

ANNEXURE - '1'  
COMPOSITE SCHEME OF ARRANGEMENT

114

UNDER CHAPTER XV OF THE COMPANIES ACT, 2013

AMONGST

LILY COMMERCIAL PRIVATE LIMITED

TRANSFEROR COMPANY

DCM SHRIRAM INDUSTRIES LIMITED

TRANSFeree COMPANY

DCM SHRIRAM FINE CHEMICALS  
LIMITED

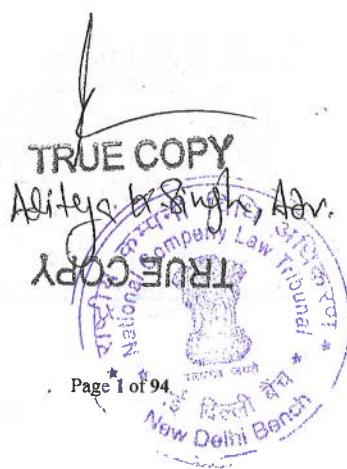
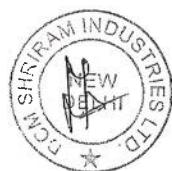
RESULTANT COMPANY 1

DCM SHRIRAM INTERNATIONAL LIMITED

RESULTANT COMPANY 2

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS



## PART-I

## 1.1 Overview

1.1.1 DCMSR (*as defined below*) had, in August 2022, constituted a Restructuring/Reorganisation Committee comprising of independent directors, non-executive directors and director-finance, and headed by its chairman, Mr. S. B. Mathur (“RRC”), to explore the possibility of restructuring the operations of DCMSR with a view to unlock growth potential and shareholder value. The RRC had to consider various options on the restructuring/reorganisation of the businesses of DCMSR with a view to unlocking shareholder value and to embark on future growth and expansion of the different business verticals housed in DCMSR, with focussed attention and enhancement of the valuations, in a smooth and seamless manner.

1.1.2 The RRC, on 14 August 2023, provided its recommendation to the Board of Directors of DCMSR, whereby it *inter alia* recommended a composite scheme of arrangement involving demerger of 2 (two) business undertakings (i.e., chemical undertaking and rayon undertaking (including defence and engineering projects)) of DCMSR into 2 (two) existing companies, on a going concern basis, while the residual undertaking comprising of sugar, alcohol and power would be retained in DCMSR, after the amalgamation of the Transferor Company (*as defined below*) with DCMSR, since (a) the 3 (three) segregated business verticals of sugar (including alcohol and power), chemicals and rayon (including defence and engineering projects) being diverse in nature with no critical business inter-dependencies, would be best placed in independent companies; (b) the separated undertakings being part of separate companies would have a greater possibility of inviting specialised and strategic investors and joint venture partners, and the demerger would likely increase shareholder value and focus each company on specific business, leading to faster growth and better price discovery; and (c) the family members constituting the ‘promoter and promoter group’ of DCMSR would have direct ownership in each vertical (instead through investment company(ies)) so that they can take independent decisions on their respective shareholdings. DCMSR notified the Stock Exchanges (*as defined below*) on 14 August 2023 of the in-principle approval of the Board of Directors to the proposed restructuring of the DCMSR’s operations to undertake a composite scheme of arrangement through the amalgamation of the Transferor Company with DCMSR and the demerger of 2 (two) business verticals of DCMSR, namely the Chemical Undertaking (*as defined below*) and the Rayon Undertaking (*as defined below*), on a going concern basis.

1.1.3 The Board of Directors of DCMSR therefore, on 14 November 2023, recommended a composite scheme of arrangement involving amalgamation of the Transferor Company with DCMSR followed by demerger of the Chemical Undertaking and Rayon Undertaking of DCMSR into 2 (two) separate companies, namely, DCM Shriram Fine Chemicals Limited, a company incorporated under the Act and having its registered office at 6<sup>th</sup> Floor, Kanchenjunga Building, 18 Barakhamba Road, New Delhi – 110001, New Delhi, India (“**Resultant Company 1**”) and DCM Shriram International Limited, a company incorporated under the Act and having its registered office at 6<sup>th</sup> Floor, Kanchenjunga Building, 18 Barakhamba Road, New Delhi – 110001, New Delhi, India (“**Resultant Company 2**”), respectively, (Resultant Company 1 and Resultant Company 2 are hereinafter collectively referred to as the “**Resultant Companies**”) with retention of the Residual Undertaking (*as defined below*) in DCMSR.

1.1.4 The amalgamation of the Transferor Company with DCMSR shall lead to simplification of the shareholding structure and reduction of shareholding tiers, and demonstrate direct commitment to



and engagement with DCMSR of/by the family members constituting the 'promoter and promoter group' of DCMSR. Such amalgamation shall have no adverse implication for the Transferor Company, DCMSR, public shareholders of DCMSR, or the Resultant Companies (*as defined below*). The 'promoter and promoter group' of DCMSR shall cumulatively hold the same number of shares in DCMSR, prior to and post such amalgamation of the Transferor Company with DCMSR, as well as demergers of the Chemical Undertaking and the Rayon Undertaking of DCMSR into Resultant Company 1 and Resultant Company 2, respectively, as contemplated in this Scheme.

1.1.5 Further, the demerger shall provide scope and opportunities for pursuing independent growth, collaboration and expansion of the 3 (three) segregated business verticals (viz., Chemical Undertaking, Rayon Undertaking and Residual Undertaking) for enhancing their valuations. Since such business verticals are independent and self-sufficient (with no critical business inter-dependencies on each other), the transition will be smooth and seamless, and each such vertical will continue to function efficiently after the demerger. By unlocking value, the option of independent joint ventures, collaborations on a sectoral basis are made possible, i.e., separate ventures of each of the Chemical Undertaking, the Rayon Undertaking and the Residual Undertaking, and the segregation thereof will allow each of DCMSR, Resultant Company 1 and Resultant Company 2 to create a strong and distinctive platform with more focused business and management teams, which will enable greater flexibility to pursue long term objectives and independent business strategies. This is critical as modern investors and collaborators do insist on value growth without diffusion of their investments into multiple businesses, and the same will also provide diversity in decisions regarding use of cash flows and exploring various opportunities for separate businesses. The Chemical Undertaking, Rayon Undertaking and the Residual Undertaking are independent, self-sufficient and standalone (with no critical business inter-dependencies), and would continue to function with efficiency, efficacy and synergies post the demergers. The promoter family is moving closer to a generational shift and this Scheme will also facilitate succession planning in an orderly and strategic manner, without any business disruption, which is key to secure the long-term stability, leadership, transparency and operational clarity. This Scheme will unlock shareholder value and the growth potential of DCMSR and the Resultant Companies. Further, the amalgamation of the Transferor Company with DCMSR and the demergers shall provide the family members constituting the 'promoter and promoter group' of DCMSR to have direct holding of shares of DCMSR and consequently, the Resultant Companies (instead of through investment company(ies)), so that they can take independent decisions on their respective shareholdings in each entity.

1.1.6 All costs, charges and expenses pertaining to amalgamation of the Transferor Company with DCMSR, pursuant to this Scheme and any other expenses or payment for liabilities pertaining to the Transferor Company prior to the Effective Date shall be borne out of the Surplus Assets (*as defined below*) of the Transferor Company. Any deficit thereof, i.e., such costs, charges or expenses (pertaining to amalgamation of the Transferor Company with DCMSR) exceeding the Surplus Assets, shall be borne in the manner provided in this Scheme. Further, any surplus thereof, i.e., such costs charges or expenses (pertaining to amalgamation of the Transferor Company with DCMSR) being less than the Surplus Assets, shall be returned to the shareholders of the Transferor Company (as on the Record Date (*as defined below*)).

1.1.7 The family members constituting 'promoter and promoter group' of DCMSR will, jointly and severally, defend and hold harmless DCMSR, its directors, employees, officers, representatives, or any other person authorized by the DCMSR (excluding the promoters) for any unfunded



liability, claim or demand, which may devolve upon DCMSR on account of amalgamation of the Transferor Company with DCMSR.

1.1.8 Accordingly, this Scheme seeks to undertake:

- (i) amalgamation of the Transferor Company (i.e., Lily Commercial Private Limited) into and with DCMSR; and
- (ii) subsequent to the aforesaid amalgamation, demerger of the Chemical Undertaking and the Rayon Undertaking of the resultant DCMSR, into 2 (two) separate companies, i.e., the Resultant Company 1 and Resultant Company 2 respectively.

1.1.9 The Board of Directors of each of the companies involved in this Scheme have deliberated on the Scheme and have passed appropriate resolutions, including authorising their representatives to sign and file appropriate applications or petitions for the approval and sanction of this Scheme *inter alia* with the NCLT (*as defined below*), which is the appropriate authority for each of the companies involved in this Scheme. The Board of Directors of DCMSR has also noted that the cumulative shareholding of the 'promoter and the promoter group' in DCMSR does not increase as a consequence of the amalgamation or demergers pursuant to this Scheme, and the members of the public who are shareholders in DCMSR shall continue to remain at 49.89% of the total issued and paid up capital of DCMSR, post this Scheme, and consequently be the same in the Resultant Companies. The Board of Directors of each of DCMSR and the Resultant Companies also noted that the rationale for the demergers as reflected above, and that the Scheme is in the best interest of the shareholders, creditors and employees of DCMSR and the Resultant Companies, and shall increase shareholder value.

1.1.10 The arrangement under this Scheme shall be effected under the provisions of Section 230 to 232 of Act (*as defined below*) and other applicable provisions of law. The demerger of the Chemical Undertaking and the Rayon Undertaking of DCMSR into Resultant Company 1 and Resultant Company 2, respectively, is in compliance with the provisions of Section 2(19AA) of the Income Tax Act, 1961. DCMSR, shall, after the demerger, continue to do business of the Residual Undertaking.

1.1.11 The merger and amalgamation of the Transferor Company, i.e., Lily Commercial Private Limited into and with DCMSR, as proposed under this Scheme, is in compliance with Section 2(1B) of the Income Tax Act, 1961. The Boards of Directors of each of the companies hereto have preferred this composite Scheme which deals with the amalgamation of the Transferor Company into and with DCMSR and the subsequent demerger of the Chemical Undertaking and the Rayon Undertaking of DCMSR into Resultant Company 1 and Resultant Company 2, respectively, as this is more efficient and in the interest of its shareholders, creditors and employees, such that simultaneously 3 (three) separate verticals, namely, the Chemical Undertaking, the Rayon Undertaking and the Residual Undertaking, emerge in separate companies after this Scheme is sanctioned as a whole.

1.1.12 This Scheme is segregated into the following 7 (seven) parts:

- (i) Part-I sets forth the overview of this Scheme, and Clause 1.3.1 sets out the objects of this Scheme;



- (ii) Part-II sets forth the capital structure of each of the companies involved in this Scheme;
- (iii) Part-III deals with amalgamation of the Transferor Company into and with DCMSR, in accordance with Section 2(1B) of the Income Tax Act 1961 and Chapter XV of the Act;
- (iv) Part-IV deals with demerger of the Chemical Undertaking of DCMSR into Resultant Company 1, in accordance with Section 2(19AA) of the Income Tax Act, 1961 and in accordance with Chapter XV of the Act;
- (v) Part-V deals with demerger of the Rayon Undertaking of DCMSR into Resultant Company 2, in accordance with Section 2(19AA) of the Income Tax Act, 1961 and Chapter XV of the Act;
- (vi) Part-VI deals with the Residual Undertaking of DCMSR; and
- (vii) Part-VII deals with the general terms and conditions applicable and sets forth certain additional arrangements that form a part of this Scheme.

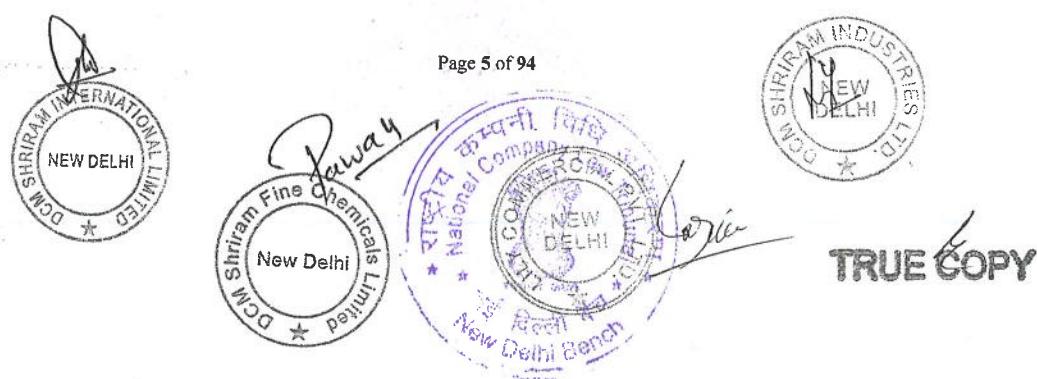
1.1.13 This Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

## 1.2 Brief overview of each of the companies involved in this Scheme

### 1.2.1 Lily Commercial Private Limited (Transferor Company)

- (i) The Transferor Company is a private limited company incorporated under the Companies Act, 1956 and has its registered office at Flat No. 404, Akashdeep Building, 26-A, Barakhamba Road, New Delhi – 110001, New Delhi, India.
- (ii) The Transferor Company was originally incorporated on 27 March 1985 as 'Lily Commercial Private Limited' with the Registrar of Companies, Jammu and Kashmir, under Regd. No 760 of 1985. The registered office of the Transferor Company was shifted from the State of Jammu and Kashmir to National Capital Territory of Delhi, and the present Corporate Incorporation Number of the Transferor Company is U65923DL1985PTC306331.
- (iii) The name of the Transferor Company was changed in the following manner (in order of the date of change):
  - (a) to Lily Commercial Limited on 3 October 1991; and
  - (b) to Lily Commercial Private Limited on 22 February 2001.
- (iv) The main objects of the Transferor Company as provided in its Memorandum of Association are:
 

*"(a) To establish and carry on business and to act as merchants, traders, commission agents, buying agents, selling agents, contractors, importers, exporters of all types of engineering goods, electrical appliances and goods, electrical*



motors, fans, sewing machines, knitting and embroidery machine, cooking ranges, refrigerators, sealed compressors, electrical devices, yarn linen, cloth and ancillary goods and fabrics and readymade cloths made from cotton, jute, silk, hemp, wool, hair, rayon and any other fibre or fibrous substances whether natural or artificial, or a blend of natural and artificial fibres, plastics, goods, plastics, resin, rayon goods, heavy and other chemicals including polyvinyl chloride, calcium carbide, chlorine, caustic soda, bleaching powder, oils, paints and pigments, petrol, petroleum products, acids and alkalies, fertilisers, dyes and intermediates, paper and paper products, minerals and salts, alcohol and alcoholic beverages, soap preparations, confectionaries, sugar and sugar products, vegetable ghee, refined oils and vegetable products, food and all kind of beverages, shoes, leather goods, cars, automobiles and trucks, auto scooters, automobile and truck spare parts, rubber manufactures, tyres, cords, tubes, typewriters, teleprinters, plant and machinery tools and equipments, accessories, engines, pumps, agricultural produce and implements, ceramic goods, crockery, glass wares, vacuum flasks and vacuumized goods, rayon, tyre chord, all types of bearings, plaster of paris, transfer papers, cosmetics and toilet goods, things of art and beauty, raw materials and ingredients in any way required for manufacture of or for marketing any of the above commodities and to undertake transport of and general trade in such goods and commodities in India or any where else in the world and particularly non-traditional commodities, goods and articles to non-traditional destinations.

(b) To purchase, sell, give or take on lease, grant or acquire easements or other interest, exchange or otherwise acquire or dispose of or deal in any manner whatsoever with any land, building, flat, sheds of any immovable property or real estate and in particular to develop, construct, reconstruct, alter, improve, connect, reconnect, divide subdivide, consolidate, decorate, furnish, maintain any building, flat, office, godown, warehouse, factory, shop, wharve or any other immovable property and to sell, lease, exchange, dispose of or deal with or create any interest; right or title in such or other immovable properties.

(c) To carry on the business as an Investment Company and to buy, underwrite, invest in and acquire, hold and deal in shares, stocks, debentures, debenture-stock, bonds notes, obligations and securities issued or guaranteed by any company and debentures, debenture-stocks, bonds, notes, obligations or securities issued or guaranteed by any Government, sovereign ruler, commissioner, public body or authority supreme municipal or local or otherwise, in any part of the world.

(d) To acquire any such shares, stocks, debentures, debenture-stock, bonds, notes, obligations or securities by original subscription, contract tender, purchase, exchange under writing and by participation in syndicates or otherwise and whether or not fully paid, and to subscribe for the same subject to such terms and conditions (if any) as may be thought fit, and to dispose of the same.

(e) To carry on the business of dealers in shares, stocks, debentures, debenture-stock, bonds, obligations, units, securities and other investments."

(v) Four Private Limited Investment Companies of the Promoter Group namely Versa



Trading Private Limited, Bantam Enterprises Private Limited, Hi-Vac Wares Private Limited and H R Travels Private Limited were merged into and with the Transferor Company by order of the Hon'ble NCLT dated 15.02.2024.

- (vi) The Company is an investment company holding shares in the Transferee Company. It has no other business / operations.

#### 1.2.2 DCM Shriram Industries Limited

(i) DCMSR is a public limited company incorporated under the Companies Act, 1956 and has its registered office at Kanchenjunga Building 18, Barakhamba Road, New Delhi – 110001, India. The equity shares of DCMSR are listed on the Stock Exchanges (as defined below).

(ii) DCMSR was incorporated on 21 February 1989 with the Registrar of Companies, Delhi, as a private limited company. DCMSR was converted to a public limited company with effect from 21 June 1989. The Corporate Incorporation Number of DCMSR is L74899DL1989PLC035140.

(iii) The main objects of DCMSR as provided in its Memorandum of Association are:

*“(a) To carry on the business as manufacturers, producers, processors, importers exporters, wholesalers and retailers of and dealers in all kinds of plastic materials, industry styrene, polystyrene, vinyl chloride, polyvinyl chloride, polyremes vinyl acetate and co polymers, or one or more of the above and other products, acrylics and polyesters, polycarbonates and polyethers epoxy resins and compositions silicon, resins and moulding composition, P - F, U F and other thermosetting resins and composition nylons, resin and similar thermoplastics, moulding composition including prefabricated sections and shapes; cellulosic plastics and other thermosetting and thermoplastic materials (of synthetic or natural origin), oxygen, nitrogen, hydrogen, halogen, hydro carbon gases, including ethylene, acetylene propylene, butane and glucose and allied types reagents, agricultural, chemicals insecticides, fumigants weedicides, pesticides, coloring materials, pigments and lac paints, varnish, lacquers, finishes, dyes, toners, perfume, and flavouring chemicals, rubber chemicals, plastic and resinous materials elastomers, gums glues and adhesives compositions, plasticisers, surface active agents, tanning agents coating resins, drugs and pharmaceutical chemicals, solvents, marine chemicals and synthetic fibres and allied products thereto.*

*(b) To carry on business as manufacturers of and dealers in fertilisers, phosphates, bone products, glue, aleemic products and manuets and as distillers, compounds, cements, dye makers, gas makers, soap and perfume makers, metallurgists and mechanical engineers.*

*(c) To carry on the business of manufacturing, buying, selling, exchanging, converting, altering, importing, exporting, processing, twisting or otherwise handling or dealing in man made fibres including regenerated cellulose rayon, nylon and the like nylon and other nylon tyre cord, fabrics and industrial yarns, polyester filament yarn, artificial silks, staple fibres, acrylic fibre and tops and*



such other fibres or fibrous materials or allied products, bye products or substances for all or any of them or yarn or yarn for textile or otherwise as may be practicable or deemed expedient.

(d) To make, manufacture, produce, purchase, sell, import, export or otherwise deal in all types of caprolactam, hexamethylene, diarsine, adipic acid, dimethyl terephthalate, acrylonitrile and other allied chemicals.

(e) To carry on the business of producing, acquiring and trading in sugarcane and other sugar producing materials and converting them into sugar and other marketable commodities and selling the same in any form, shape or design.

(f) To carry on business as brewers, distillers and manufacturers of and merchants and dealers in vinegar, acetic acid, glucose, wines, spirits, porter, malts, hopes, grain, meal, yeast, aerated water, carbonic acid gas, mustard, pickles, sauces, condiments of all kinds, cocoa, coffee and cocoa butter preserves.

(g) To carry on the business of cultivators winners and buyers of every kind of vegetable mineral or other produce of the soil, including, cotton, sugarcane, nuts, perfume producing vegetation and to manufacture and render marketable any such produce and to sell, dispose of and deal any such produce, either in its prepared, manufactured or raw state and either by wholesale or retail.

(h) To produce, manufacture, treat process, prepare, refine, import, export, purchase, sell and to deal in, either as principals or as agents, all kinds of cement, ordinary white, coloured, portland pozzolana, alumina, blast furnace, slag, oil well, rapid hardening, silica and all other varieties of cements, lime and limestone, clinker and/or by products thereof, as also cement products of any or oil descriptions such as pipes, poles, slabs, asbestos sheets, blocks, tiles, garden wares, plaster of paris, lime pipes, building materials and compounds and preparations connected with the aforesaid products, now known and/or that may hereinafter be invented from time to time.

(i) To purchase, sell, develop, take in exchange or on lease hire or otherwise acquire, whether for investment or sale or working the same any real or personal estate, including lands, mines, factory buildings, mill, houses, cottages, shops, depots, warehouses, machinery, plant, stock, stock in trade, mineral rights, concessions, privileges, licenses, easement or interest in or with respect to any property for the purpose of the Company in consideration for a gross sum or rent or partly in one way and partly in other or for any other consideration.

(j) To carry on business as proprietors of flats and buildings and to let on lease or otherwise apartments therein and to provide for the conveniences commonly provided in flats, suits, residential and business quarters.

(k) To carry on the business of ginners, spinners, weavers, flax manufacturers, bailers and pressers of all cotton, jute, silk, hemp, wool, hair, rayon and other fibrous material including manmade fibres, and the business of buyers and sellers of and dealers in cotton, jute, ~~silk~~, flax, hemp, wool, hair, rayon and any other



*fibrous materials and transacting all manufacturing, curing, preparing, colouring, dyeing or bleaching processes and purchasing, combing, preparing, spinning, weaving, dyeing, bleaching, printing, manufacturing, selling and otherwise dealing in yarn, linen, cloth and other goods and fabrics made from cotton, jute, silk, flax, hemp, wool, hair, rayon and any other fibres or fibrous substances including man made fibres waving and otherwise manufacturing, buying, selling and dealing in all kinds of cloth and other fabrics, whether textiles, felted, netted or looped, and vitriol, bleaching, sizing, dyeing, printing and other allied products."*

(iv) The Transferee Company (DCMSR) is engaged in the business of manufacturing and marketing of sugar, alcohol, power, chemicals, industrial fibres and engineering products.

1.2.3 DCM Shriram Fine Chemicals Limited

(i) The Resultant Company 1 is an unlisted public limited company incorporated under the Act and has its registered office at 6<sup>th</sup> Floor, Kanchenjunga Building, 18 Barakhamba Road, New Delhi – 110001, India.

(ii) The Resultant Company 1 was incorporated on 29 September 2021 with the Registrar of Companies, Delhi. The Corporate Incorporation Number of the Resultant Company 1 is U24296DL2021PLC387429. It is yet to commence operations / business.

