, without the prior written consent of the Board of Directors of the Transferee Company.
- 23.7. The Transferee Company shall be entitled, pending the sanction of the Scheme by the jurisdictional NCLT(s), to apply to the central/state government and all other agencies, departments and authorities concerned as are necessary under any Applicable Law for such consents, approvals and sanctions which the Transferee Company may require to own and carry on the business of the Transferor Company.

## **24. DISSOLUTION OF TRANSFEROR COMPANY**

Upon the Scheme becoming effective, the Transferor Company shall stand dissolved without being wound up without any further act or deed.

**PART D**  
**GENERAL TERMS & CONDITIONS**

**25. REMAINING BUSINESS OF THE DEMERGED COMPANY**

25.1. The Remaining Business and all the assets, liabilities and obligations relating or pertaining thereto shall continue to belong solely to and continue to be vested solely in and be managed by the Demerged Company.

25.2. All legal, tax and other proceedings by or against the Demerged Company under any statute, whether pending on the Appointed Date 1 or which may be instituted at any time thereafter, whether or not in respect of any matter arising before the Effective Date and pertaining or relating to the Remaining Business (including those relating to any property, right, power, liability, obligation or duty, of the Demerged Company in respect of the Remaining Business) shall be continued and enforced solely by or against the Demerged Company only.

25.3. The Demerged Company shall carry on all business and activities pertaining or relating to the Remaining Business in its own name and on its own account and its own behalf in all respects.

25.4. All profit accruing to the Demerged Company or losses arising or incurred by it pertaining or relating to the Remaining Business shall, for all purposes, be treated as its profit, or losses, as the case may be.

**26. APPLICATIONS TO NCLT**

26.1. The Demerged Company, Resulting Company and the Transferor Company, shall, with all reasonable dispatch, simultaneously, make applications and/or petitions under Section 230 to 232 of the Act and other applicable provisions of the Act to the NCLT for approval of the

Scheme and all matters ancillary or incidental thereto, as may be necessary to give effect to the terms of the Scheme.

## **27. MODIFICATION OR AMENDMENTS TO THE SCHEME**

27.1. Subject to approval of the NCLT, the Board of Directors of the Demerged Company, Resulting Company and the Transferor Company, may consent, on behalf of all persons concerned, to any modifications or amendments of the Scheme or to any conditions or limitations that the NCLT or Appropriate 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) and solve all difficulties that may arise for carrying out the Scheme and do all acts, deeds and things necessary for putting the Scheme into effect. For the purpose of giving effect to this Scheme or to any modification thereof, the Board of Directors of the Demerged Company, Resulting Company and the Transferor Company be and are hereby authorised to give such directions and to take all such steps as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubt, difficulties whether by reason of any direction or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of this Scheme and/or any matters concerning or connected therewith. No modification or amendment to the Scheme will be carried out or effected by the Board without approaching the NCLT.

## **28. CONDITIONALITY OF THE SCHEME**

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

28.1. The Demerged Company / Transferee Company having received observation letter/no-objection letter from the Stock Exchanges in respect of the Scheme, pursuant to Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- 28.2. The Scheme being approved by the requisite majorities of the classes of shareholders and creditors (where applicable) of the Demerged Company, Resulting Company and the Transferor Company as may be directed by the jurisdictional NCLT(s).
- 28.3. The Scheme being sanctioned by the jurisdictional NCLT(s) under Sections 230 to 232 read with Section 66 of the Act and other applicable provisions of the Act.
- 28.4. Fulfilment/ waiver of any other conditions precedent agreed between the Demerged Company, Resulting Company and/or the Transferor Company and/or their respective shareholders, in writing.
- 28.5. Authenticated/ certified copies of the orders of the jurisdictional NCLT(s) sanctioning the Scheme being filed with the relevant Registrar of Companies by the Demerged Company, Resulting Company and the Transferor Company respectively.
- 28.6. The various parts of the Scheme shall be deemed to have taken effect in following sequence:
- 28.6.1. Firstly, Part B of the Scheme (relating to demerger of the Demerged Undertaking of the Demerged Company into the Resulting Company) shall be deemed to have taken effect, prior to Part C of the Scheme; and
- 28.6.2. Thereafter, Part C of the Scheme (relating to amalgamation of Transferor Company into the Transferee Company) shall be deemed to have taken effect, after Part B of the Scheme.