(iii) The main objects of the Resultant Company 1 as provided in its Memorandum of Association are:

*"1. To carry on business as manufacturer, exporters, importers, buyers and sellers of and dealers in all kinds of chemicals and their by-products in particular Organic/Inorganic fine chemicals, Camphor and derivatives, Perfumery products, Chloro Toluenes and derivatives, Amino acids and derivatives, drugs/agro/dyes/intermediates, Industrial chemicals, bio technology based products, Alkalies and acids, Pharma products and to undertake contract manufacturing of any chemical products.*

*2. To manufacture, buy, sell, import, deal in and carry on business in casein, hydrochloric acid, bleaching powder, sodium silicate lime, copper sulphate, alum, urea and phenol formaldehyde, synthetic resin, PVC resin and other resin glues, chlorinated paraffin wax, chlorinated rubber, and other chemicals and ingredients for the manufacture of glue, cement or bonding materials.*

*3. To manufacture, produce, refine, process, formulate, mix or prepare mine or otherwise acquire, buy, sell, exchange, distribute, trade, deal in, import and export any and all kinds of chemicals, fertilizers, linden, pesticides, manures, their mixtures, and formulation and any and all Classes and kinds of chemicals, sources, materials ingredients, mixtures, derivatives and compounds thereof and any all kinds of products of which any of the foregoing constitutes an ingredient or in the production of which any of the foregoing is used, including fertilizers, and agricultural and industrial chemicals of all kinds, and industrial and other preparations of or products arising from or required in the manufacturing, refining of any kind of fertilizer, their mixture and formulations."*

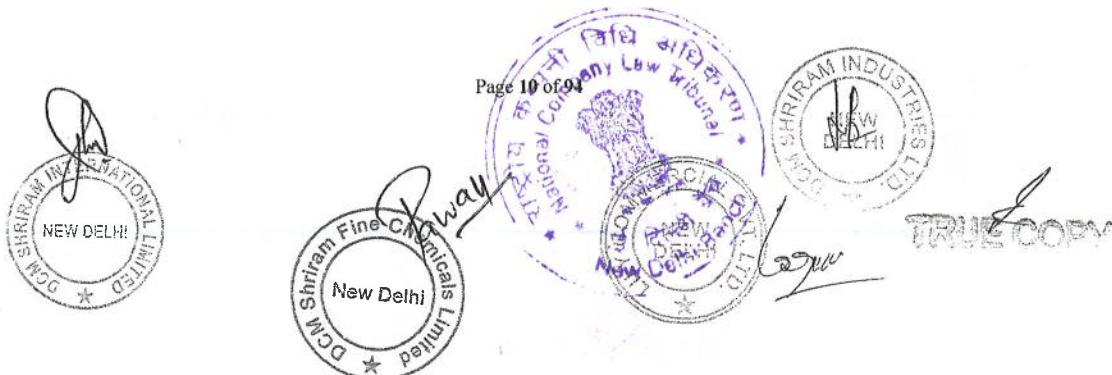


#### 1.2.4 DCM Shriram International Limited

- (i) The Resultant Company 2 is an unlisted public limited company incorporated under the Act and has its registered office at 6<sup>th</sup> Floor, Kanchenjunga Building, 18 Barakhamba Road, New Delhi – 110001, India.
- (ii) The Resultant Company 2 was incorporated on 7 September 2022 with the Registrar of Companies, Delhi. The Corporate Incorporation Number of the Resultant Company 2 is U17299DL2022PLC404291. It is yet to commence operations / business.
- (iii) The main objects of the Resultant Company 2 as provided in its Memorandum of Association are:
  - “1. To carry on the business of manufacturing, buying, selling., exchanging, converting, altering, importing, exporting, processing, twisting or otherwise handling or dealing in man-made fibres including regenerated cellulose rayon, nylon and the like nylon 6 and other nylon tyre cord, fabrics and industrial yarns, polyester filament yarn, artificial silks, staple fibres, acrylic fibre and tops and such other fibres or fibrous materials or allied products, bye products or substances for all or any of them or yarn or yarn for textile or otherwise as may be practicable or deemed expedient.
  - 2. To carry on the business of manufacture, fabricate, assemble and deal in automobiles and parts and agricultural implements of all kinds and descriptions, automotive and other gears, transmission axles, universal joints, spring leaves, headlamps, sealed beams, clutch facing and brake lining component parts, spare parts, accessories and fittings of all kinds for the said articles and things used in connection with the manufacture thereof, alloy springs, steel billets, flats and bars, nuts and bolts, pressed and other engineering items and other related items for motor cars, motor trucks, buses, tractors, vans, jeeps, lorries, motor launchers and vehicles for paramilitary forces and conveyances of all kinds and also communication equipment and drones of all kinds and specifications.
  - 3. To manufacture, sell, purchase, import, export of civil and defence related equipment, armoured vehicles, unmanned aerial vehicles and accessories of all specifications of such3) and vehicles communication equipment, parts, accessories, Semi Knocked Down Kits, set up Defence SEZs, joint ventures, maintenance services;
  - 4. To enter into collaboration with leading brands for manufacturing and marketing of their products and to represent original equipment manufacturer (OEM) in Indian market as their authorized representatives.”

#### 1.3 Objects of this Scheme

- 1.3.1 This Scheme is in the best interest of the stakeholders of each of the companies involved in this Scheme, *inter alia* for the reasons explained below and shall result in amalgamation and demergers leading to several benefits to the shareholders, primarily:



- (i) greater management focus on each business vertical (being Chemical Undertaking, Rayon Undertaking and Residual Undertaking);
- (ii) better administrative efficiency;
- (iii) operational rationalisation, organisational efficiency and optimum utilisation of resources;
- (iv) focused approach to respective line/stream of business;
- (v) ability to leverage financial and operational resources for each business;
- (vi) allows shareholder to have a choice of investment in some and not all the businesses;
- (vii) better price discovery as performance of each business can be evaluated and projected without counter balancing of other businesses;
- (viii) unlocking shareholder value and opportunity for the public shareholders to exploit the individual potential of DCMSR and each of the Resultant Companies, pursuing options of independent joint ventures, collaborations on a sectoral basis i.e., separate ventures for sugar, chemical and rayon and creating a strong and distinctive platform with more focused management teams, which will enable greater flexibility to pursue long term objectives and independent business strategies;
- (ix) providing scope for independent growth, collaboration and expansion of the three segregated business verticals, including for enhancing their valuations and efficient capital allocation;
- (x) provide diversity in decisions regarding use of cash flows and exploring various opportunities;
- (xi) allowing the Chemical Undertaking, the Rayon Undertaking and the Residual Undertaking, which are independent, self-sufficient and standalone undertakings (with no critical business inter-dependencies), to continue to function with efficiency and efficacy, and synergies with a seamless transition;
- (xii) streamlining promoter shareholding of DCMSR by eliminating shareholding tiers and simplification of promoter shareholding into a clear structure directly identifiable with the promoters; focused management and direct commitment, attention and long term stable leadership to chemical, rayon and sugar businesses of DCMSR, comprising the Chemical Undertaking, the Rayon Undertaking and the Residual Undertaking, respectively; and
- (xiii) facilitating succession planning in the future in an orderly and strategic manner, without any business disruption, which is key to secure the long-term stability, leadership, transparency and operational clarity of DCMSR and the Resultant Companies.

#### 1.4 Definitions

In this Scheme, unless repugnant to the subject, context or meaning thereof, the following



capitalised words and expressions shall have the meanings as set out herein below:

1.4.1 “Act” means the Companies Act, 2013 as notified, clarified and/or modified by rules and notifications issued by the Ministry of Corporate Affairs, from time to time;

1.4.2 “Appointed Date” means 1 April 2023, being the date from which this Scheme shall be effective for the purposes of amalgamation of the Transferor Company into and with DCMSR, and subsequently, the segregation and purposive reconstruction of DCMSR into companies having separate undertakings namely, Chemical Undertaking (in Resultant Company 1), Rayon Undertaking (in Resultant Company 2) and the Residual Undertaking (continuing in DCMSR);

1.4.3 “Board of Directors” means the respective board of directors of each of the companies involved in the Scheme;

1.4.4 “BSE” means BSE Limited, where the securities of DCMSR, Resultant Company 1 and Resultant Company 2, are listed, or will be listed, pursuant to the Scheme;

1.4.5 “Chemical Undertaking” means the chemical business of DCMSR, comprising *inter alia* of “Daurala Organics” and “Daurala Chemical Industries” units of DCMSR, and shall include all the property of the chemical business being transferred by DCMSR so as to become property of the Resultant Company 1 by virtue of the demerger under this Scheme and all the liabilities relating to such chemical business immediately before the demerger being transferred by DCMSR to become liabilities of the Resultant Company 1 by virtue of the demerger; all of which constitutes the undertaking as a going concern basis, subject to any assets or liabilities transferred in the ordinary course of business. It is clarified that the Chemical Undertaking *inter alia* comprises of:

- (i) all the licences, approvals, permits and marketing authorisations and any and all of its licenses (including the licenses granted by any governmental, statutory or regulatory bodies pertaining to the Chemical Undertaking, including such licenses as set out in **Schedule 1** or in connection therewith and all existing files and dossiers (in any form and on any support) related to or supporting such licenses or marketing authorisations, including pending applications), permissions, approvals, consents, exemptions, registrations, no-objection certificates, quotas, rights, entitlements, certificates, tenancies, accumulated balances of credits under any tax laws for the time being in force, benefit of any exemptions, privileges and benefits of all contracts, agreements and all other rights including lease rights, memberships, powers and facilities of every kind and description whatsoever pertaining to the Chemical Undertaking;
- (ii) any and all assets and property relating to or arising from the activities and operations of the Chemical Undertaking (whether movable or immovable, real or personal, corporeal or incorporeal, present, future, contingent, tangible or intangible) including such assets as set out in **Schedule 2**, including but not limited to inventory (including all raw material inventory, work-in-process inventory, goods in transit and finished products inventory), office buildings, plant and machinery, capital work-in-progress, furniture, fixtures, office equipment, computer software and licenses, appliances, accessories, vehicles, cash and bank balance, current assets, sundry debtors, all outstanding loans, deposits, provisions, advances, receivables, funds, leases of all kinds of property, licences, tenancy rights, right of way, premises, hire purchase and lease arrangements, benefits of agreements, contracts and arrangements, insurance policies (other than those taken for DCMSR as a whole or



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without reference to specific assets relating to the Chemical Undertaking), authorisations, registrations, quotas, permits, allotments, all kinds of approvals, whether statutory or otherwise including by any central or state government or other local authority, consents, privileges, liberties, advantages, easements, exemptions, incentives receivable under applicable law or in terms of certain schemes or policies of the Government of India or any State Government, including in relation to any taxes and all the rights, title, interests, benefits, entitlement and advantages, contingent rights or benefits belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by DCMSR with respect to the Chemical Undertaking and all other interests in connection with or relating to the Chemical Undertaking, continuing rights, title and interests in connection with any land (together with the buildings and structures standing thereon), whether freehold or leasehold, relating to the Chemical Undertaking, and plant, machinery, equipment, whether leased or otherwise, relating to the Chemical Undertaking;

- (iii) all debts, liabilities including contingent liabilities, present or future, relating to, or arising out of the activities or operations of the Chemical Undertaking, including specific loans and borrowings (if any), term loans from banks and financial institutions (if any), such liabilities raised, incurred and utilised solely for the activities or business or operation of the Chemical Undertaking, bank overdrafts (if any), working capital loans and liabilities, amounts due to small scale industrial undertakings, whether secured or unsecured, all guarantees, assurances, commitments and obligations of any nature or description, whether fixed, contingent or absolute, secured or unsecured, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability), pertaining to the Chemical Undertaking;
- (iv) all deposits and balances with government, quasi-government, local and other authorities and bodies, customers and other persons, earnest monies and/or security deposits paid or received by DCMSR directly or indirectly in connection with and pertaining to the Chemical Undertaking;
- (v) liabilities other than those referred to above, being the amounts of general or multipurpose borrowings of the Chemical Undertaking, if any, allocated to the Chemical Undertaking, in the same proportion which the value of the assets transferred under the Scheme bear to the total value of the assets of DCMSR immediately before giving effect to the Scheme;
- (vi) any and all investments of all kinds (including shares whether in dematerialised or physical form, scripts, stocks, bonds, debenture stock, units, pass through certificates or security receipts) connected with and pertaining to the Chemical Undertaking, including the investments in Daurala Foods & Beverages Private Limited, all cash balances with the banks, money at call and short notice, loans, advances, contingent rights or benefits, securitised assets, receivables, benefits of assets or properties or other interest held in trust, benefit of any security arrangements, authority, allotments, approvals, reversions, buildings, structures and offices held for the benefit of or enjoyed by the Chemical Undertaking or to which the Chemical Undertaking may be entitled;
- (vii) any and all permits, approvals, authorisations, rights to use and avail of telephones, telexes,



facsimiles, e mail, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of all agreements, all records, files, papers, computer programmes, manuals, data, catalogues, sales and advertising materials, lists and other details of present and former customers and suppliers, customer credit information, customer and supplier pricing information and other records in connection with or in relation to the Chemical Undertaking;

- (viii) all records relating to the Chemical Undertaking on and from the Effective Date, including without limitation all current and historical books, records, reports and other documents and information that pertain to business plans, budgets, financial and accounting data, brand insights and research, intellectual property, suppliers, manufacturing, customers, research and development of the Chemical Undertaking's products, devices and services, invoices, marketing and advertising operations, policies, procedures, techniques, systems, employee handbooks or manuals, training materials, operating manuals and documentation, and production manuals and documentation, in any form and on any support;
- (ix) the employees of the Chemical Undertaking, including all staff, workmen and employees of DCMSR employed in connection with or proposed to be reassigned to a position in relation to the Chemical Undertaking, including gratuity, employee insurance, provident fund contribution, superannuation benefits, any other liabilities, employee welfare benefits and applicable collective bargaining agreements associated with such employees of the Chemical Undertaking, as on the Effective Date, and including those employed at its offices and branches, and such employees of the corporate office of DCMSR who will be transferred and assigned to the operations of the Chemical Undertaking as approved by the Board of Directors of each of Resultant Company 1 and DCMSR;
- (x) all insurance policies, obtained in relation to the assets, directors, employees or operations of the Chemical Undertaking, by DCMSR, whether or not updated to include the Resultant Company 1;
- (xi) all registrations, trademarks, trade names, service marks, copyrights, patents, designs, domain names, applications for trademarks, trade names, service marks, copyrights, designs and domain names used by or held for use by the Chemical Undertaking of DCMSR, as more particularly set out at **Schedule 3**; and
- (xii) all contracts, agreements, licenses, leases, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, service agreements, sales orders, purchase orders or other instruments of whatsoever nature to which DCMSR is a party, exclusively relating to the Chemical Undertaking,

it being clarified that the Chemical Undertaking shall not include any employees, assets, liabilities, rights or obligations belonging to and forming part of the Rayon Undertaking and the Residual Undertaking. Any question that may arise as to whether a specified asset, liability, employee or other action, matter or thing forms part of the Chemical Undertaking or the Rayon Undertaking or the Residual Undertaking shall be resolved by mutual agreement between the Board of Directors of each of DCMSR, the Resultant Company 1 and/or the Resultant Company 2 (as the case may be);

1.4.6 **“DCMSR” or “Transferee Company”** means DCM Shriram Industries Limited, the company



being restructured pursuant to the amalgamation and demergers under this Scheme, and shall include and mean, DCMSR for the purposes of the amalgamation as provided in Part III of this Scheme, and the company housing the Residual Undertaking after the demergers as contemplated from Part IV to Part V;

1.4.7 “**Effective Date**” under the Scheme shall be in accordance with Clause 7.1. Any references in this Scheme to “upon this Scheme becoming effective”, “Scheme becomes effective” or “effectiveness of this Scheme” means and refers to the Effective Date;

1.4.8 “**NCLT**” with respect to the companies involved in this Scheme, means the National Company Law Tribunal Bench at New Delhi;

1.4.9 “**NSE**” means the National Stock Exchange of India Limited, where the securities of DCMSR, Resultant Company 1 and Resultant Company 2, are listed, or will be listed, pursuant to the Scheme;

1.4.10 “**Rayon Undertaking**” means the rayon business of DCMSR and *inter alia* includes all the property of the rayon business and engineering project section, being transferred by DCMSR so as to become property of the Resultant Company 2 by virtue of the demerger, and all the liabilities relating to the rayon business immediately before the demerger being transferred by DCMSR to become liabilities of the Resultant Company 2 by virtue of the demerger; all of which constitutes the undertaking as a going concern basis, subject to any assets or liabilities transferred in the ordinary course of business. It is clarified that the Rayon Undertaking *inter alia* comprises of:

- (i) all the licences, approvals, permits and marketing authorisations and any and all of its licenses (including the licenses granted by any governmental, statutory or regulatory bodies pertaining to the Rayon Undertaking, including such licenses as set out in **Schedule 4** or in connection therewith and all existing files and dossiers (in any form and on any support) related to or supporting such licenses or marketing authorisations, including pending applications), permissions, approvals, consents, exemptions, registrations, no-objection certificates, quotas, rights, entitlements, certificates, tenancies, accumulated balances of credits under any tax laws for the time being in force, benefit of any exemptions, privileges and benefits of all contracts, agreements and all other rights including lease rights, memberships, powers and facilities of every kind and description whatsoever pertaining to the Rayon Undertaking;
- (ii) any and all assets and property relating to or arising from the activities and operations of the Rayon Undertaking (whether movable or immovable, real or personal, corporeal or incorporeal, present, future, contingent, tangible or intangible), including such assets as set out in **Schedule 5**, including but not limited to inventory (including all raw material inventory, work-in-process inventory, goods in transit and finished products inventory), office buildings, plant and machinery, capital work-in-progress, furniture, fixtures, office equipment, computer software and licenses, appliances, accessories, vehicles, cash and bank balance, current assets, sundry debtors, all outstanding loans, deposits, provisions, advances, receivables, funds, leases of all kinds of property, licences, tenancy rights, right of way, premises, hire purchase and lease arrangements, benefits of agreements, contracts and arrangements, insurance policies (other than those taken for DCMSR as a whole or without reference to specific assets relating to the Rayon Undertaking), authorisations, registrations, quotas, permits, allotments, all kinds of approvals, whether statutory or



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otherwise including by any central or state government or other local authority, consents, privileges, liberties, advantages, easements, exemptions, incentives receivable under applicable law or in terms of certain schemes or policies of the Government of India or any State Government, including in relation to any taxes and all the rights, title, interests, benefits, entitlement and advantages, contingent rights or benefits belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by DCMSR with respect to the Rayon Undertaking and all other interests in connection with or relating to the Rayon Undertaking, continuing rights, title and interests in connection with any land (together with the buildings and structures standing thereon), whether freehold or leasehold, relating to the Rayon Undertaking, and plant, machinery, equipment, whether leased or otherwise, relating to the Rayon Undertaking;

- (iii) all debts, liabilities including contingent liabilities, present or future, relating to, or arising out of the activities or operations of the Rayon Undertaking, including specific loans and borrowings (if any), term loans from banks and financial institutions (if any), such liabilities raised, incurred and utilised solely for the activities or business or operation of the Rayon Undertaking, bank overdrafts (if any), working capital loans and liabilities, amounts due to small scale industrial undertakings, whether secured or unsecured, all guarantees, assurances, commitments and obligations of any nature or description, whether fixed, contingent or absolute, secured or unsecured, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability), pertaining to the Rayon Undertaking;
- (iv) all deposits and balances with government, quasi-government, local and other authorities and bodies, customers and other persons, earnest monies and/or security deposits paid or received by DCMSR directly or indirectly in connection with and pertaining to the Rayon Undertaking;
- (v) liabilities other than those referred to above, being the amounts of general or multipurpose borrowings of the Rayon Undertaking, if any, allocated to the Rayon Undertaking, in the same proportion which the value of the assets transferred under the Scheme bear to the total value of the assets of DCMSR immediately before giving effect to the Scheme;
- (vi) any and all investments of all kinds (including shares whether in dematerialised or physical form, scripts, stocks, bonds, debenture stock, units, pass through certificates or security receipts) pertaining to and connected with the Rayon Undertaking, including the investments in DCM Hyundai Limited and ZyrOne Dynamics Havacilik Danismanlik ve Ar-Ge San. Tic. A.S., all cash balances with the banks, money at call and short notice, loans, advances, contingent rights or benefits, securitised assets, receivables, benefits of assets or properties or other interest held in trust, benefit of any security arrangements, authority, allotments, approvals, reversions, buildings, structures and offices held for the benefit of or enjoyed by the Rayon Undertaking or to which the Rayon Undertaking may be entitled;
- (vii) any and all permits, approvals, authorisations, rights to use and avail of telephones, telexes, facsimiles, e mail, internet, leased line connections and installations, utilities, electricity

and other services, reserves, provisions, funds, benefits of all agreements, all records, files, papers, computer programmes, manuals, data, catalogues, sales and advertising materials, lists and other details of present and former customers and suppliers, customer credit information, customer and supplier pricing information and other records in connection with or in relation to the Rayon Undertaking;

- (viii) all records relating to the Rayon Undertaking on and from the Effective Date, including without limitation all current and historical books, records, reports and other documents and information that pertain to business plans, budgets, financial and accounting data, brand insights and research, intellectual property, suppliers, manufacturing, customers, research and development of the Rayon Undertaking's products, devices and services, invoices, marketing and advertising operations, policies, procedures, techniques, systems, employee handbooks or manuals, training materials, operating manuals and documentation, and production manuals and documentation, in any form and on any support;
- (ix) the employees of the Rayon Undertaking, including all staff, workmen and employees of DCMSR employed in connection with or proposed to be reassigned to a position in relation to the Rayon Undertaking, including gratuity, employee insurance, provident fund contribution, superannuation benefits, any other liabilities, employee welfare benefits and applicable collective bargaining agreements associated with such employees of the Rayon Undertaking, as on the Effective Date, and including those employed at its offices and branches, and such employees of the corporate office of DCMSR who will be transferred and assigned to the operations of the Rayon Undertaking as approved by the Board of Directors of each of Resultant Company 2 and DCMSR;
- (x) all insurance policies, obtained in relation to the assets, directors, employees or operations of the Rayon Undertaking, by DCMSR, whether or not updated to include the Resultant Company 2;
- (xi) all registrations, trademarks, trade names, service marks, copyrights, patents, designs, domain names, applications for trademarks, trade names, service marks, copyrights, designs and domain names used by or held for use by the Rayon Undertaking of DCMSR, as more particularly set out at **Schedule 6**; and
- (xii) all contracts, agreements, licenses, leases, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, service agreements, sales orders, purchase orders or other instruments of whatsoever nature to which DCMSR is a party, exclusively relating to the Rayon Undertaking,

it being clarified that the Rayon Undertaking shall not include any employees, assets, liabilities, rights or obligations belonging to and forming part of the Chemical Undertaking and the Residual Undertaking. Any question that may arise as to whether a specified asset, liability, employee or other action, matter or thing forms part of the Chemical Undertaking or the Rayon Undertaking or the Residual Undertaking shall be resolved by mutual agreement between the Board of Directors of each of DCMSR, Resultant Company 1 and/or Resultant Company 2 (as the case may be);

1.4.11 “Record Date” means in relation to: (a) the merger of the Transferor Company into and with



DCMSR, the date to be fixed by the Board of Directors of the Transferor Company and DCMSR, for issue of shares of DCMSR to the shareholders of the Transferor Company, pursuant to this Scheme; and (b) the demerger of the Chemical Undertaking and Rayon Undertaking into the Resultant Company 1 and Resultant Company 2, respectively, the date to be fixed by the Board of Directors of DCMSR, Resultant Company 1 and the Resultant Company 2, for the purpose of issue of shares of the respective Resultant Companies to the shareholders of DCMSR, pursuant to this Scheme;

1.4.12 **“Registrar”** means, in respect of each of DCMSR, Resultant Company 1 and Resultant Company 2, KFIN Technologies Limited, a public limited company incorporated in India with its registered office at Selenium Tower-B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500032, Telangana, India;

1.4.13 **“Residual Undertaking”** means the remainder undertaking of DCMSR after demerger of the Chemical Undertaking and the Rayon Undertaking by virtue of the demergers under this Scheme, and *inter alia* includes sugar, alcohol and power businesses of DCMSR and shall include all the property of sugar, alcohol and power businesses being retained in DCMSR pursuant to the demergers of the Chemical Undertaking and the Rayon Undertaking under this Scheme, and all liabilities relating to the sugar, alcohol and power businesses being retained in DCMSR by virtue of the demergers under this Scheme and the outstanding public deposits of DCMSR (i.e., INR 91,656,421 as on the Appointed Date). It is clarified that the Residual Undertaking *inter alia* comprises of:

- (i) all the licences, approvals, permits and marketing authorisations and any and all of its licenses (including the licenses granted by any governmental, statutory or regulatory bodies pertaining to the Residual Undertaking and all existing files and dossiers (in any form and on any support) related to or supporting such licenses or marketing authorisations, including pending applications), permissions, approvals, consents, exemptions, registrations, no-objection certificates, quotas, rights, entitlements, certificates, tenancies, accumulated balances of credits under any tax laws for the time being in force, benefit of any exemptions, privileges and benefits of all contracts, agreements and all other rights including lease rights, memberships, powers and facilities of every kind and description whatsoever pertaining to the Residual Undertaking;
- (ii) any and all assets and property relating to or arising from the activities and operations of the Residual Undertaking (whether movable or immovable, real or personal, corporeal or incorporeal, present, future, contingent, tangible or intangible), including but not limited to inventory (including all raw material inventory, work-in-process inventory, goods in transit and finished products inventory), office buildings, plant and machinery, capital work-in-progress, furniture, fixtures, office equipment, computer software and licenses, appliances, accessories, vehicles, cash and bank balance, current assets, sundry debtors, all outstanding loans, deposits, provisions, advances, receivables, funds, leases of all kinds of property, licences, tenancy rights, right of way, premises, hire purchase and lease arrangements, benefits of agreements, contracts and arrangements, insurance policies (including those taken for DCMSR as a whole or without reference to specific assets relating to the Rayon Undertaking or the Chemical Undertaking), authorisations, registrations, quotas, permits, allotments, all kinds of approvals, whether statutory or otherwise including by any central or state government or other local authority, consents, privileges, liberties, advantages, easements, exemptions, incentives receivable under applicable law or in terms of certain



schemes or policies of the Government of India or any State Government, including in relation to any taxes and all the rights, title, interests, benefits, entitlement and advantages, contingent rights or benefits belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by DCMSR with respect to the Residual Undertaking and all other interests in connection with or relating to the Residual Undertaking, continuing rights, title and interests in connection with any land (together with the buildings and structures standing thereon), whether freehold or leasehold, relating to the Residual Undertaking, and plant, machinery, equipment, whether leased or otherwise, relating to the Residual Undertaking;

- (iii) all debts, liabilities including contingent liabilities, present or future, relating to, or arising out of the activities or operations of the Residual Undertaking, including specific loans and borrowings (if any), term loans from banks and financial institutions (if any), such liabilities raised, incurred and utilised solely for the activities or business or operation of the Residual Undertaking, bank overdrafts (if any), working capital loans and liabilities, amounts due to small scale industrial undertakings, whether secured or unsecured, all guarantees, assurances, commitments and obligations of any nature or description, whether fixed, contingent or absolute, secured or unsecured, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability), pertaining to the Residual Undertaking;
- (iv) all deposits and balances with government, quasi-government, local and other authorities and bodies, customers and other persons, earnest monies and/or security deposits paid or received by DCMSR directly or indirectly in connection with and pertaining to the Residual Undertaking;
- (v) liabilities, being the amounts of general or multipurpose borrowings of the Residual Undertaking, if any, allocated to the Residual Undertaking, in the same proportion which the value of the assets retained with DCMSR bear to the total value of the assets of DCMSR immediately before giving effect to the Scheme;
- (vi) any and all investments of all kinds (including shares whether in dematerialised or physical form, scripts, stocks, bonds, debenture stock, units, pass through certificates or security receipts) pertaining to and connected with the Residual Undertaking, all cash balances with the other banks, money at call and short notice, loans, advances, contingent rights or benefits, securitised assets, receivables, benefits of assets or properties or other interest held in trust, benefit of any security arrangements, authority, allotments, approvals, reversions, buildings, structures and offices held for the benefit of or enjoyed by the Residual Undertaking or to which the Residual Undertaking may be entitled;
- (vii) any and all permits, approvals, authorisations, rights to use and avail of telephones, telexes, facsimiles, e mail, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of all agreements, all records, files, papers, computer programmes, manuals, data, catalogues, sales and advertising materials, lists and other details of present and former customers and suppliers, customer credit information, customer and supplier pricing information and other records in connection with or in relation to the Residual Undertaking;



- (viii) all records relating to the Residual Undertaking on and from the Effective Date, including without limitation all current and historical books, records, reports and other documents and information that pertain to business plans, budgets, financial and accounting data, brand insights and research, intellectual property, suppliers, manufacturing, customers, research and development of the Residual Undertaking's products, devices and services, invoices, marketing and advertising operations, policies, procedures, techniques, systems, employee handbooks or manuals, training materials, operating manuals and documentation, and production manuals and documentation, in any form and on any support;
- (ix) the employees of the Residual Undertaking, including all staff, workmen and employees of DCMSR employed in connection with or proposed to be reassigned to a position in relation to the Residual Undertaking, including gratuity, employee insurance, provident fund contribution, superannuation benefits, any other liabilities, employee welfare benefits and applicable collective bargaining agreements associated with such employees of the Residual Undertaking, as on the Effective Date, and including those employed at its offices and branches, and such employees of the corporate office of DCMSR who will continue with DCMSR, except otherwise as approved by the Board of Directors of DCMSR;
- (x) all insurance policies, obtained in relation to the assets, directors, employees or operations of the Residual Undertaking, by DCMSR;
- (xi) all registrations, trademarks, trade names, service marks, copyrights, patents, designs, domain names, applications for trademarks, trade names, service marks, copyrights, designs and domain names not relating to the Rayon Undertaking or the Chemical Undertaking; and
- (xii) all contracts, agreements, licenses, leases, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, service agreements, sales orders, purchase orders or other instruments of whatsoever nature to which DCMSR is a party, and not relating to the Rayon Undertaking or the Chemical Undertaking,

it being clarified that the Residual Undertaking shall not include any employees, assets, liabilities, rights or obligations belonging to and forming part of the Chemical Undertaking and the Rayon Undertaking. Any question that may arise as to whether a specified asset, liability, employee or other action, matter or thing forms part of the Chemical Undertaking or the Rayon Undertaking or the Residual Undertaking shall be resolved by mutual agreement between the Board of Directors of each of DCMSR, Resultant Company 1 and/or Resultant Company 2 (as the case may be);

1.4.14 "Resultant Company 1" has the meaning ascribed to the term in Clause 1.1.3;

1.4.15 "Resultant Company 2" has the meaning ascribed to the term in Clause 1.1.3;

1.4.16 "Scheme" means this composite scheme of amalgamation and arrangement, pursuant to Chapter XV and other relevant provisions of the Act with such modifications and amendments as may be made from time to time, with the appropriate approvals and sanctions of the NCLT and other relevant regulatory authorities, including without limitation SEBI, as may be required under the Act



and under other applicable laws;

1.4.17 "SEBI" means the Securities and Exchange Board of India;

1.4.18 "SEBI Circular" means circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated 20 June 2023 issued by SEBI or any other circulars issued by SEBI applicable to schemes of arrangement from time to time;

1.4.19 "Stock Exchanges" means BSE and NSE;

1.4.20 "Surplus Assets" means all assets of the Transferor Company (including cash and cash equivalents) other than the investments made in DCMSR by the Transferor Company.

1.4.21 "Transferor Company" means Lily Commercial Private Limited, a company having its registered office at Flat No. 404, Akashdeep Building, 26-A, Barakhamba Road, New Delhi – 110001, New Delhi, India and, where relevant includes all its assets and liabilities, including:

- (i) any and all of its assets, movable or immovable, whether present or future, whether tangible or intangible, all rights, title, interests, covenants, undertakings, continuing rights, title and interests in connection with any land (together with the buildings and structures standing thereon), whether freehold or leasehold, plant, machinery, equipment, whether leased or otherwise, together with all present and future liabilities including contingent liabilities and debts appertaining thereto;
- (ii) any and all of its investments (including shares, scrips, stocks, bonds, debentures, debenture stock, units or pass through certificates and other securities), loans and advances, including dividends declared or interest accrued thereon;
- (iii) any and all of its licenses (including the licenses granted by any governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), permissions, approvals, consents, exemptions, registrations, no-objection certificates, quotas, rights, entitlements, certificates, tenancies, trade names, trademarks, service marks, copyrights, GST/VAT credits, domain names, applications for trade names, copyrights, sales tax credits, minimum alternate tax credits, income-tax credits, privileges and benefits of all contracts, agreements and all other rights including lease rights, powers and facilities of every kind and description whatsoever;
- (iv) any and all of its debts, borrowings and liabilities, present or future, whether secured or unsecured, all guarantees, assurances, commitments and obligations of any nature or description, whether fixed, contingent or absolute, secured or unsecured, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability), pertaining to the Transferor Company;
- (v) all contracts, agreements, licenses, leases, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, service agreements, sales orders, purchase orders or other instruments of whatsoever nature to



which the Transferor Company is a party, exclusively relating to the Transferor Company's business, activities and operations pertaining to the business carried on by it;

- (vi) any and all of its employees, who are on its payrolls, including those employed at its offices and branches, employees/personnel engaged on contract basis and contract labourers and interns/trainees, as are primarily engaged in or in relation to the Transferor Company's business, activities and operations pertaining to the business carried on by it in terms of its license, at its respective offices, branches or otherwise, and any other employees/personnel and contract labourers and interns/trainees hired by the Transferor Company after the date hereof who are primarily engaged in or in relation to the Transferor Company's business, activities and operations pertaining to the business carried on by it;
- (vii) any and all of the advance monies, earnest monies and/or security deposits, payment against warrants or other entitlements, as may be lying with them; and
- (viii) all registrations, trademarks, trade names, service marks, copyrights, patents, designs, domain names, applications for trademarks, trade names, service marks, copyrights, designs and domain names exclusively used by or held for use by the Transferor Company in the Transferor Company's business, activities and operations pertaining to the business carried on by it.

### 1.5 Interpretation

1.5.1 Terms and expressions which are used in this Scheme but not defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Income Tax Act, 1961, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be, including any statutory modification or re-enactment thereof, from time to time.

1.5.2 In this Scheme, unless the context otherwise requires:

- (i) references to "persons" shall include individuals, bodies corporate (wherever incorporated), unincorporated associations and partnerships;
- (ii) the headings are inserted for ease of reference only and shall not affect the construction or interpretation of this Scheme;
- (iii) references to one gender includes all genders;
- (iv) words in the singular shall include the plural and vice versa; and
- (v) percentages have been rounded off up to two decimal places.



## PART-II

## 2 CAPITAL STRUCTURE

## 2.1 Pre-Scheme Capital Structure

## 2.1.1 Lily Commercial Private Limited

(i) The capital structure of the Transferor Company as on 19.02.2024 is as under:

Share Capital	Amount in Rs.
<b>Authorised Capital</b>	
4,559,000 equity shares of Rs. 100 each	455,900,000
1,041,000 (12.5% redeemable non-cumulative) preference shares of Rs.100 each	104,100,000
<b>Total</b>	<b>560,000,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
1,095,125 fully paid-up equity shares of Rs. 100 each	109,512,500
<b>Total</b>	<b>109,512,500</b>

## 2.1.2 DCMSR

The capital structure of DCMSR as of 30 September 2023 is as under:

Share Capital	Amount in Rs.
<b>Authorised Capital</b>	
325,000,000 equity shares of Rs. 2 each	650,000,000
<b>Total</b>	<b>650,000,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
86,992,185 fully paid-up equity shares of Rs. 2 each	173,984,370
<b>Total</b>	<b>173,984,370</b>

## 2.1.3 DCM Shriram Fine Chemicals Limited

(i) The capital structure of the Resultant Company 1 as of 30 September 2023 is as under:



Share Capital	Amount in Rs.
<b>Authorised Capital</b>	
125,000,000 equity shares of Rs. 2 each	250,000,000
<b>Total</b>	<b>250,000,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
100,000,000 fully paid-up equity shares of Rs. 2 each	200,000,000
<b>Total</b>	<b>200,000,000</b>

- (ii) The Resultant Company 1 is a subsidiary of DCMSR. DCMSR and its nominees (for the purposes of ensuring compliance with the provisions of the Act, which requires a public limited company to have at least 7 shareholders) legally and beneficially hold 100% equity shares in the Resultant Company 1.
- (iii) The equity shares of the Resultant Company 1 are presently not listed on any Stock Exchanges. An application shall be made with the Stock Exchanges, post effectiveness of the Scheme, for listing of equity shares of the Resultant Company 1, as mentioned in this Scheme.

#### 2.1.4 DCM Shriram International Limited

- (i) The capital structure of the Resultant Company 2 as of 30 September 2023 is as under:

Share Capital	Amount in Rs.
<b>Authorised Capital</b>	
250,000 equity shares of Rs. 2 each	500,000
<b>Total</b>	<b>500,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
50,000 equity shares of Rs. 2 each	100,000
<b>Total</b>	<b>100,000</b>

- (ii) The Resultant Company 2 is a subsidiary of DCMSR. DCMSR and its nominees (for the purposes of ensuring compliance with the provisions of the Act, which requires a public limited company to have at least 7 shareholders) legally and beneficially hold 100% equity shares in the Resultant Company 2.
- (iii) The equity shares of the Resultant Company 2 are presently not listed on any Stock Exchanges. An application shall be made with the Stock Exchanges, post effectiveness of



the Scheme, for listing of equity shares of the Resultant Company 2, as mentioned in this Scheme.

## 2.2 Post-Scheme Capital Structure

### 2.2.1 DCMSR

(i) The expected capital structure of DCMSR immediately post amalgamation of the Transferor Company into and with DCMSR (but prior to the demerger of the Chemical Undertaking and the Rayon Undertaking from DCMSR into the Resultant Company 1 and Resultant Company 2, respectively) will be as under:

Share Capital	Amount in Rs.
<b>Authorised Capital*</b>	
605,000,000 equity shares of Rs. 2 each	1,210,000,000
<b>Total</b>	<b>1,210,000,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
86,992,185 fully paid-up equity shares of Rs. 2 each	173,984,370
<b>Total</b>	<b>173,984,370</b>

*\*The figure takes into account re-categorisation of the authorised preference share capital of the Transferor Company into equity share capital of the Transferor Company, and such re-categorised, authorised share capital of the Transferor Company being transferred to and being merged/amalgamated with the authorised share capital of DCMSR pursuant to the Scheme.*

(ii) The expected capital structure of DCMSR post demerger of the Chemical Undertaking and the Rayon Undertaking from DCMSR into the Resultant Company 1 and the Resultant Company 2, respectively, will be as under:

Share Capital	Amount in Rs.
<b>Authorised Capital*</b>	
325,000,000 equity shares of Rs. 2 each	650,000,000
<b>Total</b>	<b>650,000,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
86,992,185 fully paid-up equity shares of Rs. 2 each	173,984,370
<b>Total</b>	<b>173,984,370</b>



\* The authorised share capital of DCMSR, post demerger of the Chemical Undertaking and the Rayon Undertaking from DCM into Resultant Company 1 and Resultant Company 2, respectively, shall be reduced by Rs. 560,000,000, which shall be added to the authorised share capital of Resultant Company 1 and Resultant Company 2 as follows: (i) Rs. 155,250,000 shall be added to the authorised share capital of Resultant Company 1, and (ii) Rs. 404,750,000 shall be added to the authorised share capital of Resultant Company 2. Accordingly, the authorized capital of DCMSR will remain Rs. 650,000,000 divided into 325,000,000 equity shares of Rs. 2 each, and the authorised share capital of each of Resultant Company 1 and Resultant Company 2 shall stand increased to Rs. 405,250,000 each divided into 202,625,000 equity shares of Rs. 2 each.

#### 2.2.2 DCM Shriram Fine Chemicals Limited

The expected capital structure of Resultant Company 1 post demerger of the Chemical Undertaking from DCMSR into the Resultant Company 1 will be as under:

Share Capital	Amount in Rs.
<b>Authorised Capital</b>	
202,625,000 equity shares of Rs. 2 each	405,250,000
<b>Total</b>	<b>405,250,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
86,992,185 fully paid-up equity shares of Rs. 2 each	173,984,370
<b>Total</b>	<b>173,984,370</b>

#### 2.2.3 DCM Shriram International Limited

The expected capital structure of Resultant Company 2 post demerger of the Rayon Undertaking from DCMSR into the Resultant Company 2 will be as under:

Share Capital	Amount in Rs.
<b>Authorised Capital</b>	
202,625,000 equity shares of Rs. 2 each	405,250,000
<b>Total</b>	<b>405,250,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
86,992,185 fully paid-up equity shares of Rs. 2 each	173,984,370
<b>Total</b>	<b>173,984,370</b>

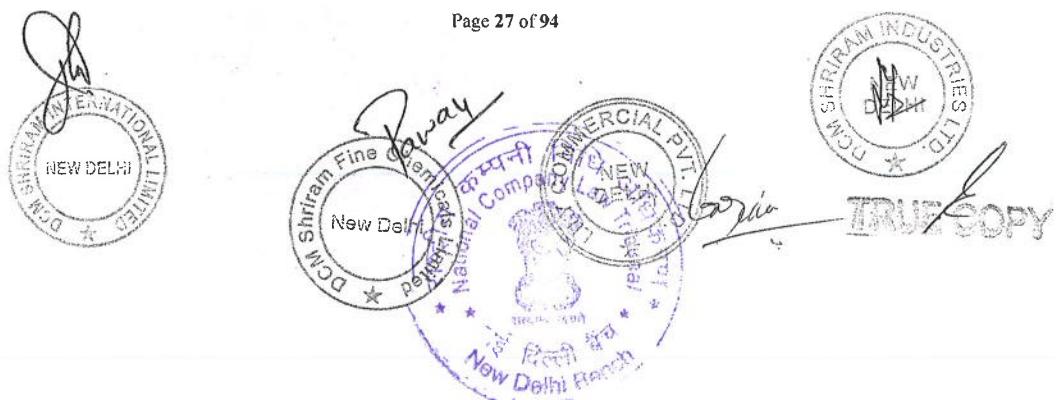


**PART-III****3 AMALGAMATION OF THE TRANSFEROR COMPANY INTO AND WITH DCMSR****3.1 Transfer and vesting of the Transferor Company into and with DCMSR**

3.1.1 Upon this Scheme becoming effective and with effect from the Appointed Date, all the assets and liabilities and the entire business of the Transferor Company shall stand transferred to and vest in DCMSR, as a going concern, without any further act or deed, together with all its properties, assets, rights, benefits and interest therein, subject to and in accordance with the provisions of this Scheme, Chapter XV of the Act and all applicable provisions of law, if any.

3.1.2 Without prejudice to generality of the above and to the extent applicable, unless otherwise stated herein, upon this Scheme becoming effective and with effect from the Appointed Date:

- (i) All assets of the Transferor Company, that are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery or by vesting and recordal of whatsoever nature, including plant, machinery and equipments, pursuant to this Scheme, shall stand transferred to and vested in and/or be deemed to be transferred to and vested in DCMSR, wherever located and shall become the property and an integral part of DCMSR. The vesting pursuant to this sub-Clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested, and title to the property shall be deemed to have been transferred accordingly.
- (ii) All other movable properties of the Transferor Company, including tax refunds with the government as applicable, investments in shares and any other securities, sundry debtors, future receivables, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with government, semi-government, local and other authorities and bodies, customers and other persons, shall, without any further act, instrument or deed, become the property of DCMSR, and the same shall also be deemed to have been transferred by way of delivery of possession of the respective documents in this regard. It is hereby clarified that investments, if any, made by the Transferor Company (other than in DCMSR, which shall be treated in terms of Clause 3.6.5) and all the rights, title and interest of the Transferor Company in any leasehold properties shall pursuant to Section 232 of the Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in and/or be deemed to have been transferred to and vested in DCMSR.
- (iii) All immovable properties, if any, of the Transferor Company, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Transferor Company, whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto shall be vested in and/or be deemed to have been vested in DCMSR, without any further act or deed done or being required to be done by the Transferor Company and/or DCMSR. DCMSR shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties, if any, and shall be liable to pay the ground rent and taxes and fulfil all obligations in relation to or applicable to such immovable properties. The mutation or



substitution of the title to the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of DCMSR by the appropriate authorities pursuant to the sanction of this Scheme by the NCLT and upon the Scheme becoming effective in accordance with the terms hereof.

- (iv) All the security interest over any moveable and/or immovable properties and security in any other form (both present and future) including but not limited to any pledges, or guarantees, if any, created/executed by any person in favour of the Transferor Company or any other person acting on behalf of or for the benefit of DCMSR for securing the obligations of the persons to whom the Transferor Company has advanced loans and granted other funded and non-funded financial assistance, by way of letter of comfort or through other similar instruments shall pursuant to the provisions of Section 232 of the Act and without any further act, instrument or deed stand vested in and be deemed to be in favour of DCMSR and the benefit of such security shall be available to DCMSR as if such security was ab initio created in favour of DCMSR. The mutation or substitution of the charge in relation to the movable and immovable properties of the Transferor Company shall, upon this Scheme becoming effective, be made and duly recorded in the name of DCMSR by the appropriate authorities and third parties (including any depository participants) pursuant to the sanction of this Scheme by the NCLT and upon the Scheme becoming effective in accordance with the terms hereof;
- (v) All debts, liabilities, borrowings, bills payable, interest accrued and all other duties, liabilities, undertakings and obligations, contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not in the books of account or disclosed in the balance sheets of the Transferor Company shall be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of DCMSR, and DCMSR shall, and undertakes to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause.
- (vi) All contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses (including the licenses granted by any governmental, statutory or regulatory bodies) for the purpose of carrying on the business of the Transferor Company, and in relation thereto, and those relating to tenancies, privileges, powers, pledge, facilities of every kind and description of whatsoever nature in relation to the Transferor Company, or to the benefit of which, the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be and remain in full force and effect on, against or in favour of DCMSR and may be enforced as fully and effectually as if, instead of the Transferor Company, DCMSR had been a party or beneficiary or obligor thereto. In relation to the same, any procedural requirements required to be fulfilled solely by the Transferor Company (and not by any of its successors), shall be fulfilled by DCMSR as if it is the duly constituted attorney of the Transferor Company.
- (vii) Subject to Clause 7.8.5, all pending suits/appeals, all legal, taxation or other proceedings including before any statutory or quasi-judicial authority or tribunal or other proceedings of whatsoever nature, whether by or against the Transferor Company, whether pending



on the Appointed Date or which may be instituted any time in the future, shall not abate, be discontinued or in any way prejudicially affected by reason of the amalgamation of the Transferor Company or of anything contained in this Scheme, but the proceedings shall continue and any prosecution shall be enforced by or against DCMSR after the Effective Date. DCMSR shall, after the Effective Date, be substituted/replaced as party to such proceedings and shall prosecute or defend such proceedings in the same manner and to the same extent as would or might have been continued, prosecuted and/or enforced by or against the Transferor Company, as if this Scheme had not been implemented.

(viii) All cheques and other negotiable instruments, payment orders received and presented for encashment which are in the name of the Transferor Company after the Effective Date, shall be accepted by DCMSR and promptly transferred to the accounts of the DCMSR.

(ix) All employees of the Transferor Company, who are on its payrolls shall become employees of DCMSR with effect from the Effective Date, on such terms and conditions as are no less favourable (including employee benefits such as provident fund, leave encashment and any other retiral benefits) than those on which they are currently engaged by the Transferor Company, without any interruption of service as a result of this amalgamation and transfer.

With regard to provident fund, gratuity, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees of the Transferor Company, DCMSR shall stand substituted for the Transferor Company for all purposes whatsoever, upon this Scheme becoming effective, including with regard to the obligation to make contributions to relevant authorities, such as the Regional Provident Fund Commissioner or to such other funds maintained by each of the Transferor Company, in accordance with the provisions of applicable laws or otherwise. It is hereby clarified that upon this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred employees of the Transferor Company for such purpose shall be treated as having been continuous.

(x) With regard to any provident fund, gratuity fund, superannuation fund or other special fund created or existing for the benefit of such employees of the Transferor Company, it is the aim and intent of the Scheme that all the rights, duties, powers and obligations of the Transferor Company in relation to such schemes or funds shall become those of DCMSR. Upon the Scheme becoming effective, DCMSR shall stand substituted for the Transferor Company for all purposes whatsoever relating to the obligation to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents. Any existing provident fund, gratuity fund and superannuation fund trusts created by the Transferor Company for its employees shall be continued for the benefit of such employees on the same terms and conditions until such time that they are transferred to the relevant funds of DCMSR. It is clarified that the services of all employees of the Transferor Company transferred to DCMSR will be treated as having been continuous and uninterrupted for the purpose of the aforesaid schemes or funds.

DCMSR undertakes to continue to abide by any agreement(s)/settlement(s) entered into with respective employees by any of the Transferor Company. DCMSR agrees that for



the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits, the past services of such permanent employees, if any, with the Transferor Company, as the case may be, shall also be taken into account, and agrees and undertakes to pay the same as and when payable.

- (xi) All registrations, goodwill, licenses, trademarks, service marks, copyrights, domain names, applications for copyrights, and trade names, if any of the Transferor Company, shall stand transferred to and vested in DCMSR.
- (xii) All taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax, fringe benefit tax, securities transaction tax, self-assessment tax, taxes withheld/paid in a foreign country, value added tax, sales tax, service tax, stamp duty, goods and services tax etc.) including any interest, penalty, surcharge and cess, if any, payable by or refundable to the Transferor Company, including all or any refunds or claims shall be treated as the tax liability or refunds/claims, as the case may be, of DCMSR, and any tax incentives, advantages, privileges, exemptions, credits, holidays, remissions, reductions etc., as would have been available to the Transferor Company, shall pursuant to this Scheme becoming effective, be available to DCMSR.
- (xiii) All approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description whatsoever, held by the Transferor Company, or to the benefit of which the Transferor Company may be eligible/entitled, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect in favour of DCMSR and may be enforced as fully and effectually as if, instead of the Transferor Company, DCMSR had been a party or beneficiary or obligor thereto. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall make and duly record the necessary substitution/endorsement in the name of DCMSR pursuant to the sanction of this Scheme by the NCLT, and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, DCMSR shall file appropriate applications/documents with relevant authorities concerned for information and record purposes.
- (xiv) Benefits of any and all corporate approvals as may have already been taken by the Transferor Company, whether being in the nature of compliances or otherwise, including without limitation, approvals under Sections 42, 62, 180, 185, 186, 188 etc., of the Act, read with the rules and regulations made thereunder, shall stand transferred to DCMSR and the said corporate approvals and compliances shall be deemed to have been taken/complied with by DCMSR.
- (xv) All estates, assets, rights, title, interests and authorities accrued to and/or acquired by the Transferor Company shall be deemed to have been accrued to and/or acquired for and on behalf of DCMSR and shall, upon this Scheme coming into effect, pursuant to the provisions of Section 232 and other applicable provisions of the Act, without any further act, instrument or deed be and stand transferred to or vested in and/or be deemed to have been transferred to or vested in DCMSR to that extent and shall become the estates, assets, right, title, interests and authorities of DCMSR.



(xvi) All bank or depository accounts operated or entitled to be operated by the Transferor Company shall be deemed to have transferred and shall stand transferred to DCMSR, and name of the Transferor Company, shall be substituted by the name of DCMSR, in the bank's records.

3.1.3 DCMSR shall, at any time after this Scheme becoming effective, in accordance with the provisions hereof, if so required under any 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 has been a party, including any filings with the regulatory authorities, in order to give formal effect to the above provisions. DCMSR shall, under the provisions hereof, 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.

3.1.4 DCMSR shall, at any time after this Scheme becoming effective in accordance with the provisions hereof, if so required under any law or otherwise, do all such acts or things as may be necessary to transfer/obtain the approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by the Transferor Company. It is hereby clarified that if the consent of any third party or authority, if any, is required to give effect to the provisions of this Clause, the said third party or authority shall make and duly record the necessary substitution/endorsement in the name of DCMSR pursuant to the sanction of this Scheme by the NCLT, and upon this Scheme becoming effective in accordance with the provisions of the Act and with the terms hereof. For this purpose, DCMSR shall file appropriate applications/documents with the relevant authorities concerned for information and record purposes. DCMSR 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 acts, formalities or compliances referred to above as may be required in this regard.