**29. NAME OF THE TRANSFEREE COMPANY**

- 29.1. As an integral part of the Scheme, upon the effectiveness of the Scheme, the name of the Transferee Company shall stand amended to 'Privi Speciality Chemicals Limited' or such other name which is available and approved by the Registrar of Companies, by simply filing the requisite forms with Appropriate Authority, without any further act, instrument or

deed on the part of the Transferee Company.

29.2. It is hereby clarified that for the purpose of change of name of the Transferee Company in accordance with clause 29.1 above, the consent of the shareholders of the Transferee Company to this Scheme shall be deemed to be sufficient for the purposes of effecting this amendment and that no further resolution under section 13, section 14 and any other applicable provisions of the Act, would be required to be separately passed nor shall any additional fees (including fees and charges to the Registrar of Companies) or stamp duty be payable by the Transferee Company.

### **30. EFFECT OF NON-RECEIPT OF APPROVALS**

30.1. The Board of Directors of the Demerged Company, Resulting Company and the Transferor Company shall be entitled to withdraw this Scheme prior to the Effective Date. It is hereby clarified that notwithstanding anything to the contrary contained in this Scheme, neither the Demerged Company nor the Resulting Company nor the Transferor Company shall be entitled to withdraw the Scheme unilaterally without the prior written consent of the other companies.

### **31. COSTS, CHARGES AND EXPENSES**

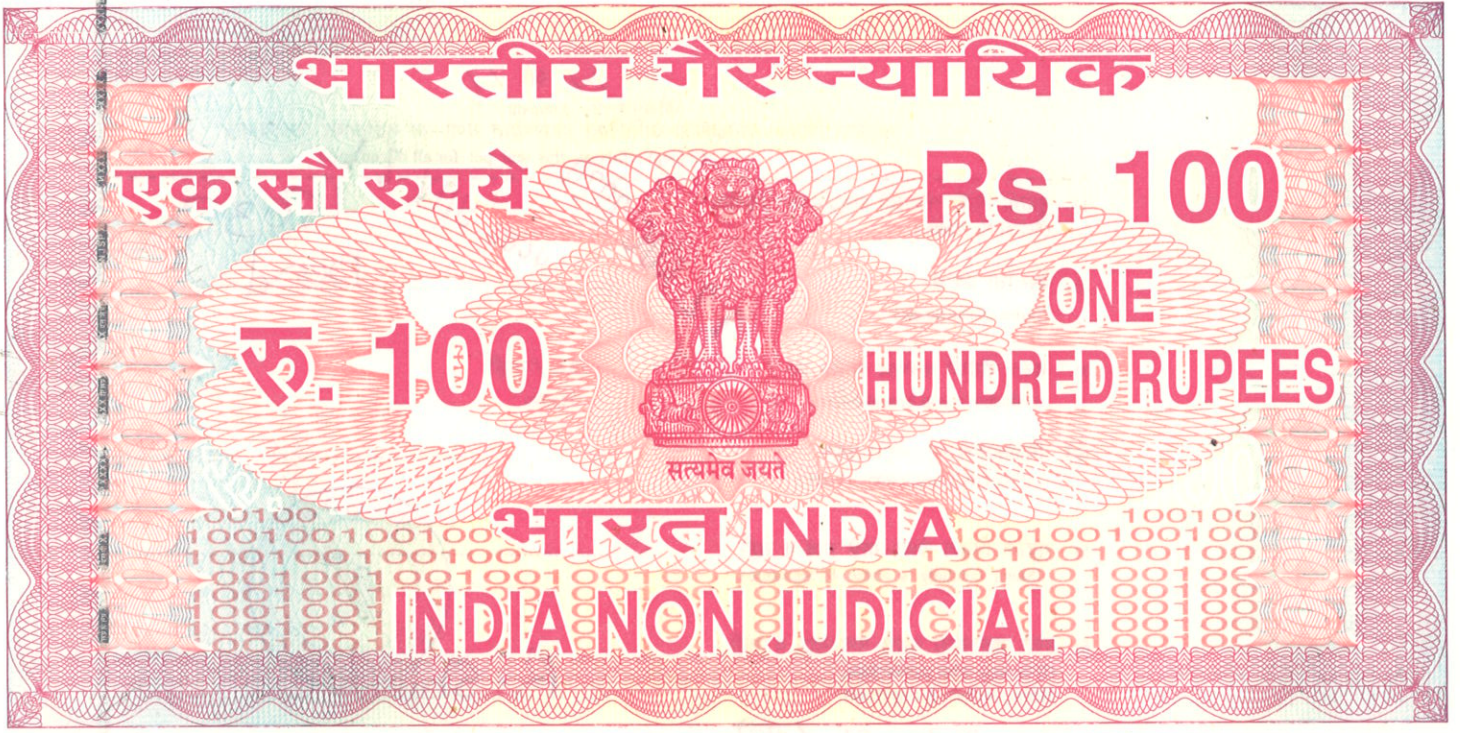
31.1. All costs, charges, levies and expenses (including, but not limited to stamp duty etc.) in relation to or in connection with the Scheme and incidental to the completion of the Scheme and of carrying out the terms of this Scheme shall be borne by the Resulting Company and the Transferor Company in the ratio of 1:2 or as mutually agreed by the Board of Directors of the Demerged Company, Resulting Company and the Transferor Company.