### 3.2 Conduct of business until Effective Date and upon Effectiveness of the Scheme

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

- (i) the Transferor Company undertakes to carry on and shall be deemed to have carried on the business activities of the Transferor Company and stand possessed of the properties and assets of each of the Transferor Company, for and on account of and in trust for DCMSR;
- (ii) all profits or income accruing to or received by the Transferor Company and all taxes paid thereon (including but not limited to advance tax, tax deducted at source, goods and services tax, minimum alternate tax, fringe benefit tax, banking cash transaction tax, securities transaction tax, taxes withheld/paid in a foreign country, value added tax, sales tax, service tax etc.) or losses arising in or incurred by the Transferor Company shall, for all purposes, be treated as and deemed to be the profits, income, taxes or losses, as the case may be, of DCMSR;
- (iii) the Transferor Company shall carry on its business with reasonable diligence and business prudence and in the same manner as it had been doing hitherto, and shall not



undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitment either for itself or on behalf of its respective affiliates or associates or any third party, or sell, transfer, alienate, charge, mortgage or encumber or deal in any of its properties/assets, except:

- (a) when it is expressly provided in this Scheme;
- (b) when it is in the ordinary course of business as carried on by the Transferor Company, as on the date of filing of this Scheme in the NCLT; or
- (c) when written consent of DCMSR has been obtained in this regard;
- (iv) except by mutual consent of the respective Boards of Directors of the Transferor Company and DCMSR, or except pursuant to any prior commitment, obligation or arrangement existing or undertaken by the Transferor Company and/or DCMSR as on the Appointed Date, or except as contemplated in this Scheme, pending sanction of this Scheme, the Transferor Company and/or DCMSR shall not make any change in their capital structures either by way of any increase (by issue of equity shares, bonus shares, convertible debentures or otherwise), decrease, reduction, reclassification, sub-division or consolidation, re-organisation or in any other manner, which would have the effect of re-organisation of capital of such company(ies);
- (v) the Transferor Company shall not alter or substantially expand the business except with the written concurrence of DCMSR; and
- (vi) since each of the permissions, approvals, consents, sanctions, remissions, special reservations, backward area sales tax remissions, holidays, incentives, concessions and other authorisations of the Transferor Company, shall stand transferred by the order of the NCLT, to DCMSR, DCMSR shall file the relevant intimations, for the record of the statutory authorities who shall take them on file, pursuant to the vesting orders of the NCLT.

3.2.2 (i) With effect from the Effective Date, DCMSR shall carry on and shall be authorised to carry on the businesses of the Transferor Company.

(ii) For the purpose of giving effect to the order passed under Chapter XV and other applicable provisions of the Act in respect of this Scheme by the NCLT, DCMSR shall, at any time, pursuant to the order on this Scheme, be entitled to get the recordal of the change in the legal right(s) upon the transfer of the Transferor Company, in accordance with the provisions of Chapter XV of the Act. DCMSR is and shall always be deemed to have been authorised to execute any pleadings, applications, forms etc., as may be required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this Scheme, pursuant to the sanction of this Scheme by the NCLT.

(iii) Upon this Scheme becoming effective, DCMSR, unconditionally and irrevocably, agrees and undertakes to pay, discharge and satisfy all liabilities and obligations of the Transferor Company with effect from the Appointed Date, in order to give effect to the



foregoing provisions.

- (iv) All profits accruing to the Transferor Company and all taxes thereof or losses arising or incurred by it relating to the Transferor Company shall, for all purposes be treated as the profits, taxes or losses as the case may be of DCMSR.
- (v) Upon the coming into effect of this Scheme, the resolutions, if any, of the Transferor Company, which are valid and subsisting on the Effective Date shall continue to be valid and subsisting and be considered as resolutions of DCMSR and if any such resolutions have upper monetary or other limits being imposed under the provisions of the Act, or any other applicable provisions, then such limits shall be added and shall constitute the aggregate of such limits in DCMSR.

### 3.3 Dissolution of the Transferor Company

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

### 3.4 Changes in Share Capital

- 3.4.1 Upon this amalgamation under the Scheme becoming effective and with effect from the Appointed Date: (a) the authorised preference share capital of the Transferor Company shall be re-categorised as authorised equity share capital of the Transferor Company and the restated authorised share capital of the Transferor Company shall be Rs. 560,000,000 divided into 5,600,000 equity shares of Rs. 100 each; and (b) such re-categorised, authorised share capital of the Transferor Company shall stand transferred to and be merged/amalgamated with the authorised share capital of DCMSR, subject to the payment of any additional fees (including fees and charges to the relevant Registrar of Companies), if required.

- 3.4.2 Upon this Scheme (including consequent to transfer of the authorised share capital of the Transferor Company to DCMSR in accordance with Clause 3.4.1 of this Scheme and demerger) coming into effect and with effect from the Appointed Date:

- (i) the authorised share capital of DCMSR shall be Rs. 65,000,000 (divided into 325,000,000 equity shares of Rs. 2 each);
- (ii) the authorised share capital of Resultant Company 1 of Rs. 250,000,000 (divided into 125,000,000 equity shares of Rs. 2 each) shall stand enhanced to Rs. 405,250,000 (divided into 202,625,000 equity shares of Rs. 2 each); and
- (iii) the authorised share capital of Resultant Company 2 of Rs. 500,000 (divided into 250,000 equity shares of Rs. 2 each) shall stand enhanced to Rs. 405,250,000 (divided into 202,625,000 equity shares of Rs. 2 each).

- 3.4.3 It is hereby clarified that the consent of the shareholders of the Transferor Company and DCMSR to this Scheme shall be deemed to be sufficient for purposes of effecting the aforementioned amendments to the Memorandum of Association of DCMSR and that no further resolution under the applicable provisions of the Act would be required to be separately passed.



### 3.5 Consideration

3.5.1 The Boards of Directors of the Transferor Company and DCMSR have determined the share exchange ratio as 1: 1 based on their independent judgement and the share exchange ratio report issued by Mr. Mukesh Chand Jain, Registered Valuer (registration number: IBBI/RV/05/2020/13666) and TRC Corporate Consulting Private Limited (CIN - U74140DL1999PTC101355). Accordingly, the shareholders of the Transferor Company shall, without any application, act or deed, be entitled to receive 1 (one) equity share of face value of Rs. 2 each, at par, credited as fully paid up, in DCMSR, for every 1 (one) equity share of face value of Rs. 2 each held by the Transferor Company in DCMSR, in the proportion of their respective shareholding in the Transferor Company, as on the Record Date.

3.5.2 For the purpose of the allotment of equity shares in DCMSR, pursuant to this Scheme, in case any shareholder's holding in the Transferor Company is such that the shareholder becomes entitled to a fraction of a share of DCMSR, DCMSR shall not issue fractional shares to such shareholder and shall consolidate all such fractions and round up the aggregate of such fractions to the next whole number and issue consolidated DCMSR New Equity Shares to a trustee (nominated by DCMSR in that behalf) in dematerialised form, who shall hold such shares, with all additions or accretions thereto, in trust for the benefit of the respective shareholders to whom they belong for the specific purpose of selling such shares in the market at such price or prices and at any time within a period of 90 (ninety) days from the date of allotment of DCMSR New Equity Shares and distribute the net sale proceeds (after deduction of the expenses incurred and applicable income tax) to the respective shareholders in the same proportion of their fractional entitlements. Any fractional entitlements from such net proceeds shall be rounded off to the next Rupee. It is clarified that any such distribution shall take place only on the sale of all the fractional shares of DCMSR pertaining to the fractional entitlements.

3.5.3 It is hereby clarified that the shares as above shall be deemed to have been issued by DCMSR and received by the shareholders of the Transferor Company on the Appointed Date. The existing shares of DCMSR held by the Transferor Company will be extinguished and same number of shares will be issued by DCMSR to the shareholders of the Transferor Company consequent to which there will be no change in either the capital structure of DCMSR or any change in number of shares held by the 'promoter and promoter group' in DCMSR.

3.5.4 The shareholders of the Transferor Company shall bear all costs, charges and expenses pertaining to the amalgamation of the Transferor Company with DCMSR, pursuant to this Scheme, and such costs, charges and expenses will be borne out of the Surplus Assets of the Transferor Company (which shall include cash in bank). Any surplus thereof, shall be returned to the shareholders of Transferor Company (as on the Record Date) after the Effective Date. Similarly, any deficit thereof (i.e., such costs, charges or expenses (pertaining to amalgamation of the Transferor Company with DCMSR) exceeding the Surplus Assets) shall be borne by the shareholders of Transferor Company (as on the Record Date), in such manner as determined by such shareholders. Accordingly, DCMSR shall not bear any costs/expenses in relation to amalgamation of the Transferor Company with DCMSR.

### 3.6 Issuance mechanics and other provisions

3.6.1 The equity shares to be issued and allotted by DCMSR in terms of this Clause 3.6 shall be subject to the provisions of the Memorandum and Articles of Association of DCMSR and shall rank *pari*



*passu* in all respects with the existing equity shares of DCMSR. The holders of the equity shares of the Transferor Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights including the right to receive dividends from the Transferor Company until the Effective Date.

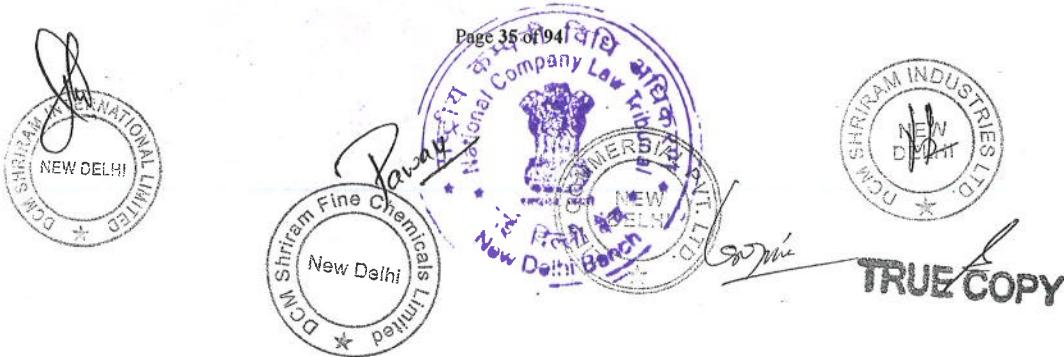
- a) All those shareholders who hold shares of the Transferor Company in physical form shall also receive the equity shares to be issued by the Transferee Company, in dematerialized form provided the details of their account with the depository participant are intimated in writing to the Transferor Company and/ or its registrar provided such intimation has been received by the Transferor Company and/or its registrar at least 7 (seven) days before the Record Date. If no such intimation is received from any shareholder who holds shares of the Transferor Company in physical form 7 (seven) days before the Record Date, or if the details furnished by any shareholder do not permit electronic credit of the shares of the Transferee Company, then the Transferee Company shall open an escrow demat account with a depository participant to keep such shares in abeyance / in such escrow demat account and will credit the same to the respective demat account(s) of such shareholders as and when the details of such shareholder's account with the depository participant are intimated in writing by the shareholders to the Transferee Company and/or its registrar.
- b) In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company, the Board of Directors of the Transferee Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on Record Date, in order to remove any difficulties, after the effectiveness of this Scheme.
- c) The equity shares to be issued by the Transferee Company, in respect of any equity shares of the Transferor Company which are held in abeyance under the provisions of Section 126 of the Act or otherwise shall, pending allotment or settlement of dispute by order of any court or otherwise, be held in abeyance by the Transferee Company.

3.6.2 DCMSR had engaged Mr. Mukesh Chand Jain, Registered Valuer (registration number IBBI/RV/05/2020/13666) and TRC Corporate Consulting Private Limited (CIN - U74140DL1999PTC101355) to provide a share exchange ratio report. In connection with such engagement, Mr. Mukesh Chand Jain, Registered Valuer and TRC Corporate Consulting Private Limited have issued a share exchange ratio report dated 14 November 2023.

3.6.3 Upon this Scheme coming into effect and upon transfer and vesting of all assets and liabilities of the Transferor Company into and with DCMSR in accordance with Part III of this Scheme, the shareholders of the Transferor Company as of the Record Date shall be entitled to receive shares of DCMSR as detailed in this Clause 3.6 of Part III of this Scheme. All shareholders of the Transferor Company holding equity shares in the Transferor Company, as on the Record Date, shall be issued fresh equity shares in DCMSR.

3.6.4 Upon this Scheme becoming effective, investment of the Transferor Company in DCMSR, being shares held in DCMSR, either in its own name or through its nominee(s), shall stand cancelled in entirety, without any further act, instrument or deed.

3.6.5 Any cancellation of the share capital upon the amalgamation of the Transferor Company with DCMSR, as mentioned above shall be effected as a part of the Scheme itself and not in



accordance with Section 66 of the Act as it does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid up capital, and the order of the NCLT 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 will be required/necessary.

**3.6.6** Upon approval of the Scheme by the members of DCMSR pursuant to Chapter XV of the Act, it shall be deemed that the members have also accorded their consent under Section 62 of the Act or other provisions of the Act and applicable laws, as may be applicable. DCMSR shall, if and to the extent required, apply for and obtain any approvals from the relevant authorities for the issue and allotment by DCMSR of equity shares to the members of the Transferor Company, pursuant to the Scheme.

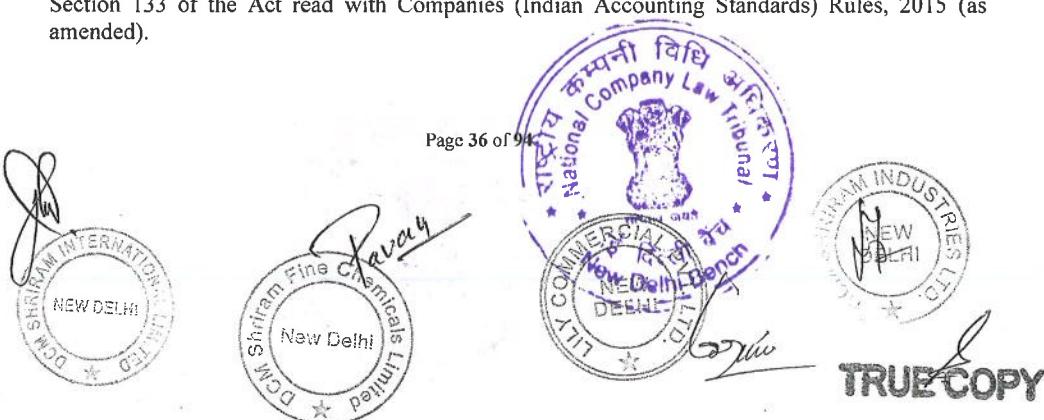
### **3.7 Accounting Treatment**

#### **3.7.1 Accounting Treatment in the Books of DCMSR**

Upon Part III of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, DCMSR shall account for the transfer and vesting of the assets and liabilities of the Transferor Company in its books of account as per applicable Indian Accounting Standard notified under Section 133 of the Act read with relevant rules issued thereunder and other applicable Accounting Standards provided under the Act, and specifically:

- (i) All the assets and all liabilities including reserves of the Transferor Company as at the close of business on the day immediately preceding the Appointed Date, shall stand transferred to, and the same shall be recorded by, DCMSR at their book value and no adjustment shall be made to reflect their respective fair values or recognise any new assets or liabilities;
- (ii) DCMSR shall issue and allot equity shares to the shareholders of the Transferor Company as per Clause 3.5 of the Scheme and credit the face value of such equity shares to its share capital account;
- (iii) The amount of inter-company balances, transactions or investments, if any, between the Transferor Company and DCMSR appearing in the books of accounts of the Transferor Company and DCMSR, shall stand cancelled without any further act or deed; and
- (iv) The difference between the consideration paid by way of issue of equity shares at face value and assets and liabilities including reserves of the Transferor Company and cancellation of investments, shall be recorded as capital reserve (if credit) and should be presented separately from other capital reserves, or revenue reserves (if debit) and if there are no reserves or inadequate reserves, to an amalgamation deficit reserve (if debit), with disclosure of its nature and purpose in the notes to the financial statements.

The Board of Directors of DCMSR is authorised to account for any of the matters not dealt with in this Clause 3.7.1 in accordance with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 (as amended).



### 3.7.2 Accounting Treatment in the Books of the Transferor Company

Upon the Scheme becoming effective, the Transferor Company, shall stand dissolved without the process of winding-up, and hence, no accounting treatment has been prescribed under this Scheme in relation to the books of the Transferor Company.



## PART-IV

## 4 DEMERGER OF THE CHEMICAL UNDERTAKING

## 4.1 Transfer and vesting of the Chemical Undertaking from DCMSR to the Resultant Company 1

4.1.1 With effect from the Appointed Date and upon this Scheme becoming effective, all the assets and liabilities and the entire business of the Chemical Undertaking of DCMSR, shall stand transferred to and vest in the Resultant Company 1, as a going concern, without any further act or deed, and shall be demerged from DCMSR together with all its properties, assets, rights, benefits and interest therein, subject to and in accordance with the provisions of this Scheme Chapter XV of the Act and all applicable provisions of law, if any, and related provisions contained in various other taxation laws in force in India on the Effective Date, including without limitation in relation to goods and services tax, customs duty, excise duty, CENVAT credit or value added tax. In addition, for the avoidance of doubt, the Rayon Undertaking and all the assets, liabilities and obligations pertaining thereto shall belong to and be vested in and be managed by the Resultant Company 2 and the Residual Undertaking and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by DCMSR, with effect from the Appointed Date.

4.1.2 Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, upon this Scheme becoming effective and with effect from the Appointed Date:

- (i) All assets of DCMSR pertaining to the Chemical Undertaking, that are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery or by vesting and recordal of whatsoever nature, including plant, machinery and equipments, pursuant to this Scheme, shall stand transferred to and vested in and/or be deemed to be transferred to and vested in the Resultant Company 1 wherever located and shall become the property and an integral part of the Resultant Company 1. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.
- (ii) All other movable properties of DCMSR pertaining to the Chemical Undertaking, including tax refunds with the government as applicable, investments in shares and any other securities, sundry debtors, future receivables, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with government, semi-government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, become the property of the Resultant Company 1, and the same shall also be deemed to have been transferred by way of delivery of possession of the respective documents in this regard. It is hereby clarified that investments, if any, made by DCMSR and pertaining to the Chemical Undertaking and all the rights, title and interest of DCMSR pertaining to the Chemical Undertaking in any leasehold properties shall, pursuant to Section 232 of the Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in and/or be deemed to have been transferred to and vested in the Resultant



Company 1, and/or be deemed to be demerged from DCMSR and transferred to and vested in the Resultant Company 1.

(iii) All immovable properties of DCMSR and pertaining to the Chemical Undertaking, if any, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of DCMSR and pertaining to the Chemical Undertaking, whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto, shall be vested in and/or be deemed to have been vested in the Resultant Company 1, without any further act or deed done or being required to be done by DCMSR and/or the Resultant Company 1. The Resultant Company 1 shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties, if any, and shall be liable to pay the ground rent and taxes and fulfil all obligations in relation to or applicable to such immovable properties. The mutation or substitution of the title to the immovable properties, if any, shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Resultant Company 1 by the appropriate authorities pursuant to the sanction of this Scheme by the NCLT and upon the Scheme becoming effective in accordance with the terms hereof, without any further act or deed to be done or executed by DCMSR and/or the Resultant Company 1. It is clarified that the Resultant Company 1 shall be entitled to engage in such correspondence and make such representations, as may be necessary, for the purposes of the aforesaid mutation and/or substitution.

Notwithstanding any provision to the contrary, from the Effective Date and until the owned property, leasehold property and related rights thereto, license/right to use the immovable property, tenancy rights, liberties and special status are transferred, vested, recorded, vested and/or perfected, in the records of the appropriate authority, in favour of the Resultant Company 1, the Resultant Company 1 is deemed to be authorised to carry on business, in the name and style of DCMSR under the relevant agreement, deed, lease and/or licenses, as the case may be, and the Resultant Company 1 shall keep a record and/or account of such transactions.

(iv) All the security interest over any moveable and/or immoveable properties and security in any other form (both present and future) including but not limited to any pledges, or guarantees, if any, created/executed by any person in favour of DCMSR for the purposes of the Chemical Undertaking or any other person acting on behalf of or for the benefit of DCMSR pertaining to the Chemical Undertaking for securing the obligations of the persons to whom DCMSR has advanced loans and granted other funded and non-funded financial assistance, pertaining to the Chemical Undertaking by way of letter of comfort or through other similar instruments shall pursuant to the provisions of Section 232 of the Act and without any further act, instrument or deed stand vested in and be deemed to be in favour of the Resultant Company 1 and the benefit of such security shall be available to the Resultant Company 1 as if such security was ab initio created in favour of the Resultant Company 1. The mutation or substitution of the charge in relation to the movable and immoveable properties of DCMSR pertaining to the Chemical Undertaking shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Resultant Company 1 by the appropriate authorities and third parties (including any depository participants) pursuant to the sanction of this Scheme by the NCLT and upon the Scheme becoming effective in accordance with the terms hereof.



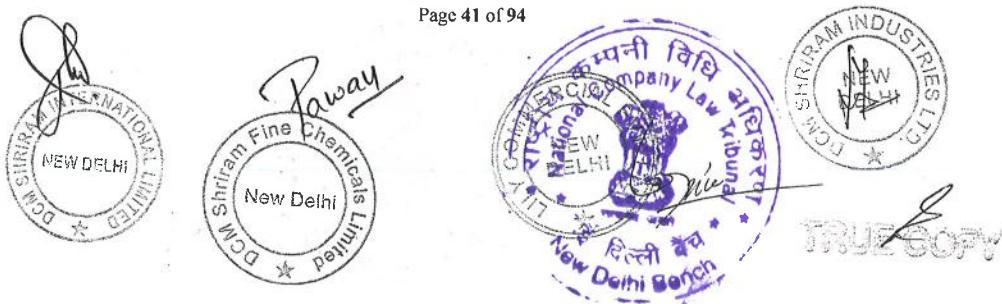
- (v) All debts, liabilities, borrowings, bills payable, interest accrued and all other duties, liabilities, undertakings and obligations of the Chemical Undertaking, contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not in the books of account or disclosed in the balance sheets of the DCMSR pertaining to the Chemical Undertaking shall be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Resultant Company 1, and the Resultant Company 1 shall, and undertakes to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause.
- (vi) All contracts, deeds, bonds, agreements, schemes, arrangements and other instruments permits, rights, entitlements, licenses (including the licenses granted by any governmental, statutory or regulatory bodies, and as more particularly set out in Schedule 1) for the purpose of carrying on the business of DCMSR pertaining to the Chemical Undertaking and in relation thereto and those relating to tenancies, privileges, powers, pledge, facilities of every kind and description of whatsoever nature in relation to DCMSR pertaining to the Chemical Undertaking, or to the benefit of which, the Chemical Undertaking may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be and remain in full force and effect on, against or in favour of the Resultant Company 1 and may be enforced as fully and effectually as if, instead of DCMSR and pertaining to the Chemical Undertaking, the Resultant Company 1 had been a party or beneficiary or obligor thereto. In relation to the same, any procedural requirements required to be fulfilled solely by DCMSR (and not by any of its successors), shall be fulfilled by the Resultant Company 1 as if it is the duly constituted attorney of DCMSR.

The Resultant Company 1 may at its sole discretion enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which DCMSR shall, if necessary, also be a party in order to give formal effect to the provisions of this Scheme. The Resultant Company 1 shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of DCMSR for the Chemical Undertaking and to implement or carry out all formalities required to give effect to the provisions of this Scheme.

- (vii) Any pending suits/appeals, all legal, taxation or other proceedings including before any statutory or quasi-judicial authority or tribunal or other proceedings of whatsoever nature relating to DCMSR and pertaining to the Chemical Undertaking, whether by or against DCMSR, whether pending on the Appointed Date or which may be instituted any time in the future and in each case relating to the Chemical Undertaking shall not abate, be discontinued or in any way prejudicially affected by reason of the demerger of the Chemical Undertaking or of anything contained in this Scheme, but the proceedings shall continue and any prosecution shall be enforced by or against the Resultant Company 1 after the Effective Date. The Resultant Company 1 shall, after the Effective Date, be replaced as party to such proceedings and shall prosecute or defend such proceedings in co-operation with DCMSR in the same manner and to the same extent as would or might have been continued, prosecuted and/or enforced by or against DCMSR, as if this Scheme had not been implemented.



- (viii) All cheques and other negotiable instruments, payment orders received and presented for encashment which are in the name of DCMSR and pertaining to the Chemical Undertaking after the Effective Date, shall be accepted by DCMSR and promptly transferred to the accounts of the Resultant Company 1.
- (ix) All employees of DCMSR pertaining to the Chemical Undertaking who are on its payrolls, shall become the employees of the Resultant Company 1 without any break or interruption in their services on no less favourable terms (including employee benefits such as provident fund, leave encashment and any other retiral benefits) as applicable to such employees with DCMSR and in accordance with applicable law. The Resultant Company 1 further agrees that for the purpose of payment of any retirement benefit/compensation, incentive contractual and statutory benefit, incentive plans, terminal benefits, such immediate uninterrupted past services with DCMSR, shall also be taken into account and accordingly, shall be reckoned from the date of their appointment with DCMSR. In order to give effect to this provision and to carry out or perform all formalities or compliances, DCMSR and or the Resultant Company 1, as the case may be, shall do all such acts and deeds as may be necessary, or execute such contracts, agreements, deeds or other instruments or obtain necessary approvals, permits, rights and entitlements.
- (x) All intellectual property and rights thereto, whether registered or unregistered, along with all rights of commercial nature including registrations, goodwill and licenses, trademarks, service marks, copyrights, domain names, applications for copyrights, trade names and trademarks, of DCMSR appertaining to the Chemical Undertaking, as more particularly identified in **Schedule 3**, shall be transferred to the Resultant Company 1. It is clarified that notwithstanding the transfer of the intellectual property as contemplated herein, both DCMSR and the Resultant Company 1 shall be entitled to use the common logos as specified in **Schedule 3**, whether as part of the corporate names (including with respect to any subsidiaries, joint ventures, associate companies, etc.), logos, brand names, trademarks, products, programmes or services, in present or future. DCMSR and the Resultant Company 1 may, if required, enter into appropriate arrangements, in respect of the use of license, for no charge by DCMSR, of the intellectual property that is transferred to the Resultant Company 1 under this Scheme or vice versa for such transition period or on a long term basis as the respective Board of Directors of DCMSR and the Resultant Company 1 deem fit;
- (xi) All taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax, fringe benefit tax, securities transaction tax, self-assessment tax, taxes withheld/paid in a foreign country, value added tax, sales tax, service tax, stamp duty, goods and services tax etc.) including any interest, penalty, surcharge and cess, if any, payable by or refundable to DCMSR relatable to the Chemical Undertaking, including all or any refunds or claims shall be treated as the tax liability or refunds/claims, as the case may be, of the Resultant Company 1 and any tax incentives, advantages, privileges, exemptions, credits, holidays, remissions, reductions etc., as would have been available to the Chemical Undertaking, shall pursuant to this Scheme becoming effective, be available to the Resultant Company 1.
- (xii) All approvals, consents, exemptions, registrations, no-objection certificates, permits,



quotas, rights, entitlements, licenses (including the licenses granted by any governmental, statutory or regulatory bodies for the purpose of carrying on its business, including as set out in **Schedule 1**, or in connection therewith) and certificates of every kind and description whatsoever held by DCMSR in relation to the Chemical Undertaking, or to the benefit of which the Chemical Undertaking may be eligible/entitled and which are subsisting or having effect immediately before the Effective Date shall be in full force and effect in favour of the Resultant Company 1 and may be enforced as fully and effectually as if, instead of the Chemical Undertaking, the Resultant Company 1 had been a party or beneficiary or obligor thereto. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall make and duly record the necessary substitution/endorsement in the name of the Resultant Company 1 pursuant to the sanction of this Scheme by the NCLT and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, the Resultant Company 1 shall file appropriate applications/documents with relevant authorities concerned for information and record purposes. It is further clarified that until the licenses, permits, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes, special statuses are transferred, vested, recorded, effected, and/or perfected, in the record of the appropriate authority, in favour of the Resultant Company 1, the Resultant Company 1 shall be authorised to carry on business in the name and style of DCMSR, in relation to or in connection with the Chemical Undertaking, and under the relevant license and/or permit and/or approval, as the case may be.

- (xiii) Benefits of any and all corporate approvals as may have already been taken by DCMSR in relation to the Chemical Undertaking, whether being in the nature of compliances or otherwise, including without limitation approvals under Sections 42, 62, 180, 185, 186, 188, 197 and 198 etc., of the Act, read with the rules and regulations made thereunder, shall stand transferred to the Resultant Company 1 and the said corporate approvals and compliances shall be deemed to have been taken/complied with by the Resultant Company 1, by virtue of approval of this Scheme. Further, benefits of any and all corporate approvals as may have already been taken by DCMSR in relation to appointment and payment of remuneration to the directors, key managerial personnel or for the purpose of such related party transactions; which are being transferred to the Resultant Company 1 as a part of Chemical Undertaking, shall stand transferred to the Resultant Company 1 and the said corporate approvals and compliances shall be deemed to have been taken/ complied with by the Resultant Company 1, by virtue of approval of this Scheme.
- (xiv) All estates, assets, rights, title, interests and authorities accrued to and/or acquired by the Chemical Undertaking shall be deemed to have been accrued to and/or acquired for and on behalf of the Resultant Company 1 and shall, upon this Scheme coming into effect, pursuant to the provisions of Section 232 and other applicable provisions of the Act, without any further act, instrument or deed be and stand transferred to or vested in and/or be deemed to have been transferred to or vested in the Resultant Company 1 to that extent and shall become the estates, assets, right, title, interests and authorities of the Resultant Company 1.
- (xv) All bank accounts operated or entitled to be operated by DCMSR relating to the Chemical Undertaking shall be deemed to have transferred and shall stand transferred to the



Resultant Company 1, and name of DCMSR pertaining to the Chemical Undertaking, shall be substituted by the name of the Resultant Company 1, respectively, in the bank's records.

All the property, assets and liabilities of the Chemical Undertaking shall be transferred by DCMSR to the Resultant Company 1 at the values appearing in the books of account of DCMSR at the close of business of the day immediately preceding the Appointed Date.

4.1.3 Upon this Scheme becoming effective, the secured creditors of DCMSR pertaining to the Chemical Undertaking shall be entitled to security only in respect of the properties, assets, rights, benefits and interest of the Chemical Undertaking, as existing immediately prior to the demerger of the Chemical Undertaking into the Resultant Company 1 and any reference in any security documents or arrangements to which DCMSR is a party, wherein the assets of the Chemical Undertaking have been or are offered or agreed to be offered as securities for any financial assistance or obligations, shall be construed as a reference to only the assets pertaining to the Chemical Undertaking as are vested in the Resultant Company 1 in accordance with this Scheme, to the end and intent that pursuant to the demerger and vesting of the Chemical Undertaking into the Resultant Company 1, the secured creditors of the Chemical Undertaking shall not be entitled to any additional security over the properties, assets, rights, benefits and interest of DCMSR or Resultant Company 1, and hence such assets which are not currently encumbered shall remain free and available for creation of any security thereon in future in relation to any current or future indebtedness of the Resultant Company 1. In so far as the assets comprised in the Chemical Undertaking are concerned, the encumbrances, if any, over such assets relating to any loans, borrowings or other debts which are not transferred to the Resultant Company 1, pursuant to this Scheme and which shall continue with DCMSR, shall without any act or deed be released from such encumbrance and shall no longer be available as security in relation to such liabilities. For the avoidance of doubt, it is clarified that is so far as the assets comprising the Residual Undertaking and the Rayon Undertaking are concerned, the encumbrance, if any, over such assets relating to the liabilities transferred to Resultant Company 1, without any further act, instrument or deed being required, be released and discharged from the obligations and encumbrances relating to the same. Further, other security holders over the properties of DCMSR pertaining to the Chemical Undertaking (other than the secured creditors of the Chemical Undertaking) shall not be entitled to any security over the properties of DCMSR pertaining to the Residual Undertaking and/or the Rayon Undertaking. For this purpose, sanction of this Scheme by the secured creditors/ security holders shall be considered as a specific consent towards the same.

4.1.4 Any reference in any security documents or arrangements (to which DCMSR is a party) to DCMSR and its assets and properties, which relate to the Chemical Undertaking, shall be construed as a reference to the Resultant Company 1 and the assets and properties of DCMSR transferred to the Resultant Company 1 by virtue of this Scheme. The provisions of this Clause 4.1.4 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 suspended by the foregoing provisions.

4.1.5 It is clarified that if any assets, estate, claim, right, 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 Chemical Undertaking, which DCMSR owns or to which DCMSR is a party and pertains to the Chemical Undertaking and which cannot be transferred to the Resultant Company 1 for any reason whatsoever, DCMSR shall hold such assets or any



contracts, deeds, bonds, agreements, schemes, arrangements or other instruments in trust for the benefit of the Resultant Company 1 to which the Chemical Undertaking is being transferred in terms of the provisions of this Scheme in so far as permissible to do so until such time as the transfer is effected.

4.1.6 It is clarified that in case any refunds, benefits incentives, grants, subsidies, etc., in relation to or in connection with DCMSR, DCMSR if so required by the Resultant Company 1, issue notices in such form as the Resultant Company 1 may deem fit and proper stating that pursuant to the sanction order under Section 230 to 232 of the Act, the relevant refund, benefit, incentive, grant, subsidies, be paid or made good or held on account of the Resultant Company 1, as the person entitled thereto, to the end and intent that the right of DCMSR to recover or realise the same, stands transferred to the Resultant Company 1 and that appropriate entries should be passed in their respective books to record the aforesaid changes.

4.1.7 Without prejudice to the other provisions of the Scheme and notwithstanding the vesting of the Chemical Undertaking to the Resultant Company 1 by virtue of Part IV of the Scheme itself, the Resultant Company 1 may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement in relation to which DCMSR has been a party, including any filings with the regulatory authorities (or any charge related filing) in order to give formal effect to the above provisions and to carry out or perform all such formalities or compliances referred to above on the part of the Chemical Undertaking. The Resultant Company 1 will, if necessary, also be a party to the above. The Resultant Company 1 shall, under the provisions of Part IV of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Chemical Undertaking and to carry out or perform all such formalities or compliances referred to above on the part of the Chemical Undertaking to be carried out or performed.

4.1.8 DCMSR and/or the Resultant Company 1 as the case may be, shall, at any time after this Scheme becoming effective in accordance with the provisions hereof, if so required under any law or otherwise, do all such acts or things as may be necessary to transfer/obtain the approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by DCMSR in relation to the Chemical Undertaking. It is hereby clarified that if the consent of any third party or authority, if any, is required to give effect to the provisions of this Clause, the said third party or authority shall make and duly record the necessary substitution/endorsement in the name of the Resultant Company 1 pursuant to the sanction of this Scheme by the NCLT, and upon this Scheme becoming effective in accordance with the provisions of the Act and with the terms hereof. For this purpose, the Resultant Company 1 shall file appropriate applications/documents with relevant authorities concerned for information and record purposes.

4.1.9 If any assets (including but not limited to any estate, rights, title, interest in or authorities relating to such assets) which DCMSR owns in relation to or in connection with the Chemical Undertaking, any liabilities that pertain to DCMSR and/or any contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature, to which DCMSR is a party in relation to or in connection with the Chemical Undertaking, have not been transferred to the Resultant Company 1, DCMSR, as applicable, shall hold such assets, liabilities and/or contracts, as the case may be, in trust for the benefit of the Resultant Company 1 in so far as it is permissible so to do until the time such assets/liabilities/contracts are duly transferred to the



Resultant Company 1, subject to applicable law. DCMSR and the Resultant Company 1 shall however, between themselves, treat each other as if that all contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Chemical Undertaking had been transferred to the Resultant Company 1 on the Effective Date. DCMSR shall render all necessary assistance to and fully cooperate with, the Resultant Company 1 with respect to such assets, liabilities and/or contracts, deeds bonds, agreements, schemes, arrangements or other instruments of whatsoever nature, to be discharged after the Effective Date. Notwithstanding any such mechanism or arrangement between DCMSR and the Resultant Company 1 pursuant to this Clause 4.1.9, DCMSR shall with respect to the period after the Effective Date: (a) not be responsible for performance of any obligations or for any liabilities whatsoever arising from or in relation to the Chemical Undertaking; and (b) not be entitled to any rights or to receive any benefits whatsoever in relation to the Chemical Undertaking. The economic, financial, technical and operational responsibility and all related cost and expenses (direct and incurred), liabilities and taxes in connection with the Chemical Undertaking, shall rest and be borne entirely and exclusively by the Resultant Company 1 after the Effective Date, Resultant Company 1 shall promptly pay, indemnify and hold harmless DCMSR for and from any such costs, expenses, losses, damages, liabilities and taxes or requirements under the contract(s) after the Effective Date if arising pursuant to the arrangement between DCMSR and the Resultant Company 1 under this Clause 4.1.9.

#### 4.2 Conduct of Business until Effective Date and upon Effectiveness of the Scheme

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

- (i) save as may be governed by any arrangement entered into between DCMSR and the Resultant Company 1, the business of the Chemical Undertaking shall be carried on in ordinary course and in trust by DCMSR for and behalf of the Resultant Company 1.
- (ii) DCMSR shall carry on its business and activities with reasonable diligence and business prudence and in the same manner as it had been doing hitherto and shall not undertake financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or committee, either for itself or on behalf of its subsidiaries or group companies or any third party, or sell, transfer, alienate, charge, mortgage or encumber its properties or assets or any part thereof, save and except in each case in the following circumstances:
  - (a) if the same is in its ordinary course of business; or
  - (b) if the same is expressly permitted by this Scheme; or
  - (c) if prior written consent of the Board of Directors of DCMSR and the Resultant Company 1 has been obtained.
- (iii) Except by mutual consent of the Boards of Directors of DCMSR and the Resultant Company 1, or except pursuant to any prior commitment, obligation or arrangement existing or undertaken by DCMSR and/or the Resultant Company 1 pertaining to the Chemical Undertaking as on the date of filing of this Scheme, or except as contemplated in this Scheme, pending sanction of this Scheme, DCMSR and/or the Resultant Company 1 shall not make any change in their capital structures either by way of any increase (by



issue of equity shares, bonus shares, convertible debentures or otherwise), decrease, reduction, reclassification, sub-division or consolidation, re-organisation or in any other manner, which would have the effect of re-organisation of capital of such company(ies).

(iv) The Resultant Company 1 shall be entitled, pending the sanction of this Scheme, to apply to the appropriate authorities concerned as necessary under applicable law for such consents, approvals and sanctions which the Resultant Company 1 may require to carry on the business of Chemical Undertaking is being transferred and vested in it in terms of this Scheme.

4.2.2. Any claims, liabilities or demands (including in relation to income tax, service tax, tax deducted at source, provident fund and any other tax or statutory obligations) arising out of the activities or operations of the Chemical Undertaking after the Effective Date shall be deemed to be part of the Chemical Undertaking and shall consequently be entirely borne by the Resultant Company 1. In the event that such liability is incurred by or such claim or demand is made upon DCMSR pertaining to the Chemical Undertaking (or any successor thereof), then the Resultant Company 1 shall indemnify DCMSR (or any successor thereof) for any payments made in relation to the same.

4.2.3. The Resultant Company 1 undertakes to engage, upon the Scheme becoming effective, all such employees of DCMSR pertaining to the Chemical Undertaking and who are in the employment of DCMSR as on the Effective Date, on terms and conditions no less favourable than those on which they are engaged by DCMSR, with continuity of service and without any interruption of service as a result of this transfer.

4.2.4. The Resultant Company 1 undertakes to continue to abide by any agreement(s)/settlement(s) entered into with any labour unions/employees by DCMSR in relation to or in connection with the Chemical Undertaking. The Resultant Company 1 agrees that for the purpose of payment of any compensation, gratuity and other terminal benefits, the past services of such employees with DCMSR shall also be taken into account and agrees and undertakes to pay the same as and when payable.

4.2.5. In so far as the existing provident fund, gratuity fund and superannuation fund and/or schemes, leave encashment and any other special scheme or benefits, funds or trusts created or existing for the benefit of such employees of DCMSR pertaining to the Chemical Undertaking, is concerned, such proportion of the investments made in the funds and liabilities which are relatable to the transferred employees as on the Effective Date, shall be transferred to the similar funds, if any, created by the Resultant Company 1 and shall be held for their benefit pursuant to this Scheme, or at the sole discretion of the Resultant Company 1, maintained as separate funds by the Resultant Company 1. In the event, that the Resultant Company 1 does not have its own funds/trusts, in respect of any of the above mentioned funds, the Resultant Company 1 may, to the extent permitted by the contracts or deeds or applicable law governing these funds/trusts and subject to necessary approvals and permissions, continue to contribute to the relevant funds of DCMSR, until such time that the Resultant Company 1 create its own funds or decides not to form its own funds, at which time the funds and the investments and contributions pertaining to the transferred employees, shall be transferred to the funds created by the Resultant Company 1 or to the concerned funds of the relevant appropriate authority (such as of the Employees' Provident Fund Organisation) and other funds as the case may be. Where the Resultant Company 1 decides not to form its own funds, and if certain benefits cannot be provisioned for through the funds of relevant



appropriate authority, these benefits are to be provided in any other legally compliant manner, and the parties shall, at that time, agree on the mode for transfer of the relevant amounts from the appropriate funds of DCMSR.

- 4.2.6. It is the aim and intent of the Scheme that all the rights, duties, powers and obligations of the Chemical Undertaking in relation to such schemes or funds shall become those of the Resultant Company 1. Upon the Scheme becoming effective, the Resultant Company 1 shall stand substituted for the Chemical Undertaking for all purposes whatsoever relating to the obligation to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents.
- 4.2.7. Upon the Scheme becoming effective, the Resultant Company 1 shall carry on and shall be authorised to carry on the business of the Chemical Undertaking.
- 4.2.8. For the purpose of giving effect to the order passed under Chapter XV and other applicable provisions of the Act in respect of this Scheme by the NCLT, the Resultant Company 1 shall, at any time, pursuant to the order on this Scheme, be entitled to get the recordal of the change in the legal right(s) upon the transfer of the Chemical Undertaking, in accordance with the provisions of Chapter XV of the Act. The Resultant Company 1 is and shall always be deemed to have been authorised to execute any pleadings, applications, forms, deeds etc., as may be required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this Scheme, pursuant to the sanction of this Scheme by the NCLT.
- 4.2.9. Upon the Scheme becoming effective, the Resultant Company 1, unconditionally and irrevocably, agrees and undertakes to pay, discharge and satisfy all liabilities and obligations of DCMSR pertaining to the Chemical Undertaking with effect from the Effective Date, in order to give effect to the foregoing provisions.
- 4.2.10. Upon the Scheme becoming effective, all profits accruing to the Chemical Undertaking and all taxes thereof or losses arising or incurred by it relating to the Chemical Undertaking shall, for all purposes be treated as the profits, taxes or losses as the case may be of the Resultant Company 1.
- 4.2.11. Upon the coming into effect of this Scheme, the resolutions, if any, of DCMSR pertaining to the Chemical Undertaking, which are valid and subsisting on the Effective Date shall continue to be valid and subsisting and be considered as resolutions of the Resultant Company 1 and if any such resolutions have upper monetary or other limits being imposed under the provisions of the Act, or any other applicable provisions, then such limits shall be added and shall constitute the aggregate of such limits in the Resultant Company 1.
- 4.2.12. For the avoidance of doubt and without prejudice to the generality of any applicable provisions of this Scheme, in order to ensure the smooth transition and sale of products and inventory of DCMSR manufactured and/or branded and/or labelled and/or packed, in the name of DCMSR, prior to the Effective Date, in so far as they relate to the Chemical Undertaking, the Resultant Company 1 shall have the right to own, use, market, sell, exhaust, or to in any manner deal with, any such products and inventory (including packing material) pertaining to DCMSR, at the manufacturing locations or warehouses or elsewhere, without making any modifications whatsoever to such products and/or their branding, packing or labelling. All invoices/payment related documents pertaining to such products and inventory (including packing material) may be raised in the name of the Resultant Company 1 after the Effective Date.



#### 4.3 Consideration

4.3.1 Upon this Scheme coming into effect and upon vesting of the Chemical Undertaking in the Resultant Company 1, DCMSR shall provide to the Resultant Company 1, the list of equity shareholders of DCMSR as on the Record Date, who are entitled to receive fully paid-up equity shares, in the Resultant Company 1, in terms of this Scheme.

4.3.2 Upon this Scheme coming into effect, the shareholders of DCMSR as of the Record Date shall be entitled to receive equity shares of the Resultant Company 1 as detailed in this Clause 4.3.

4.3.3 The Boards of Directors of DCMSR and the Resultant Company 1 have determined to issue equity shares, on a fully diluted basis, to the shareholders of DCMSR, based on price arrived at per the share entitlement ratio report dated 14 November 2023, prepared by Mr. Mukesh Chand Jain, Registered Valuer (registration number: IBBI/RV/05/2020/13666) and TRC Corporate Consulting Private Limited (CIN - U74140DL1999PTC101355). Upon this Scheme coming into effect the Resultant Company 1 shall, without any further act or deed, issue and allot to the shareholders of DCMSR whose name is recorded in the register of members of DCMSR on the Record Date, equity shares of the Resultant Company 1 in the ratio of 1:1 i.e., 1 (one) fully paid-up equity share having a face value of Rs. 2 each of the Resultant Company 1 for every 1 (one) fully paid-up equity share having a face value of Rs. 2 each of DCMSR, each equity share being fully paid-up.

4.3.4 DCMSR had engaged: (a) Mr. Mukesh Chand Jain (registration number: IBBI/RV/05/2020/13666), and TRC Corporate Consulting Private Limited (CIN - U74140DL1999PTC101355) to provide a share entitlement ratio report; and (b) Centrum Capital Limited, merchant bankers, to provide a fairness opinion. In connection with such engagement, Mr. Mukesh Chand Jain, Registered Valuer (registration number: IBBI/RV/05/2020/13666) and TRC Corporate Consulting Private Limited (CIN - U74140DL1999PTC101355) have issued a share entitlement ratio report dated 14 November 2023, and Centrum Capital Limited has issued a fairness opinion dated 14 November 2023.

#### 4.4 Issuance mechanics and other provisions

4.4.1 The equity shares to be issued and allotted by the Resultant Company 1 in terms of Clause 4.3 of Part IV of this Scheme shall be subject to the provisions of the memorandum of association and the articles of association of the Resultant Company 1 and shall rank *pari passu* in all respects with the existing equity shares (if any) of the Resultant Company 1, including with respect to dividend, bonus entitlement, right shares' entitlement, voting rights and other corporate benefits.

4.4.2 The new equity shares to be issued pursuant to Clause 4.3.3 shall be mandatorily issued in dematerialised form by the Resultant Company 1, and the shareholders of the Resultant Company 1 shall be required to have an account with a depository participant and shall be required to provide the details thereof and such other confirmations as may be required at least 7 (seven) days before the Record Date, to the Resultant Company 1 and/or its Registrar. Any shareholder who holds shares of the Resultant Company 1 in physical form shall also receive the new equity shares in dematerialized form, provided that details of their account with the depository participant are intimated in writing to the Resultant Company 1 and/or its Registrar. In the event any shareholder has not provided the requisite details relating to his/her(s)/its accounts with a depository



participant or other information/confirmations as may be required or if the details furnished by any shareholder do not permit electronic credit of the equity shares, of the Resultant Company 1, then the Resultant Company 1 shall keep such equity shares in abeyance / escrow account / suspense account/ with a trustee nominated by the Board of Directors the Resultant Company 1 for the benefit of such shareholders or shall be dealt with as provided under the applicable law, and shall credit the same to the respective depository participant account of such shareholder as and when the correct details of such shareholder's account with the depository participant are intimated in writing to the Resultant Company 1 and/or its Registrar, as permitted under applicable law.

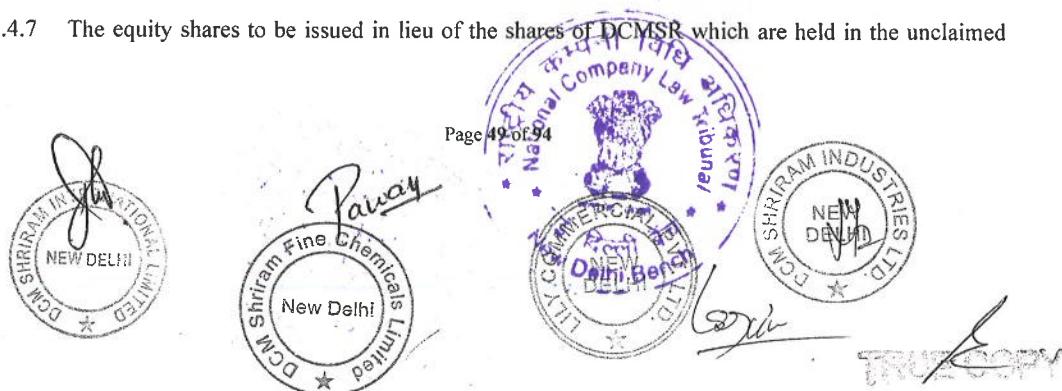
4.4.3 For the purpose of the allotment of the Resultant Company 1 New Equity Shares, pursuant to this Scheme, in case any shareholder's holding in DCMSR is such that the shareholder becomes entitled to a fraction of a share of the Resultant Company 1, the Resultant Company 1 shall not issue fractional shares to such shareholder and shall consolidate all such fractions and round up the aggregate of such fractions to the next whole number and issue consolidated Resultant Company 1 New Equity Shares to a trustee (nominated by the Resultant Company 1 in that behalf) in dematerialised form, who shall hold such shares, with all additions or accretions thereto, in trust for the benefit of the respective shareholders to whom they belong for the specific purpose of selling such shares in the market at such price or prices and at any time within a period of 90 (ninety) days from the date of allotment of the Resultant Company 1 New Equity Shares and distribute the net sale proceeds (after deduction of the expenses incurred and applicable income tax) to the respective shareholders in the same proportion of their fractional entitlements. Any fractional entitlements from such net proceeds shall be rounded off to the next Rupee. It is clarified that any such distribution shall take place only on the sale of all the fractional shares of the Resultant Company 1 pertaining to the fractional entitlements.