## **ANNEXURE 1**

### **AROMA CHEMICALS**

1. 1,8 CINEOLE
2. ALPHA DAMASCONE
3. ALPHA IONONE
4. ALPHA IONONE (ALPHA IONONE 950)
5. ALPHA PINENE EXTRA PURE
6. AMBER FLEUR
7. AMBER GAMMA
8. BETA IONONE Perfumery Grade
9. BETA ISO DAMASCOL
10. CAMPHENE 65
11. CARVACROL
12. CEDAR KETOL
13. CITRAL EXTRA PURE
14. CITRONELLAL
15. CITRONELLOL
16. CITRONELLOL (CITRONELLOL EXTRA)
17. CITRONELLYL ACETATE
18. CITRONELLYL NITRILE
19. CYCLOCITRAL AB
20. DIHYDROMYRCENOL
21. DIMETHYL SULPHIDE
22. DIPENTENE SUPER
23. DOUBLE DISTILLED TURPENTINE OIL (DDTO)
24. FRUITY WOODY COMPOUND AG-I
25. GAMMA METHYL IONONE
26. GERANIOL
27. GERANYL ACETATE
28. INDIAN SANDAL CORE
29. IONONE 100%
30. ISOBORNYL ACETATE
31. ISOCITRONELLENE AND ISOMERS
32. METHYL IONONE
33. NIMBEROL
34. ORTHO TERTIARY BUTYL CYCLO HEXANOL
35. ORTHO TERTIARY BUTYL CYCLO HEXYL ACETATE
36. PARA TERTIARY BUTYL CYCLO HEXANOL
37. PARA TERTIARY BUTYL CYCLO HEXYL ACETATE
38. PARA-CYMENE
39. PINE OIL
40. PRIONYL

41. ROSE ONE COMPOUND AG-I
42. ROSE OXIDE
43. ROSEPYRAN
44. SANDAL FLEUR
45. TERPINEOL PERFUMERY GRADE
46. TERPINOLENE
47. TERPINYL ACETATE
48. TETRA HYDRO GERANIOL
49. TETRA HYDRO GERANYL ACETATE
50. TETRAHYDRO FLOROL
51. TETRAHYDROMYRCENOL
52. TIMBER FORTE
53. TIMBER TOUCH
54. VIOLETONE COEUR



महाराष्ट्र MAHARASHTRA

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WH 885889

जिल्हा कोषागार कार्यालय, ठाणे  
= 4 AUG 2020  
मुद्रांक प्रमुख लिपीक / लिपीक  
ठाणे

THIS STAMP PAPER FORMS AN INTEGRAL PART OF THE LETTER AMENDMENT DATED AUGUST 12, 2020 TO THE IMPLEMENTATION AGREEMENT DATED MAY 22, 2019 BETWEEN FAIRCHEM SPECIALITY LIMITED, FAIRCHEM ORGANICS LIMITED, THE PRIVI GROUP, THE ADI GROUP, PRIVI ORGANICS INDIA LIMITED, FIH MAURITIUS INVESTMENTS LIMITED AND FIH PRIVATE INVESTMENTS LIMITED.