4.4.4 For the purpose of allotment of equity shares of the Resultant Company 1 pursuant to Clauses 4.3 and 4.4, any equity shares of DCMSR which are held in abeyance under the provisions of Section 126 of the Act or otherwise shall pending allotment or settlement of dispute by order of court or otherwise, be held in abeyance by the Resultant Company 1 or shall be dealt with as provided under the applicable law.

4.4.5 On the approval of the Scheme by the members of the Resultant Company 1 pursuant to Section 232 of the Act, it shall be deemed that the members have accorded their consent under Section 62 of the Act, or any other applicable provision of the law as may be applicable. The Resultant Company 1 shall, if and to the extent required, apply for and obtain any approvals from the concerned regulatory authorities, including SEBI and the Stock Exchanges, for the issue and allotment by the Resultant Company 1 of its equity shares to the members of DCMSR, pursuant to this Scheme.

4.4.6 In the event of there being any pending and valid share transfers, whether lodged or outstanding, of any shareholder of DCMSR, the Board of Directors, or any committee thereof, of DCMSR shall be empowered in appropriate cases, even subsequent to the Record Date, as the case may be, to effectuate such a transfer in DCMSR, as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to DCMSR or Resultant Company 1, as the case may be, in respect of such shares in relation to the shares issued by the Resultant Company 1 after this Scheme comes into effect.

4.4.7 The equity shares to be issued in lieu of the shares of DCMSR which are held in the unclaimed



suspense account or the Investor Education and Protection Fund Account linked to DCMSR shall be issued to a new unclaimed suspense account/ new Investor Education and Protection Fund Account (as the case may be) created for the shareholders of the Resultant Company 1.

#### 4.5 Listing of equity shares of the Resultant Company 1

- 4.5.1 All equity shares of the Resultant Company 1 issued pursuant to Clause 4.3 and in terms of this Scheme and SEBI Circular or otherwise shall, subject to the execution of the listing agreement and payment of the appropriate fees, be listed on the Stock Exchanges, and/or admitted to trading, if any, as may be decided by the Board of Directors of the Resultant Company 1. The Resultant Company 1 shall apply to all the Stock Exchanges (where the shares of DCMSR are listed) and SEBI, if required, for listing and admission of all the equity shares of the Resultant Company 1 issued pursuant to Clause 4.3. The Resultant Company 1 shall enter into such arrangements, complete such formalities and give undertakings, if any, to the Stock Exchanges as may be necessary in accordance with the applicable laws for listing of equity shares of the Resultant Company 1.
- 4.5.2 Subject to any dispensation granted by SEBI and/or the Stock Exchanges, the equity shares allotted pursuant to Clause 4.3 of the Scheme by the Resultant Company 1 shall remain frozen in the depositories system until permission for listing/trading is granted by the Stock Exchanges.
- 4.5.3 Until such time as the equity shares of the Resultant Company 1 are listed on the Stock Exchanges, except as provided in the Scheme, there shall be no change in the shareholding pattern or control of or pre-arrangement capital structure of the Resultant Company 1.

#### 4.6 Cancellation of equity shares of the Resultant Company 1 held by DCMSR

Notwithstanding anything to the contrary contained in this Scheme, upon this Scheme becoming effective, the equity shares of the Resultant Company 1 held by DCMSR and its nominees (investment) will stand cancelled on or after the Effective Date by operation of law, without payment of any consideration or any further act or deed by either of DCMSR and the Resultant Company 1. Accordingly, the changes to the equity share capital of the Resultant Company 1 will automatically be effected as an integral part of this Scheme, without any further act or deed on the part of the Resultant Company 1 and without having to separately follow any provisions of the Act. The consent of the stakeholders of the Resultant Company 1 to this Scheme shall be deemed to be sufficient for the purposes of effecting such changes to its equity share capital, and no further resolution or action under the provisions of the Act would be required to be separately passed or taken. The order of the NCLT sanctioning this Scheme is deemed to also be the order passed by the NCLT under Section 66 and other relevant provisions of the Act for the purpose of confirming such changes to the equity share capital of the Resultant Company 1. It is clarified that with regard to the cancellation of equity share capital as a consequence of the demerger of the Chemical Undertaking of DCMSR into the Resultant Company 1, pursuant to Section 230 of the Act, the provisions of Section 66 of the Act shall not apply to any consequential cancellation of share capital effected in pursuance of this Scheme.

#### 4.7 Accounting

##### 4.7.1 Accounting treatment in the books of DCMSR



Upon Part IV of this Scheme coming into effect on the Effective Date and with effect from the Appointed Date, DCMSR shall account for the demerger and vesting of the Chemical Undertaking with the Resultant Company 1 in its books of accounts in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, as notified under the Companies (Indian Accounting Standard) Rules, 2015 (as amended) and other generally accepted accounting principles in the following manner:

- (i) The respective carrying values of the assets, liabilities and reserves of the Chemical Undertaking, as at the close of business on the day immediately preceding the Appointed Date, shall be reduced from the books of accounts of DCMSR;
- (ii) The investment of DCMSR in the Resultant Company 1 as appearing in its books of accounts shall be cancelled; and
- (iii) The difference of the above, shall be recorded in the books of the DCMSR as capital reserve (if credit) and should be presented separately from other capital reserves, or revenue reserves (if debit) and if there are no reserves or inadequate reserves, to an amalgamation deficit reserve (if debit), with disclosure of its nature and purpose in the notes to the financial statements.

The Board of Directors of DCMSR is authorised to account for any of the matters not dealt with in this Clause 4.7.1 in accordance with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 (as amended).

#### 4.7.2 Accounting treatment in the books of Resultant Company 1

Upon Part IV of this Scheme coming into effect on the Effective Date and with effect from the Appointed Date, the Resultant Company 1 shall account for the demerger and vesting of the Chemical Undertaking with the Resultant Company 1 in its books of accounts in accordance with 'Pooling of Interest Method' prescribed in 'Appendix C' 'Business combinations of entities under common control' of the Indian Accounting Standard (Ind AS) 103 for Business Combinations notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended), and other generally accepted accounting principles in the following manner:

- (i) All the assets, liabilities and reserves pertaining to the Chemical Undertaking, appearing in the books of the DCMSR, shall stand transferred to, and the same shall be recorded by, the Resultant Company 1 at their respective carrying amount and in the same form and manner as appearing in the books of accounts of the DCMSR;
- (ii) The Resultant Company 1 shall credit to its share capital account, the aggregate face value of the equity shares of the Resultant Company 1, issued to the shareholders of DCMSR;
- (iii) The difference between the consideration paid by way of issue of equity shares at face value and assets and liabilities including reserves transferred by DCMSR and cancellation of investments in accordance with Clause 4.7 shall be recorded as capital reserve (if credit) and should be presented separately from other capital reserves, or revenue reserves (if debit) and if there are no reserves or inadequate reserves, to an amalgamation deficit



reserve (if debit), with disclosure of its nature and purpose in the notes to the financial statements;

- (iv) Resultant Company 1 shall restate comparative information from the beginning of the comparative period presented or date of incorporation of Resultant Company 1, whichever is later; and
- (v) In case of any differences in accounting policies between DCMSR and Resultant Company 1, the accounting policies followed by DCMSR shall prevail to ensure that the financial statements reflect the financial position on the basis of consistent accounting policies. Further any adjustments may be made to harmonise the accounting policies of the Resultant Company 1 with DCMSR.

The Board of Directors of the Resultant Company 1 is authorised to account for any of the matters not dealt with in clauses herein above in accordance with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 (as amended).



## PART-V

## 5. DEMERGER OF THE RAYON UNDERTAKING

## 5.1 Transfer and vesting of the Rayon Undertaking from DCMSR to the Resultant Company 2

5.1.1 With effect from the Appointed Date and upon this Scheme becoming effective, all the assets and liabilities and the entire business of the Rayon Undertaking of DCMSR, shall stand transferred to and vest in the Resultant Company 2, as a going concern, without any further act or deed, and shall be demerged from DCMSR together with all its properties, assets, rights, benefits and interest therein, subject to and in accordance with the provisions of this Scheme, Chapter XV of the Act and all applicable provisions of law, if any, and related provisions contained in various other taxation laws in force in India on the Effective Date, including without limitation in relation to goods and services tax, customs duty, excise duty, CENVAT credit or value added tax. In addition, for the avoidance of doubt, with effect from the Appointed Date, the Chemical Undertaking and all the assets, liabilities and obligations pertaining thereto shall belong to and be vested in and be managed by the Resultant Company 1 and the Residual Undertaking and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by DCMSR.

5.1.2 Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, upon this Scheme becoming effective and with effect from the Appointed Date:

- (i) All assets of DCMSR pertaining to the Rayon Undertaking, that are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery or by vesting and recordal of whatsoever nature including plant, machinery and equipments, pursuant to this Scheme, shall stand transferred to and vested in and/or be deemed to be transferred to and vested in the Resultant Company 2 wherever located and shall become the property and an integral part of the Resultant Company 2. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.
- (ii) All other movable properties of DCMSR pertaining to the Rayon Undertaking, including tax refunds with the government as applicable, investments in shares and any other securities, sundry debtors, future receivables, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with government, semi-government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, become the property of the Resultant Company 2, and the same shall also be deemed to have been transferred by way of delivery of possession of the respective documents in this regard. It is hereby clarified that investments, if any, made by DCMSR and pertaining to the Rayon Undertaking and all the rights, title and interest of DCMSR pertaining to the Rayon Undertaking in any leasehold properties shall, pursuant to Section 232 of the Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in and/or be deemed to have been transferred to and vested in the Resultant Company 2, and/or be deemed to be demerged from DCMSR and transferred to and vested in the Resultant Company 2, on the Appointed Date pursuant to the provisions of Section 232 of the Act.

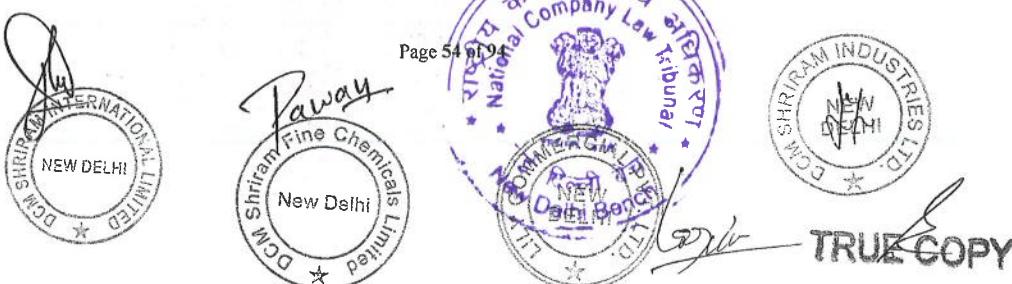


(iii) All immovable properties of DCMSR and pertaining to the Rayon Undertaking, if any, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of DCMSR and pertaining to the Rayon Undertaking, whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto, shall be vested in and/or be deemed to have been vested in the Resultant Company 2, without any further act or deed done or being required to be done by DCMSR and/or the Resultant Company 2. The Resultant Company 2 shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties, if any, and shall be liable to pay the ground rent and taxes and fulfil all obligations in relation to or applicable to such immovable properties. The mutation or substitution of the title to the immovable properties, if any, shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Resultant Company 2 by the appropriate authorities pursuant to the sanction of this Scheme by the NCLT and upon the Scheme becoming effective in accordance with the terms hereof, without any further act or deed to be done or executed by DCMSR and/or the Resultant Company 2. It is clarified that the Resultant Company 2 shall be entitled to engage in such correspondence and make such representations, as may be necessary, for the purposes of the aforesaid mutation and/or substitution.

Notwithstanding any provision to the contrary, from the Effective Date and until the owned property, leasehold property and related rights thereto, license/right to use the immovable property, tenancy rights, liberties and special status are transferred, vested, recorded, vested and/or perfected, in the records of the appropriate authority, in favour of the Resultant Company 2, the Resultant Company 2 is deemed to be authorised to carry on business, in the name and style of DCMSR under the relevant agreement, deed, lease and/or licenses, as the case may be, and the Resultant Company 2 shall keep a record and/or account of such transactions.

(iv) All the security interest over any moveable and/or immoveable properties and security in any other form (both present and future) including but not limited to any pledges, or guarantees, if any, created/executed by any person in favour of DCMSR for the purposes of the Rayon Undertaking or any other person acting on behalf of or for the benefit of DCMSR pertaining to the Rayon Undertaking for securing the obligations of the persons to whom DCMSR has advanced loans and granted other funded and non-funded financial assistance, pertaining to the Rayon Undertaking by way of letter of comfort or through other similar instruments shall pursuant to the provisions of Section 232 of the Act and without any further act, instrument or deed stand vested in and be deemed to be in favour of the Resultant Company 2 and the benefit of such security shall be available to the Resultant Company 2 as if such security was ab initio created in favour of the Resultant Company 2. The mutation or substitution of the charge in relation to the movable and immovable properties of DCMSR pertaining to the Rayon Undertaking shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Resultant Company 2 by the appropriate authorities and third parties (including any depository participants) pursuant to the sanction of this Scheme by the NCLT and upon the Scheme becoming effective in accordance with the terms hereof.

(v) All debts, liabilities, borrowings, bills payable, interest accrued and all other duties, liabilities, undertakings and obligations of the Rayon Undertaking, contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not in the books of account or disclosed in the balance sheets of DCMSR pertaining to the Rayon Undertaking shall be deemed to be the debts, liabilities, contingent liabilities,



duties and obligations of the Resultant Company 2, and the Resultant Company 2 shall, and undertakes to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause.

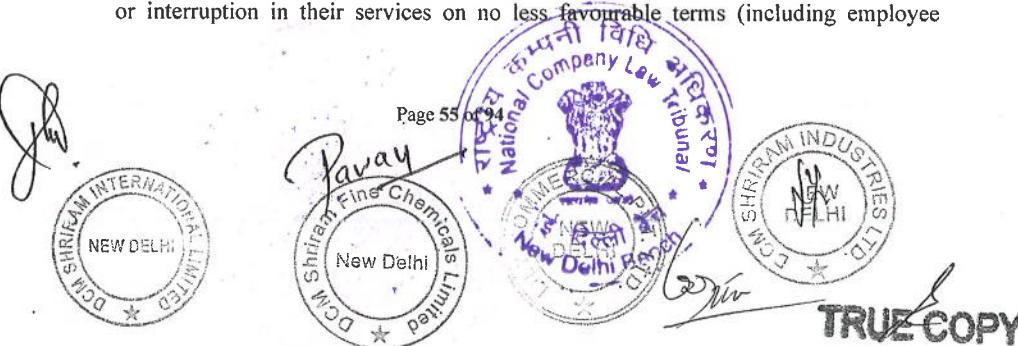
(vi) All contracts, deeds, bonds agreements, schemes, arrangements and other instruments permits, rights, entitlements, licenses (including the licenses granted by any governmental, statutory or regulatory bodies and as more particularly set out in Schedule 4) for the purpose of carrying on the business of DCMSR pertaining to the Rayon Undertaking and in relation thereto and those relating to tenancies, privileges, powers, pledge, facilities of every kind and description of whatsoever nature in relation to DCMSR pertaining to the Rayon Undertaking, or to the benefit of which, the Rayon Undertaking may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be and remain in full force and effect on, against or in favour of the Resultant Company 2 and may be enforced as fully and effectually as if, instead of DCMSR and pertaining to the Rayon Undertaking, the Resultant Company 2 had been a party or beneficiary or obligor thereto. In relation to the same, any procedural requirements required to be fulfilled solely by DCMSR (and not by any of its successors), shall be fulfilled by the Resultant Company 2 as if it is the duly constituted attorney of DCMSR.

The Resultant Company 2 may at its sole discretion enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which DCMSR shall, if necessary, also be a party in order to give formal effect to the provisions of this Scheme. The Resultant Company 2 shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of DCMSR for the Rayon Undertaking and to implement or carry out all formalities required to give effect to the provisions of this Scheme.

(vii) Any pending suits/appeals, all legal, taxation or other proceedings including before any statutory or quasi-judicial authority or tribunal or other proceedings of whatsoever nature relating to DCMSR and pertaining to the Rayon Undertaking, whether by or against DCMSR, whether pending on the Appointed Date or which may be instituted any time in the future and in each case relating to the Rayon Undertaking shall not abate, be discontinued or in any way prejudicially affected by reason of the demerger of the Rayon Undertaking or of anything contained in this Scheme, but the proceedings shall continue and any prosecution shall be enforced by or against the Resultant Company 2 after the Effective Date. The Resultant Company 2 shall, after the Effective Date, be replaced as party to such proceedings and shall prosecute or defend such proceedings in co-operation with DCMSR in the same manner and to the same extent as would or might have been continued, prosecuted and/or enforced by or against DCMSR, as if this Scheme had not been implemented.

(viii) All cheques and other negotiable instruments, payment orders received and presented for encashment which are in the name of DCMSR and pertaining to the Rayon Undertaking after the Effective Date, shall be accepted by DCMSR and promptly transferred to the accounts of the Resultant Company 2.

(ix) All employees of DCMSR pertaining to the Rayon Undertaking who are on its payrolls shall become the employees of the Resultant Company 2 without any break or interruption in their services on no less favourable terms (including employee



benefits such as provident fund, leave encashment and any other retiral benefits) as applicable to such employees with DCMSR and in accordance with applicable law. The Resultant Company 2 further agrees that for the purpose of payment of any retirement benefit/compensation, incentive contractual and statutory benefit, incentive plans, terminal benefits, such immediate uninterrupted past services with DCMSR, shall also be taken into account and accordingly, shall be reckoned from the date of their appointment with DCMSR. In order to give effect to this provision and to carry out or perform all formalities or compliances, DCMSR and or the Resultant Company 2, as the case may be, shall do all such acts and deeds as may be necessary, or execute such contracts, agreements, deeds or other instruments or obtain necessary approvals, permits, rights and entitlements.

- (x) All intellectual property and rights thereto, whether registered or unregistered, along with all rights of commercial nature including registrations, goodwill and licenses, trademarks, service marks, copyrights, domain names, applications for copyrights, trade names and trade-marks, of DCMSR appertaining to the Rayon Undertaking, as more particularly set out at **Schedule 6**, shall be transferred to the Resultant Company 2. It is clarified that notwithstanding the transfer of the intellectual property as contemplated herein, both DCMSR and the Resultant Company 2 shall be entitled to use the common logos as specified in **Schedule 6**, whether as part of the corporate names (including with respect to any subsidiaries, joint ventures, associate companies, etc.), logos, brand names, trademarks, products, programmes or services, in present or future. DCMSR and the Resultant Company 2 may, if required, enter into appropriate arrangements, in respect of the use of license, for no charge by DCMSR, of the intellectual property that is transferred to the Resultant Company 2 under this Scheme or vice versa for such transition period or on a long term basis as the respective Board of Directors of DCMSR and the Resultant Company 2 deem fit.
- (xi) All taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax, fringe benefit tax, securities transaction tax, self-assessment tax, taxes withheld/paid in a foreign country, value added tax, sales tax, service tax, stamp duty, goods and services tax etc.) including any interest, penalty, surcharge and cess, if any, payable by or refundable to DCMSR relatable to the Rayon Undertaking, including all or any refunds or claims shall be treated as the tax liability or refunds/claims, as the case may be, of the Resultant Company 2 and any tax incentives, advantages, privileges, exemptions, credits, holidays, remissions, reductions etc., as would have been available to the Rayon Undertaking, shall pursuant to this Scheme becoming effective, be available to the Resultant Company 2.
- (xii) All approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any governmental, statutory or regulatory bodies for the purpose of carrying on its business, including as set out in **Schedule 4**, or in connection therewith) and certificates of every kind and description whatsoever held by DCMSR in relation to the Rayon Undertaking, or to the benefit of which the Rayon Undertaking may be eligible/entitled and which are subsisting or having effect immediately before the Effective Date shall be in full force and effect in favour of the Resultant Company 2 and may be enforced as fully and effectually as if, instead of the Rayon Undertaking, the Resultant Company 2 had been a party or beneficiary or obligor thereto. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall make and duly record the necessary substitution/endorsement in the name of the Resultant Company 2 pursuant to the sanction of this Scheme by the NCLT and upon this



Scheme becoming effective in accordance with the terms hereof. For this purpose, the Resultant Company 2 shall file appropriate applications/documents with relevant authorities concerned for information and record purposes. It is further clarified that until the licenses, permits, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes, special statuses are transferred, vested, recorded, effected, and/or perfected, in the record of the appropriate authority, in favour of the Resultant Company 2, the Resultant Company 2 shall be authorised to carry on business in the name and style of DCMSR, in relation to or in connection with the Rayon Undertaking, and under the relevant license and/or permit and/or approval, as the case may be.

- (xiii) Benefits of any and all corporate approvals as may have already been taken by DCMSR in relation to the Rayon Undertaking, whether being in the nature of compliances or otherwise, including without limitation approvals under Sections 42, 62, 180, 185, 186, 188, 197, 198 etc., of the Act, read with the rules and regulations made thereunder, shall stand transferred to the Resultant Company 2 and the said corporate approvals and compliances shall be deemed to have been taken/complied with by the Resultant Company 2, by virtue of approval of this Scheme. Further, benefits of any and all corporate approvals as may have already been taken by DCMSR in relation to appointment and payment of remuneration to the directors, key managerial personnel or for the purpose of such related party transactions; which are being transferred to the Resultant Company 2 as a part of Rayon Undertaking, shall stand transferred to the Resultant Company 2 and the said corporate approvals and compliances shall be deemed to have been taken/complied with by the Resultant Company 2, by virtue of approval of this Scheme.
- (xiv) All estates, assets, rights, title, interests and authorities accrued to and/or acquired by the Rayon Undertaking shall be deemed to have been accrued to and/or acquired for and on behalf of the Resultant Company 2 and shall, upon this Scheme coming into effect, pursuant to the provisions of Section 232 and other applicable provisions of the Act, without any further act, instrument or deed be and stand transferred to or vested in and/or be deemed to have been transferred to or vested in the Resultant Company 2 to that extent and shall become the estates, assets, right, title, interests and authorities of the Resultant Company 2.
- (xv) All bank accounts operated or entitled to be operated by DCMSR relating to the Rayon Undertaking shall be deemed to have transferred and shall stand transferred to the Resultant Company 2, and name of DCMSR to the Rayon Undertaking, shall be substituted by the name of the Resultant Company 2, respectively, in the bank's records.

All the property, assets and liabilities of the Rayon Undertaking shall be transferred by DCMSR to the Resultant Company 2 at the values appearing in the books of account of DCMSR at the close of business of the day immediately preceding the Appointed Date.

- 5.1.3 Upon this Scheme becoming effective, the secured creditors of DCMSR pertaining to the Rayon Undertaking shall be entitled to security only in respect of the properties, assets, rights, benefits and interest of the Rayon Undertaking, as existing immediately prior to the demerger of the Rayon Undertaking into the Resultant Company 2 and any reference in any security documents or arrangements to which DCMSR is a party, wherein the assets of the Rayon Undertaking have been or are offered or agreed to be offered as securities for any financial assistance or obligations, shall be construed as a reference to only the assets



pertaining to the Rayon Undertaking as are vested in the Resultant Company 2 in accordance with this Scheme, to the end and intent that pursuant to the demerger and vesting of the Rayon Undertaking into the Resultant Company 2, the secured creditors of the Rayon Undertaking shall not be entitled to any additional security over the properties, assets, rights, benefits and interest of DCMSR or the Resultant Company 2, and hence such assets which are not currently encumbered shall remain free and available for creation of any security thereon in future in relation to any current or future indebtedness of the Resultant Company 2. In so far as the assets comprised in the Rayon Undertaking are concerned, the encumbrances, if any, over such assets relating to any loans, borrowings or other debts which are not transferred to the Resultant Company 2, pursuant to this Scheme and which shall continue with DCMSR, shall without any act or deed be released from such encumbrance and shall no longer be available as security in relation to such liabilities. For the avoidance of doubt, it is clarified that is so far as the assets comprising the Residual Undertaking and the Chemical Undertaking are concerned, the encumbrance, if any, over such assets relating to the liabilities transferred to Resultant Company 2, without any further act, instrument or deed being required, be released and discharged from the obligations and encumbrances relating to the same. Further, other security holders over the properties of DCMSR pertaining to the Rayon Undertaking (other than the secured creditors of the Rayon Undertaking) shall not be entitled to any security over the properties of DCMSR pertaining to the Residual Undertaking and/or the Chemical Undertaking. For this purpose, sanction of this Scheme by the secured creditors/ security holders shall be considered as a specific consent towards the same.