August 12, 2020

**1. FIH Mauritius Investment Limited**

Level 1, Maeva Tower, Silicon Avenue, Cybercity, Ebene  
72201 Mauritius  
Attention: Ms. Amy Tan

**2. FIH Private Investment Limited**

Level 1, Maeva Tower, Silicon Avenue, Cybercity, Ebene  
72201 Mauritius  
Attention: Ms. Amy Tan

**3. Fairchem Organics Limited**

C/o: Fairchem Speciality Limited, 253/P & 312, Village Chekhala,  
Sanand kadi Highway, Tal. Sanand, Dist. Ahmedabad – 382115  
Attention: Company Secretary

**4. Privi Group**

Privi House, A-71, TTC, Thane Belapur Road,  
Kopar Khairane, Navi Mumbai – 400 709, Maharashtra, India  
Attention: Mr. D.B.Rao

**5. Adi Group**

3, SIGMA Corporates, Sindhu Bhavan Road,  
Off S.G. Road, Ahmedabad – 380 059  
Attention: Shri Utkarsh Shah

**6. Mr Nahoosh Jariwala**

Jariwala Bungalow, Rajpath Cub – Rangoli Road, Thaltej, Ahmedabad –380 059

**7. Privi Organics India Limited**

Privi House, A-71, TTC, Thane Belapur Road,  
Kopar Khairane, Navi Mumbai – 400 709, Maharashtra, India  
Attention: Mr. D.B. Rao

Re: Amendment to the Implementation Agreement executed on May 22, 2019 (“**IA**”), by and amongst Fairchem Speciality Limited (“**FSL**”), Fairchem Organics Limited (“**FOL**”), Privi Organics India Limited (“**POIL**”), the Privi Group, the Adi Group and FIH Mauritius Investments Limited and FIH Private Investments Ltd (collectively, “**Fairfax India**”).

1. Unless otherwise defined herein, all capitalized terms shall have the meaning ascribed to them in the IA.
2. Reference is made to Clause 20.8.1 of the IA.
3. In order to align the understanding of the Parties under Clause 20.8 of the IA with the language

set out in the Scheme, the Parties have agreed to and hereby replace Clause 20.8.1 in its entirety with the following:

*“All costs, charges, levies and expenses (including, but not limited to stamp duty, registration charges, statutory fees, obtaining valuation certificates and fairness opinions) in relation to or in connection with the Scheme and incidental to the completion of the Scheme and of carrying out the terms of the Scheme shall be borne by FOL and POIL in the ratio of 1:2 or as mutually agreed by the boards of directors of each of FSL, FOL and POIL”.*

4. This letter shall be deemed to be effective from the Execution Date of the IA, shall form an integral part of and be read along with the IA and shall constitute a legal, valid, binding and continuing obligation, enforceable in accordance with its terms.
5. Save and except as specifically amended herein, all other terms and conditions of the IA shall remain unaltered and binding on the Parties as per the terms of the IA.
6. Clauses 14 (*Further Assurances*), 15 (*Announcements and Confidentiality*), 16 (*Waiver*), 17 (*Notices*), 18 (*Assignment*), 20 (*Miscellaneous*), 21 (*Governing Law and Dispute Resolution*) of the IA shall be deemed to be incorporated herein by way of reference.
7. Please append your signature below as a token of your acceptance of the contents of this letter and return one original copy of this letter to us.

Yours sincerely,

For and on behalf of  
**Fairchem Speciality Limited**



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**Authorised Signatory**

**We hereby acknowledge the receipt of this letter and confirm and accept the contents of this letter.**

For and on behalf of  
**FIH Mauritius Investments Limited**

  
\_\_\_\_\_  
**Authorised Signatory**

For and on behalf of  
**FIH Private Investments Limited**

  
\_\_\_\_\_  
**Authorised Signatory**

We hereby acknowledge the receipt of this letter and confirm and accept the contents of this letter.

For and on behalf of  
Fairchem Organics Limited

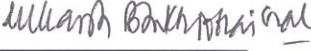


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Authorised Signatory

**We hereby acknowledge the receipt of this letter and confirm and accept the contents of this letter.**

For and on behalf of  
**Adi Group**



**Mr. Utkarsh Shah**



**Mr. Nahoosh Jariwala**

We hereby acknowledge the receipt of this letter and confirm and accept the contents of this letter.

For and on behalf of

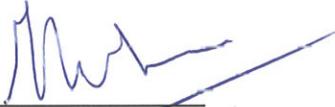
**Privi Organics India Limited**  
For **PRIVI ORGANICS INDIA LTD.**



**Authorised Signatory**

For and on behalf of

**Privi Group**



**Mr. Mahesh Babani**

For and on behalf of

**Privi Group**



**Mr. D.B. Rao**