- 5.1.4 Any reference in any security documents or arrangements (to which DCMSR is a party) to DCMSR and its assets and properties, which relate to the Rayon Undertaking, shall be construed as a reference to the Resultant Company 2 and the assets and properties of DCMSR transferred to the Resultant Company 2 by virtue of this Scheme. The provisions of this Clause 5.1.4 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 suspended by the foregoing provisions.
- 5.1.5 It is clarified that if any assets, estate, claim, right, 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 Rayon Undertaking, which DCMSR owns or to which DCMSR is a party and pertains to the Rayon Undertaking and which cannot be transferred to the Resultant Company 2 for any reason whatsoever, DCMSR shall hold such assets or any contracts, deeds, bonds, agreements, schemes, arrangements or other instruments in trust for the benefit of the Resultant Company 2 to which the Rayon Undertaking is being transferred in terms of the provisions of this Scheme in so far as permissible to do so until such as time as the transfer is effected.
- 5.1.6 It is clarified that in case any refunds, benefits incentives, grants, subsidies, etc., in relation to or in connection with DCMSR, DCMSR if so required by the Resultant Company 2, issue notices in such form as the Resultant Company 2 may deem fit and proper stating that pursuant to the sanction order under Section 230 to 232 of the Act, the relevant refund, benefit, incentive, grant, subsidies, be paid or made good or held on account of the Resultant Company 1, as the person entitled thereto, to the end and intent that the right of DCMSR to recover or realise the same, stands transferred to the Resultant Company 2 and that appropriate entries should be passed in their respective books to record the aforesaid changes.
- 5.1.7 Without prejudice to the other provisions of the Scheme and notwithstanding the vesting



of the Rayon Undertaking to the Resultant Company 2 by virtue of Part V of the Scheme itself, the Resultant Company 2 may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement in relation to which DCMSR has been a party, including any filings with the regulatory authorities (or any charge related filing) in order to give formal effect to the above provisions and to carry out or perform all such formalities or compliances referred to above on the part of the Rayon Undertaking. The Resultant Company 2 will, if necessary, also be a party to the above. The Resultant Company 2 shall, under the provisions of Part V of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Rayon Undertaking and to carry out or perform all such formalities or compliances referred to above on the part of the Rayon Undertaking to be carried out or performed.

5.1.8 DCMSR and/or the Resultant Company 2 as the case may be, shall, at any time after this Scheme becoming effective in accordance with the provisions hereof, if so required under any law or otherwise, do all such acts or things as may be necessary to transfer/obtain the approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by DCMSR in relation to the Rayon Undertaking. It is hereby clarified that if the consent of any third party or authority, if any, is required to give effect to the provisions of this Clause, the said third party or authority shall make and duly record the necessary substitution/endorsement in the name of the Resultant Company 2 pursuant to the sanction of this Scheme by the NCLT, and upon this Scheme becoming effective in accordance with the provisions of the Act and with the terms hereof. For this purpose, the Resultant Company 2 shall file appropriate applications/documents with relevant authorities concerned for information and record purposes.

5.1.9 If any assets (including but not limited to any estate, rights, title, interest in or authorities relating to such assets) which DCMSR owns in relation to or in connecting with the Rayon Undertaking, any liabilities that pertain to DCMSR and/or any contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature, to which DCMSR is a party in relation to or in connection with the Rayon Undertaking, have not been transferred to the Resultant Company 2, DCMSR, as applicable, shall hold such assets, liabilities and/or contracts, as the case may be, in trust for the benefit of the Resultant Company 2 in so far as it is permissible so to do until the time such assets/liabilities/contracts are duly transferred to the Resultant Company 2, subject to applicable law. DCMSR and the Resultant Company 2 shall however, between themselves, treat each other as if that all contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Rayon Undertaking had been transferred to the Resultant Company 2 on the Effective Date. DCMSR shall render all necessary assistance to and fully cooperate with, the Resultant Company 2 with respect to such assets, liabilities and/or contracts, deeds bonds, agreements, schemes, arrangements or other instruments of whatsoever nature, to be discharged after the Effective Date. Notwithstanding any such mechanism or arrangement between DCMSR and the Resultant Company 2 pursuant to this Clause 5.1.9, DCMSR shall with respect to the period after the Effective Date: (a) not be responsible for performance of any obligations or for any liabilities whatsoever arising from or in relation to the Rayon Undertaking; and (b) not be entitled to any rights or to receive any benefits whatsoever in relation to the Rayon Undertaking. The economic, financial, technical and operational responsibility and all related cost and expenses (direct and incurred), liabilities and taxes in connection with the Rayon Undertaking, shall rest and be borne entirely and exclusively by the Resultant Company 2 after the Effective Date, Resultant Company 2 shall promptly pay, indemnify



and hold harmless DCMSR for and from any such costs, expenses, losses, damages, liabilities and taxes or requirements under the contract(s) after the Effective Date if arising pursuant to the arrangement between DCMSR and the Resultant Company 2 under this Clause 5.1.9.

## 5.2 Conduct of Business until Effective Date and upon Effectiveness of the Scheme

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

- (i) save as may be governed by any arrangement entered into between DCMSR and the Resultant Company 2, the business of the Rayon Undertaking shall be carried on in ordinary course and in trust by DCMSR for and behalf of the Resultant Company 2.
- (ii) DCMSR shall carry on its business and activities with reasonable diligence and business prudence and in the same manner as it had been doing hitherto and shall not undertake financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or committee, either for itself or on behalf of its subsidiaries or group companies or any third party, or sell, transfer, alienate, charge, mortgage or encumber its properties or assets or any part thereof, save and except in each case in the following circumstances:
  - (a) if the same is in its ordinary course of business; or
  - (b) if the same is expressly permitted by this Scheme; or
  - (c) if prior written consent of the Board of Directors of DCMSR has been obtained.
- (iii) Except by mutual consent of the Boards of Directors of DCMSR and the Resultant Company 2, or except pursuant to any prior commitment, obligation or arrangement existing or undertaken by DCMSR and/or the Resultant Company 2 pertaining to the Rayon Undertaking as on the date of filing of this Scheme, or except as contemplated in this Scheme, pending sanction of this Scheme, DCMSR and/or the Resultant Company 2 shall not make any change in their capital structures either by way of any increase (by issue of equity shares, bonus shares, convertible debentures or otherwise), decrease, reduction, reclassification, sub-division or consolidation, re-organisation or in any other manner, which would have the effect of re-organisation of capital of such company(ies).
- (iv) The Resultant Company 2 shall be entitled, pending the sanction of this Scheme, to apply to the appropriate authorities concerned as necessary under applicable law for such consents, approvals and sanctions which the Resultant Company 2 may require to carry on the business of Rayon Undertaking is being transferred and vested in it in terms of this Scheme.

5.2.2. Any claims, liabilities or demands (including in relation to income tax, service tax, tax deducted at source, provident fund and any other tax or statutory obligations) arising out of the activities or operations of the Rayon Undertaking after the Effective Date shall be deemed to be part of the Rayon Undertaking and shall consequently be entirely borne by the Resultant Company 2. In the event that such liability is incurred by or such claim or demand is made upon DCMSR pertaining to the Rayon Undertaking (or any successor thereof), then the Resultant Company 2 shall indemnify DCMSR (or any successor thereof) for any payments made in relation to the same.



5.2.3 The Resultant Company 2 undertakes to engage, upon the Scheme becoming effective, all such employees of DCMSR pertaining to the Rayon Undertaking and who are in the employment of DCMSR as on the Effective Date, on terms and conditions no less favorable than those on which they are engaged by DCMSR, with continuity of service and without any interruption of service as a result of this transfer.

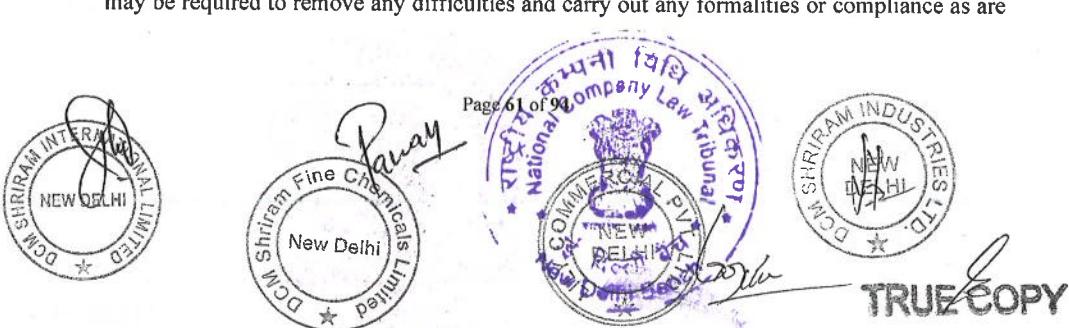
5.2.4 The Resultant Company 2 undertakes to continue to abide by any agreement(s)/settlement(s) entered into with any labour unions/employees by DCMSR in relation to or in connection with the Rayon Undertaking. The Resultant Company 2 agrees that for the purpose of payment of any compensation, gratuity and other terminal benefits, the past services of such employees with DCMSR shall also be taken into account and agrees and undertakes to pay the same as and when payable.

5.2.5 In so far as the existing provident fund, gratuity fund and superannuation fund and/or schemes, leave encashment and any other special scheme or benefits, funds or trusts created or existing for the benefit of such employees of DCMSR pertaining to the Rayon Undertaking, is concerned, such proportion of the investments made in the funds and liabilities which are relatable to the transferred employees as on the Effective Date, shall be transferred to the similar funds, if any, created by the Resultant Company 2 and shall be held for their benefit pursuant to this Scheme, or at the sole discretion of the Resultant Company 2, maintained as separate funds by the Resultant Company 2. In the event, that the Resultant Company 2 does not have its own funds/trusts, in respect of any of the above mentioned funds, the Resultant Company 2 may, to the extent permitted by the contracts or deeds or applicable law governing these funds/trusts and subject to necessary approvals and permissions, continue to contribute to the relevant funds of DCMSR, until such time that the Resultant Company 2 create its own funds or decides not to form its own funds, at which time the funds and the investments and contributions pertaining to the transferred employees, shall be transferred to the funds created by the Resultant Company 2 or to the concerned funds of the relevant appropriate authority (such as of the Employees' Provident Fund Organisation) and other funds as the case may be. Where the Resultant Company 2 decides not to form its own funds, and if certain benefits cannot be provisioned for through the funds of relevant appropriate authority, these benefits are to be provided in any other legally compliant manner, and the parties shall, at that time, agree on the mode for transfer of the relevant amounts from the appropriate funds of DCMSR.

5.2.6 It is the aim and intent of the Scheme that all the rights, duties, powers and obligations of the Rayon Undertaking in relation to such schemes or funds shall become those of the Resultant Company 2. Upon the Scheme becoming effective, the Resultant Company 2 shall stand substituted for the Rayon Undertaking for all purposes whatsoever relating to the obligation to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents.

5.2.7 Upon the Scheme becoming effective, the Resultant Company 2 shall carry on and shall be authorised to carry on the business of the Rayon Undertaking.

5.2.8 For the purpose of giving effect to the order passed under Chapter XV and other applicable provisions of the Act in respect of this Scheme by the NCLT, the Resultant Company 2 shall, at any time, pursuant to the order on this Scheme, be entitled to get the recordal of the change in the legal right(s) upon the transfer of the Rayon Undertaking, in accordance with the provisions of Chapter XV of the Act. The Resultant Company 2 is and shall always be deemed to have been authorised to execute any pleadings, applications, forms, deeds etc., as may be required to remove any difficulties and carry out any formalities or compliance as are



necessary for the implementation of this Scheme, pursuant to the sanction of this Scheme by the NCLT.

- 5.2.9 Upon the Scheme becoming effective, the Resultant Company 2, unconditionally and irrevocably, agrees and undertakes to pay, discharge and satisfy all liabilities and obligations of DCMSR pertaining to the Rayon Undertaking with effect from the Effective Date, in order to give effect to the foregoing provisions.
- 5.2.10 Upon the Scheme becoming effective, all profits accruing to the Rayon Undertaking and all taxes thereof or losses arising or incurred by it relating to the Rayon Undertaking shall, for all purposes be treated as the profits, taxes or losses as the case may be of the Resultant Company 2.
- 5.2.11 Upon the coming into effect of this Scheme, the resolutions, if any, of DCMSR pertaining to the Rayon Undertaking, which are valid and subsisting on the Effective Date shall continue to be valid and subsisting and be considered as resolutions of the Resultant Company 2 and if any such resolutions have upper monetary or other limits being imposed under the provisions of the Act, or any other applicable provisions, then such limits shall be added and shall constitute the aggregate of such limits in the Resultant Company 2.
- 5.2.12 For the avoidance of doubt and without prejudice to the generality of any applicable provisions of this Scheme, in order to ensure the smooth transition and sale of products and inventory of DCMSR manufactured and/or branded and/or labelled and/or packed, in the name of DCMSR, prior to the Effective Date, in so far as they relate to the Rayon Undertaking, the Resultant Company 2 shall have the right to own, use, market, sell, exhaust, or to in any manner deal with, any such products and inventory (including packing material) pertaining to DCMSR, at the manufacturing locations or warehouses or elsewhere, without making any modifications whatsoever to such products and/or their branding, packing or labelling. All invoices/payment related documents pertaining to such products and inventory (including packing material) may be raised in the name of the Resultant Company 2 after the Effective Date.

### 5.3 Consideration

- 5.3.1 Upon this Scheme coming into effect and upon vesting of the Rayon Undertaking in the Resultant Company 2, DCMSR shall provide to the Resultant Company 2, the list of equity shareholders of DCMSR as on the Record Date, who are entitled to receive fully paid-up equity shares, in the Resultant Company 2, in terms of this Scheme.
- 5.3.2 Upon this Scheme coming into effect, the shareholders of DCMSR as of the Record Date shall be entitled to receive equity shares of the Resultant Company 2 as detailed in this Clause 5.3.
- 5.3.3 The Boards of Directors of DCMSR and the Resultant Company 2 have determined to issue equity shares, on a fully diluted basis, to the shareholders of DCMSR, based on price arrived at per the share entitlement ratio report dated 14 November 2023, prepared by Mr. Mukesh Chand Jain, Registered Valuer (registration number: IBBI/RV/05/2020/13666) and TRC Corporate Consulting Private Limited (CIN - U74140DL1999PTC101355). Upon this Scheme coming into effect the Resultant Company 2 shall, without any further act or deed, issue and allot to the shareholders of DCMSR whose name is recorded in the register of members of DCMSR on the Record Date, equity shares of the Resultant Company 2 in the ratio of 1:1 i.e., 1 (one) fully paid-up equity share having a face value of Rs. 2 each of the Resultant Company 2 for every 1 (one) fully paid-up equity share having a face value of Rs. 2



each of DCMSR, each equity share being fully paid-up.

5.3.4 DCMSR had engaged: (a) Mr. Mukesh Chand Jain (registration number: IBBI/RV/05/2020/13666) and TRC Corporate Consulting Private Limited (CIN - U74140DL1999PTC101355) to provide a share entitlement ratio report; and (b) Centrum Capital Limited, merchant bankers, to provide a fairness opinion. In connection with such engagement, Mr. Mukesh Chand Jain, Registered Valuer (registration number: IBBI/RV/05/2020/13666) and TRC Corporate Consulting Private Limited (CIN - U74140DL1999PTC101355) have issued a share entitlement ratio report dated 14 November 2023, and Centrum Capital Limited has issued a fairness opinion dated 14 November 2023.

#### 5.4 Issuance mechanics and other provisions

5.4.1 The equity shares to be issued and allotted by the Resultant Company 2 in terms of Clause 5.3.3 shall be subject to the provisions of the memorandum of association and the articles of association of the Resultant Company 2 and shall rank *pari passu* in all respects with the existing equity shares (if any) of the Resultant Company 2, including with respect to dividend, bonus entitlement, right shares' entitlement, voting rights and other corporate benefits.

5.4.2 The new equity shares to be issued pursuant to Clause 5.3.3 shall be mandatorily issued in dematerialised form by the Resultant Company 1, and the shareholders of the Resultant Company 2 shall be required to have an account with a depository participant and shall be required to provide the details thereof and such other confirmations as may be required at least 7 (seven) days before the Record Date, to the Resultant Company 2 and/or its Registrar. Any shareholder who holds shares of the Resultant Company 2 in physical form shall also receive the new equity shares in dematerialized form, provided that details of their account with the depository participant are intimated in writing to the Resultant Company 2 and/or its Registrar. In the event any shareholder has not provided the requisite details relating to his/her(s)/its accounts with a depository participant or other information/confirmations as may be required or if the details furnished by any shareholder do not permit electronic credit of the equity shares, of the Resultant Company 2, then the Resultant Company 2 shall keep such equity shares in abeyance / escrow account / suspense account/ with a trustee nominated by the Board of Directors the Resultant Company 2 for the benefit of such shareholders or shall be dealt with as provided under the applicable law, and shall credit the same to the respective depository participant account of such shareholder as and when the correct details of such shareholder's account with the depository participant are intimated in writing to the Resultant Company 2 and/or its Registrar, as permitted under applicable law.

5.4.3 For the purpose of the allotment of the Resultant Company 2 New Equity Shares, pursuant to this Scheme, in case any shareholder's holding in DCMSR is such that the shareholder becomes entitled to a fraction of a share of the Resultant Company 2, the Resultant Company 2 shall not issue fractional shares to such shareholder and shall consolidate all such fractions and round up the aggregate of such fractions to the next whole number and issue consolidated Resultant Company 2 New Equity Shares to a trustee (nominated by the Resultant Company 2 in that behalf) in dematerialised form, who shall hold such shares, with all additions or accretions thereto, in trust for the benefit of the respective shareholders to whom they belong for the specific purpose of selling such shares in the market at such price or prices and at any time within a period of 90 (ninety) days from the date of allotment of the Resultant Company 2 New Equity Shares and distribute the net sale proceeds (after deduction of the expenses incurred and applicable income tax) to the respective shareholders in the same proportion of their fractional entitlements. Any fractional entitlements from such net proceeds shall be rounded off to the next Rupee. It is clarified that any such distribution shall take place only on the sale of all the fractional shares of the Resultant Company 2 pertaining to the fractional

entitlements.

- 5.4.4 For the purpose of the allotment of equity shares of the Resultant Company 2 pursuant to Clauses 5.3 and 5.4, any equity shares of DCMSR which are held in abeyance under the provisions of Section 126 of the Act or otherwise shall pending allotment or settlement of dispute by order of court or otherwise, be held in abeyance by the Resultant Company 2 or shall be dealt with as provided under the applicable law.
- 5.4.5 On the approval of the Scheme by the members of the Resultant Company 2 pursuant to Section 232 of the Act, it shall be deemed that the members have accorded their consent under Section 62 of the Act, or any other applicable provision of the law as may be applicable. The Resultant Company 2 shall, if and to the extent required, apply for and obtain any approvals from the concerned regulatory authorities, including SEBI and the Stock Exchanges, for the issue and allotment by the Resultant Company 2 of its equity shares to the members of DCMSR, pursuant to this Scheme.
- 5.4.6 In the event of there being any pending and valid share transfers, whether lodged or outstanding, of any shareholder of DCMSR, the Board of Directors, or any committee thereof, of DCMSR shall be empowered in appropriate cases, even subsequent to the Record Date, as the case may be, to effectuate such a transfer in DCMSR, as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to DCMSR or Resultant Company 2, as the case may be, in respect of such shares in relation to the shares issued by the Resultant Company 2 after this Scheme comes into effect.
- 5.4.7 The equity shares to be issued in lieu of the shares of DCMSR which are held in the unclaimed suspense account or the Investor Education and Protection Fund Account linked to DCMSR shall be issued to a new unclaimed suspense account/ new Investor Education and Protection Fund Account (as the case may be) created for the shareholders of the Resultant Company 2.

#### 5.5 Listing of equity shares of the Resultant Company 2

- 5.5.1 All equity shares of the Resultant Company 2 issued pursuant to Clause 5.3 and in terms of this Scheme and SEBI Circular or otherwise shall, subject to the execution of the listing agreement and payment of the appropriate fees, be listed on the Stock Exchanges, and/or admitted to trading, if any, as may be decided by the Board of Directors of the Resultant Company 2. The Resultant Company 2 shall apply to all the Stock Exchanges (where the shares of DCMSR are listed) and SEBI, if required, for listing and admission of all the equity shares of the Resultant Company 2 issued pursuant to Clause 5.3. The Resultant Company 2 shall enter into such arrangements, complete such formalities and give undertakings, if any, to the Stock Exchanges as may be necessary in accordance with the applicable laws for listing of equity shares of the Resultant Company 2.
- 5.5.2 Subject to any dispensation granted by SEBI and the Stock Exchanges, the equity shares allotted pursuant to Clause 5.3 of the Scheme by the Resultant Company 2 shall remain frozen in the depositories system until permission for listing/trading is granted by the Stock Exchanges.
- 5.5.3 Until such time as the equity shares of the Resultant Company 2 are listed on the Stock Exchanges, except as provided in the Scheme, there shall be no change in the shareholding pattern or control of or pre-arrangement capital structure of the Resultant Company 2.

#### 5.6 Cancellation of equity shares of the Resultant Company 2 held by DCMSR



Notwithstanding anything to the contrary contained in this Scheme, upon this Scheme becoming effective, the equity shares of the Resultant Company 2 held by DCMSR and its nominees (investment) will stand cancelled on or after the Effective Date by operation of law, without payment of any consideration or any further act or deed by either of DCMSR and the Resultant Company 2. Accordingly, the changes to the equity share capital of the Resultant Company 1 will automatically be effected as an integral part of this Scheme, without any further act or deed on the part of the Resultant Company 2 and without having to separately follow the any provisions of the Act. The consent of the stakeholders of the Resultant Company 2 to this Scheme shall be deemed to be sufficient for the purposes of effecting such changes to its equity share capital, and no further resolution or action under the provisions of the Act would be required to be separately passed or taken. The order of the NCLT sanctioning this Scheme is deemed to also be the order passed by the NCLT under Section 66 and other relevant provisions of the Act for the purpose of confirming such changes to the equity share capital of the Resultant Company 2. It is clarified that with regard to the cancellation of equity share capital as a consequence of the demerger of the Rayon Undertaking of DCMSR into the Resultant Company 2, pursuant to Section 230 of the Act, the provisions of Section 66 of the Act shall not apply to any consequential cancellation of share capital effected in pursuance of this Scheme.

## 5.7 Accounting treatment

### 5.7.1 Accounting treatment in the books of DCMSR

Upon Part V of this Scheme coming into effect on the Effective Date and with effect from the Appointed Date, DCMSR shall account for the demerger and vesting of the Rayon Undertaking with the Resultant Company 2 in its books of account in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, as notified under the Companies (Indian Accounting Standard) Rules, 2015 (as amended) and other generally accepted accounting principles in the following manner:

- (i) The respective carrying values of the assets, liabilities and reserves of the Rayon Undertaking, as at the close of business on the day immediately preceding the Appointed Date, shall be reduced from the books of accounts of DCMSR;
- (ii) The investment of DCMSR in the Resultant Company 2 as appearing in its books of accounts shall be cancelled; and
- (iii) The difference of the above, shall be recorded in the books of DCMSR as capital reserve (if credit) and should be presented separately from other capital reserves, or revenue reserves (if debit) and if there are no reserves or inadequate reserves, to an amalgamation deficit reserve (if debit), with disclosure of its nature and purpose in the notes to the financial statements.

The Board of Directors of DCMSR is authorised to account for any of the matters not dealt with in Clause 5.7.1 in accordance with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 (as amended).

### 5.7.2 Accounting treatment in the books of Resultant Company 2

Upon Part V of this Scheme coming into effect on the Effective Date and with effect from the Appointed Date, the Resultant Company 2 shall account for the demerger and vesting of the



Rayon Undertaking with Resultant Company 2 in its books of accounts in accordance with 'Pooling of Interest Method' prescribed in 'Appendix C' 'Business combinations of entities under common control' of the Indian Accounting Standard (Ind AS) 103 for Business Combinations notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other generally accepted accounting principles in the following manner:

- (i) All the assets, liabilities and reserves pertaining to the Rayon Undertaking, appearing in the books of the DCMSR, shall stand transferred to, and the same shall be recorded by, Resultant Company 2 at their respective carrying amount and in the same form and manner as appearing in the books of accounts of the DCMSR;
- (ii) Resultant Company 2 shall credit to its share capital account, the aggregate face value of the equity shares of the Resultant Company 2, issued to the shareholders of the DCMSR;
- (iii) The difference between the consideration paid by way of issue of equity shares at face value and assets and liabilities including reserves transferred by DCMSR and cancellation of investments in accordance with Clause 5.7 shall be recorded as capital reserve (if credit) and should be presented separately from other capital reserves, or revenue reserves (if debit) and if there are no reserves or inadequate reserves, to an amalgamation deficit reserve (if debit), with disclosure of its nature and purpose in the notes to the financial statements;
- (iv) Resultant Company 2 shall restate comparative information from the beginning of the comparative period presented or date of incorporation of Resultant Company 2, whichever is later; and
- (v) In case of any differences in accounting policies between DCMSR and Resultant Company 2, the accounting policies followed by DCMSR shall prevail to ensure that the financial statements reflect the financial position on the basis of consistent accounting policies. Further any adjustments may be made to harmonise the accounting policies of Resultant Company 2 with DCMSR.

The Board of Directors of the Resultant Company 2 is authorised to account for any of the matters not dealt with in this Clause 5.7.2 in accordance with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 (as amended).

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## PART-VI

## 6 RESIDUAL UNDERTAKING OF DCMSR

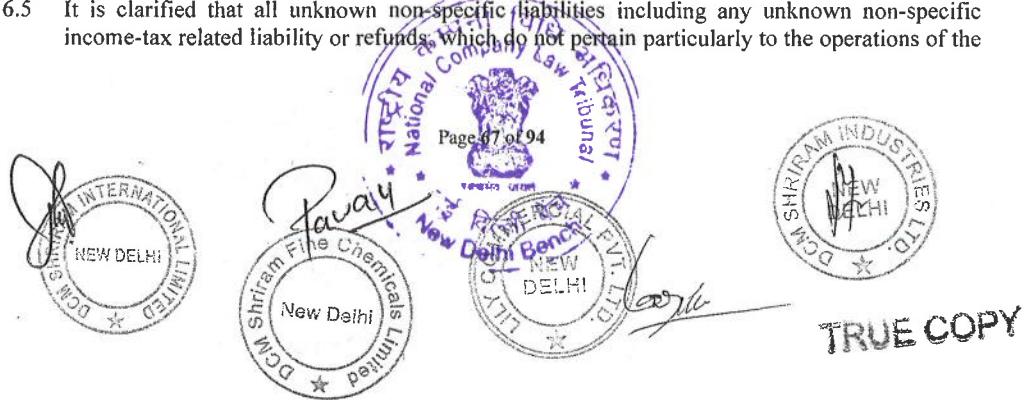
6.1 The Residual Undertaking and all assets, liabilities properties, rights and obligations pertaining thereto shall continue to belong to and be vested in and be managed by DCMSR. The Resultant Company 1 and Resultant Company 2 shall have no right, claim or obligation in relation to the Residual Undertaking, and nothing in this Scheme shall operate to transfer any of the Residual Undertaking to the Resultant Companies or to make the Resultant Companies liable for any liabilities of DCMSR relating to the Residual Undertaking.

6.2 All legal, taxation or other proceedings by or against DCMSR under any statute, or by any quasi-judicial authority or tribunal, whether pending on the date of filing of this Scheme or which may be instituted in future whether or not in respect of any matter arising before the Effective Date and relating to the Residual Undertaking (including those relating to any property, right, power, liability, obligation or duties of DCMSR in respect of the Residual Undertaking) shall be continued and enforced by or against DCMSR. The Resultant Company 1 and Resultant Company 2 shall in no event be responsible or liable in relation to any such legal, taxation or other proceeding against DCMSR if proceedings are taken up against the Resultant Company 1 or Resultant Company 2 in respect of the matters referred to in this Clause, it shall defend the same in accordance with the advice of DCMSR and at the cost of DCMSR, and DCMSR shall reimburse and indemnify the Resultant Company 1 or Resultant Company 2 (as the case may be) against all liabilities and obligations incurred by Resultant Company 1 or Resultant Company 2 (as the case may be), in respect thereto.

6.3 In addition, all legal, taxation or other proceedings by or against DCMSR/Resultant Company 1/ Resultant Company 2 under any statute, or by any quasi-judicial authority or tribunal, whether pending on the date of filing of this Scheme or which may be instituted in future, in respect of any matter arising before the Effective Date and which proceedings are of a common nature (i.e., not specific to the Chemical Undertaking, the Rayon Undertaking or the Residual Undertaking) shall be the joint responsibility of DCMSR, the Resultant Company 1 and the Resultant Company 2, and accordingly, the entity against which such proceedings are initiated will defend the same in good faith discussions with the other two entities, and shall be reimbursed and indemnified by the other two entities such that all liabilities, costs and expenses are borne by DCMSR, the Resultant Company 1 and the Resultant Company 2 in the ratio of 1:1:1.

6.4 In so far as the assets forming part of the Chemical Undertaking or the Rayon Undertaking are concerned, the encumbrances over such assets, to the extent they relate to any loans or borrowings or debentures or other debt or debt securities of DCMSR pertaining to the Residual Undertaking shall, as and from the Appointed Date, without any further act, instrument or deed be released and discharged from the same and shall no longer be available as encumbrances in relation to liabilities of DCMSR pertaining to the Residual Undertaking which are not transferred to the Resultant Company 1 or Resultant Company 2, pursuant to this Scheme (and which shall continue with DCMSR). In so far as the existing encumbrances in respect of the loans and other liabilities relating to the Residual Undertaking are concerned, such encumbrances shall, without any further act, instrument or deed be continued with DCMSR only on the assets relating to the Residual Undertaking and the assets forming part of the Chemical Undertaking and the Rayon Undertaking shall be released therefrom.

6.5 It is clarified that all unknown non-specific liabilities including any unknown non-specific income-tax related liability or refunds, which do not pertain particularly to the operations of the



Rayon Undertaking, the Chemical Undertaking or the Residual Undertaking, shall be allocated between DCMSR, Resultant Company 1 and Resultant Company 2 in the ratio of 1:1:1 to arrive at an equitable distribution and, if required, each entity shall indemnify the other entities as and when there is a final determination or is otherwise required to be indemnified, to this effect.

6.6 In so far as the existing benefits or funds created by DCMSR for the employees of DCMSR other than the transferred employees pertaining to Chemical Undertaking and Rayon Undertaking are concerned or the employees of the corporate office of DCMSR transferred to the Resultant Company 1 or the Resultant Company 2, in terms of this Scheme, are concerned, the same shall continue and DCMSR shall continue to contribute to such benefits or funds in accordance with the provisions thereof, and such benefits or funds, if any, shall be held inter alia for the benefit of the employees of the Residual Undertaking, and the Resultant Companies shall have no liability in respect thereof.

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

- (i) DCMSR shall be deemed to have been carrying on and to be carrying on all the business and activities relating to the Residual Undertaking for and on its own behalf;
- (ii) All profits or income accruing or arising to DCMSR thereon and expenditure or losses arising or incurred or suffered by it relating to the Residual Undertaking shall for all purposes be treated as the profits or losses, as the case may be, of DCMSR; and
- (iii) All assets and properties acquired by DCMSR in relation to the Residual Undertaking shall belong to and continue to remain vested in DCMSR.

6.8 Daurala Sugar Works, a unit of DCMSR, is presently supplying power and steam to (a) Daurala Organics, presently a unit of DCMSR, (b) Daurala Chemical Industries, presently a unit of DCMSR, and each of which unit shall vest in Resultant Company 1 upon the Scheme becoming effective. Daurala Sugar Works shall continue to supply power and steam to the Resultant Company 1 at Daurala as is presently being done on the terms agreed between both the parties, upon the Scheme becoming effective, and the Board of Directors of each of the Resultant Company 1 and DCMSR shall have the authority to do all acts, deeds and things to preserve such arrangement, which authority shall be exercised reasonably in the best interests of DCMSR and the Resultant Company 1.



**PART-VII**

**7 MISCELLANEOUS AND GENERAL PROVISIONS**

**7.1 Conditions Precedent**

Subject to the provisions of this Scheme, each of the companies involved in this Scheme shall make the Scheme effective upon and subject to satisfaction of the following conditions ("Effective Date"):

- (i) Approval of shareholders and creditors as may be required. This Scheme is conditional upon the Scheme being approved by the public shareholders of DCMSR through e-voting in terms of Part – I (A)(10)(a) of SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, and the Scheme shall be acted upon only if votes cast by the public shareholders of DCMSR in favour of the proposal are more than the number of votes cast by the public shareholders (of DCMSR) against it.
- (ii) the Scheme being approved and sanctioned by the NCLT under Sections 230-232 and other applicable provisions of the Act;
- (iii) Receipt of no-objection/ observation letter from the Stock Exchanges in relation to this Scheme under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended);
- (iv) the requisite consent, approval or permission of statutory or regulatory authorities which may be necessary for the implementation of the Scheme, if any, having been obtained; and
- (v) the certified copy of the order of the NCLT sanctioning the Scheme, having been filed by the companies involved in this Scheme, with the relevant jurisdictional Registrar of Companies in terms of Section 232(5) of the Act.

**7.2 Provisions applicable to Parts III, IV, V and VI**

Upon the sanction of this Scheme and upon this Scheme becoming effective, the following shall be deemed to have occurred on the Appointed Date and become effective and operative only in the sequence and in the order mentioned hereunder:

- (i) amalgamation of the Transferor Company into and with DCMSR in accordance with Part III of this Scheme;
- (ii) transfer of the authorised share capital of the Transferor Company to DCMSR as provided in Part III of this Scheme, and consequential increase in the authorised share capital of DCMSR as provided in Part III of this Scheme;
- (iii) issuance and allotment of fully paid up equity shares of DCMSR in accordance with Section 2(1B) of the Income Tax Act, 1961, to the shareholders of the Transferor Company, without any further act, instrument or deed, in accordance with Part III of this Scheme;
- (iv) cancellation of the shareholding of DCMSR held by the Transferor Company in its entirety, without any further act, instrument or deed;



- (v) transfer of the Chemical Undertaking from DCMSR to Resultant Company 1, as provided in Part IV of this Scheme;
- (vi) transfer of part of the authorised share capital of DCMSR to Resultant Company 1, and consequential (i) increase in the authorised share capital of Resultant Company 1, and (ii) reduction in the authorised share capital of DCMSR;
- (vii) the issue and allotment of fully paid-up equity shares of the Resultant Company 1 to the shareholders of DCMSR as of the Record Date;
- (viii) cancellation of the shareholding of the Resultant Company 1 held by DCMSR in its entirety, without any further act, instrument or deed;
- (ix) transfer of the Rayon Undertaking from DCMSR to Resultant Company 2, as provided in Part V of this Scheme.
- (x) transfer of part of the authorised share capital of DCMSR to Resultant Company 2, and consequential (i) increase in the authorised share capital of Resultant Company 2, and (ii) reduction in the authorised share capital of DCMSR;
- (xi) the issue and allotment of fully paid-up equity shares of the Resultant Company 2 to the shareholders of DCMSR as of the Record Date; and
- (xii) cancellation of the shareholding of the Resultant Company 2 held by DCMSR in its entirety, without any further act, instrument or deed.

### 7.3 Compliance with Laws

- 7.3.1 This Scheme is presented and drawn up to comply with the provisions/requirements of Chapter XV of the Act, for the purpose of amalgamation of the Transferor Company into and with DCMSR, demerger of the Chemical Undertaking to the Resultant Company 1 and demerger of Rayon Undertaking to the Resultant Company 2. The companies involved in this Scheme will ensure compliance, as applicable, with the General Circular No. 09/2019 dated 21 August 2019 issued by the Ministry of Corporate Affairs with regard to the 'appointed date'.
- 7.3.2 This Scheme has been drawn up to comply with the conditions relating to "amalgamation" and "demerger" as specified under the tax laws, including Section 2(1B) and Section 2(19AA) and other relevant provisions of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the Income Tax Act, 1961 shall prevail. The Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme. The power to make such amendments as may become necessary shall vest with the Board of Directors of each of the companies involved in this Scheme, which power shall be exercised reasonably in the best interests of the companies concerned and their stakeholders.
- 7.3.3 Upon the Scheme becoming effective, DCMSR and the Resultant Companies are expressly permitted to revise their financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act, 1961 (including for minimum alternate tax



purposes and tax benefits), service tax law, goods and service tax laws and other tax laws, and to claim refunds and/or credits for taxes paid (including minimum alternate tax), and to claim tax benefits under the Income Tax Act, 1961 etc. and for matters incidental thereto, if required to give effect to the provisions of this Scheme. The order of the NCLT sanctioning the Scheme shall be deemed to be an order of the NCLT permitting DCMSR and the Resultant Companies to revise their financial statements and books of accounts and no further act shall be required to be undertaken by DCMSR and the Resultant Companies, as applicable.

7.3.4 The articles of association of the Resultant Companies, if required, shall be amended and restated to comply with provisions required for listed companies. The amendments, if any, pursuant to this Clause 7.3.4 shall become operative on the Scheme becoming effective by virtue of the fact that the shareholders of the Resultant Companies, while approving the Scheme as a whole, have approved and accorded the relevant consents as required under the Act for amendment of the articles of association of the relevant Resultant Company and shall not be required to pass separate resolutions under Section 14 or any other applicable provisions of the Act.

7.3.5 This Scheme is conditional upon the Scheme being approved by the public shareholders of DCMSR through e-voting in terms of Part – I (A)(10)(a) of SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, and the Scheme shall be acted upon only if votes cast by the public shareholders of DCMSR in favour of the proposal are more than the number of votes cast by the public shareholders (of DCMSR) against it.

#### 7.4 Consequential Matters Relating to Tax

Upon the Scheme becoming effective and with effect from the Appointed Date:

- (i) The amalgamation of the Transferor Company into and with DCMSR as detailed under Part III of the Scheme, is in compliance of Section 2(1B), Section 47 and other relevant provisions of the Income Tax Act, 1961.
- (ii) It is clarified that all the taxes and duties payable by or accruing to the Transferor Company, from the Appointed Date, including all advance tax payments, tax deducted at source, tax liabilities, refund claims, all input credit balances (including but not limited to credits under the goods and service tax laws), shall, for all purposes be treated as advance tax payments, tax deducted at source, tax liabilities, refund claims, all input credit balances (including but not limited to credits under the goods and service tax laws) of DCMSR, notwithstanding that the certificates, challans or other documents for payments of such taxes are in the name of the Transferor Company.
- (iii) All deduction otherwise admissible to the Transferor Company including payment admissible on actual payment or on deduction of appropriate taxes or on payment of tax deducted at source shall be eligible for deduction to DCMSR, upon fulfilment of the applicable conditions under the applicable law.
- (iv) Tax assessment proceedings/appeals of whatsoever nature by or against the Transferor Company, if any, pending and/or arising at the Appointed Date, shall be continued and/or enforced until the Effective Date. As and from the Effective Date, the tax proceedings/ appeals shall be continued and enforced by or against DCMSR, in the same manner and to the same extent as would or might have been continued and enforced by or against Transferor Company. Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially

affected by amalgamation of Transferor Company into DCMSR, or anything contained in the Scheme.

- (v) The demergers as detailed in Part IV and Part V of the Scheme comply with the conditions relating to "demerger" as defined under Section 2(19AA), Section 47 and other relevant sections and provisions of the Income Tax Act, 1961.
- (vi) It is clarified that all the taxes and duties payable by DCMSR, relating to the Chemical Undertaking and Rayon Undertaking from the Appointed Date, including all advance tax payments, tax deducted at source, tax liabilities or any refund and claims shall, for all purposes be treated as advance tax payments, tax deducted at source, tax liabilities or refunds and claims of the Resultant Company 1 and Resultant Company 2, respectively, notwithstanding that the certificates, challans or other documents for payments of such taxes are in the name of DCMSR.
- (vii) Without prejudice to the generality of above Clause 7.4(ii), any input tax credits which are unutilised as on the date of filing of prescribed returns/form for transfer of credit to the Resultant Companies under Central Goods and Services Tax Act, 2017 read with Central Goods and Services Tax Rules, 2017 therein shall be apportioned in accordance with relevant regulation, circulars, guidance provided for the same.
- (viii) In addition, all deductions otherwise admissible to DCMSR in relation to the Chemical Undertaking and the Rayon Undertaking including payment admissible on actual payment or on deduction of appropriate taxes or on payment of tax deducted at source shall be eligible for deduction to the Resultant Company 1 and Resultant Company 2, respectively, upon fulfilment of the applicable conditions under the applicable law.
- (ix) Tax assessment proceedings/appeals of whatsoever nature by or against DCMSR relating to the Chemical Undertaking and the Rayon Undertaking, if any, pending and/or arising at the Appointed Date, shall be continued and/or enforced until the Effective Date as desired by the Resultant Companies. As and from the Appointed Date, the tax proceedings/appeals shall be continued and enforced by or against the Resultant Company 1 and Resultant Company 2 relating to the Chemical Undertaking and Rayon Undertaking, respectively, in the same manner and to the same extent as would or might have been continued and enforced by or against DCMSR. Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the transfer and vesting of the Chemical Undertaking and Rayon Undertaking into the Resultant Company 1 and Resultant Company 2, respectively, or anything contained in the Scheme.
- (x) DCMSR, Resultant Company 1 and Resultant Company 2 are expressly permitted to file/revise their respective tax returns, related withholding tax certificates, to the extent required for claiming refunds, advance tax paid, withholding tax credits, benefit of credit of minimum alternate tax, or any other related tax compliance or filing of form.
- (xi) Any action taken by Transferor Company to comply with tax laws (including payment of taxes, maintenance of records, payments, returns, tax filing, etc.) on and from Appointed Date up to the Effective Date shall be considered as adequate compliance by DCMSR with such requirement under tax laws.
- (xii) Any action taken by DCMSR to comply with tax laws (including payment of taxes,



maintenance of records, payments, returns, tax filing, etc.) in respect of Chemical Undertaking and Rayon Undertaking on and from Appointed Date up to the Effective Date shall be considered as adequate compliance by the Resultant Companies with such requirement under tax laws.

#### 7.5 Dividend

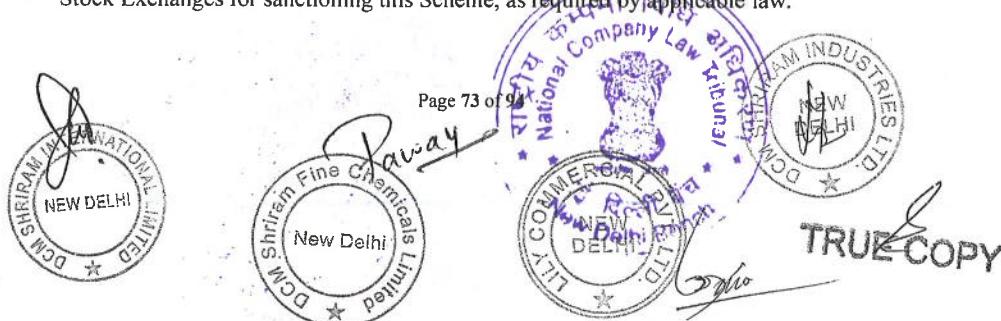
- 7.5.1 The Transferor Company shall be entitled to declare and pay dividends, whether interim and/or final, to its shareholders, prior to the Effective Date.
- 7.5.2 DCMSR and each of the Resultant Companies shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date.
- 7.5.3 In the event of DCMSR declaring any dividend on its equity shares, during the pendency of the Scheme, such dividend received by the Transferor Company shall be distributed to the shareholders of the Transferor Company in proportion to their shareholding in the Transferor Company.
- 7.5.4 The holders of the shares of the Transferor Company, DCMSR and the Resultant Companies shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective articles of association including the right to receive dividends.
- 7.5.5 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Company, DCMSR or the Resultant Companies to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of the Transferor Company, DCMSR and the Resultant Companies, respectively and subject to the approval of the shareholders of the Transferor Company, DCMSR and the Resultant Companies, respectively.

#### 7.6 Interpretation

- 7.6.1 Though this Scheme shall become effective on the Effective Date, and the provisions of this Scheme shall be applicable and come into operation from the Appointed Date.
- 7.6.2 If any terms or provisions of this Scheme are found to be or interpreted to be inconsistent with any provisions of applicable law at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the provisions of the applicable law shall prevail. Subject to obtaining the sanction of the NCLT, if necessary, this Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will, however, not affect other parts of this Scheme. Notwithstanding the other provisions of this Scheme, the power to make such amendments/modifications as may become necessary, whether before or after the Effective Date, shall, subject to obtaining the sanction of the NCLT, if necessary, vest with the Board of Directors of each of the companies involved in this Scheme, which power shall be exercised reasonably in the best interests of the each of the companies involved in this Scheme and their respective shareholders.

#### 7.7 Applications to the NCLT, SEBI etc.

- 7.7.1 DCMSR may, with all reasonable dispatch, file all necessary applications to the SEBI and Stock Exchanges for sanctioning this Scheme, as required by applicable law.



7.7.2 The companies involved in this Scheme may, with all reasonable dispatch, file all necessary applications to the NCLT, under Chapter XV and other applicable provisions of the Act, including for seeking orders for dispensing with or convening, holding and/or conducting of the meetings of the classes of their respective shareholders and creditors, if required, and for sanctioning this Scheme with such modifications, as may be approved by the NCLT and to obtain other such approvals, as required by applicable law.

7.7.3 Upon this Scheme being approved by the requisite majority of the shareholders of each of the companies involved in this Scheme (wherever required), each of the companies involved in this Scheme shall, with all reasonable dispatch, file respective petitions before the NCLT for sanction of this Scheme under Chapter XV and other applicable provisions of the Act, and for such other order or orders, as the NCLT may deem fit for putting this Scheme into effect. Upon this Scheme becoming effective, the shareholders of each of the companies involved in this Scheme shall be deemed to have also accorded their approval under all relevant provisions of the Act and other applicable laws for giving effect to the provisions contained in this Scheme.

#### 7.8 Modifications or Amendments to the Scheme

7.8.1 Each of the companies involved in this Scheme, acting through their respective Boards of Directors, may assent to any modifications or amendments to this Scheme, which the NCLT and/or any other authorities may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/or carrying out this Scheme. The companies involved in this Scheme, acting through their respective Boards of Directors, be and are hereby authorised to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions, whether by reason of any orders of the NCLT or of any directive or orders of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith.

7.8.2 The companies involved in this Scheme, acting through their respective Boards of Directors, shall be at liberty to withdraw from this Scheme in case any condition or alteration imposed by the NCLT or any other authority is not on terms acceptable to them.

7.8.3 If the Companies are desirous of making any material modification to the provisions of the Scheme after receipt of approval of SEBI to the Scheme, such modification shall be subject to approval of SEBI or any further modifications as may be required by SEBI.

7.8.4 Except as otherwise expressly provided in this Scheme, each of DCMSR, Resultant Company 1 and Resultant Company 2 shall pay their respective costs, expenses, charges, fees, taxes, duties, levies and other incidental expenses arising out of or incurred in connection with the filing, approval and/or implementation of this Scheme, in equal proportion. Notwithstanding anything contained in this Clause, all costs, expenses, charges, fees, taxes, duties, levies and other incidental expenses arising out of or incurred in connection with the filing, approval and/or implementation of Part III of this Scheme shall be borne solely by the shareholders of the Transferor Company in the manner provided in this Scheme.

7.8.5 Notwithstanding anything to the contrary, the shareholders of the Transferor Company, shall indemnify DCMSR and keep DCMSR indemnified for any and all contingent liabilities and obligations including all demands, claims, suits, proceedings, litigations and the like which may be made or instituted by any third party(ies), including governmental authorities on



DCMSR, and are directly relatable to the Transferor Company. The shareholders of the Transferor Company shall secure, deposit or pay, as the case may be, any legal demand raised by the governmental authority within the time frame provided therein.

- 7.8.6 In the event of any inconsistency between any of the terms and conditions of any earlier arrangement between the companies involved in this Scheme and their respective shareholders, and the terms and conditions of this Scheme, the latter shall prevail.
- 7.8.7 If any part of this Scheme is invalid, ruled illegal or rejected or is unreasonably delayed or not sanctioned by any court of competent jurisdiction, or unenforceable under present or future laws, or not sanctioned or is unreasonably delayed, then it is the intention of the parties that such part shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the companies involved in this Scheme, acting through their respective Boards of Directors, shall attempt to bring about a modification in this Scheme, as will best preserve for the parties, the benefits and obligations of this Scheme, including but not limited to such part, which is invalid, ruled illegal or rejected, or being unreasonably delayed or not sanctioned or is unreasonably delayed by any court of competent jurisdiction, or not sanctioned unenforceable under present or future laws.
- 7.8.8 The provisions of the Scheme in respect of which the Scheme has not been sanctioned shall stand invalidated and such invalidity shall attach only to such part. The remaining portion of the Scheme shall continue in full force and effect. In such an event, the relevant companies involved in the Scheme, in respect of which the Scheme has not been sanctioned shall bear and pay its costs, charges and expenses for and/or in connection with this Scheme.
- 7.8.9 Each of the companies involved in this Scheme, shall be free to withdraw from the Scheme if any part of this Scheme is found to be unworkable or unfeasible for any reason whatsoever, this shall not, subject to the decision of companies involved in this Scheme, affect the validity or implementation of the other parts and/or provisions of this Scheme. In the event a part of this Scheme is found unworkable or unfeasible and the companies involved in this Scheme decide to implement the remaining part of this Scheme, to the extent it is unworkable or unfeasible, shall become null and void and no rights or liabilities whatsoever shall accrue to, or be incurred inter se by, the parties or their respective stakeholders or any other persons with respect to such part of the Scheme.
- 7.8.10 Any issue as to whether any asset, liability, employee or litigation pertains to the Chemical Undertaking or Rayon Undertaking or the Residual Undertaking or not shall be decided by the Board of Directors of the Resultant Company 1, Resultant Company 2 and DCMSR, respectively, either by themselves or through a committee appointed by them in this behalf, and if considered necessary by them, after consultation with the Board of Directors of DCMSR, on the basis of evidence that they may deem relevant for the purpose (including the books and records of DCMSR).

#### 7.9 Saving of Concluded Transactions

- 7.9.1 The transfer and vesting of the assets, liabilities and obligations of the Transferor Company with DCMSR in accordance with the provisions of this Scheme and the continuance of the legal proceedings by or against DCMSR shall not affect any transaction or proceedings already completed by the Transferor Company on or before the Effective Date and DCMSR accepts all acts, deeds and things done and executed by and/or on behalf of the Transferor Company as acts, deeds and things done and executed by and on behalf of DCMSR.



7.9.2 The transfer and vesting of the assets, liabilities and obligations of the Chemical Undertaking in accordance with the provisions of this Scheme and the continuance of the legal proceedings by or against the Resultant Company 1 shall not affect any transaction or proceedings already completed by DCMSR on or before the Effective Date and the Resultant Company 1 accepts all acts, deeds and things done and executed by and/or on behalf of DCMSR as acts, deeds and things done and executed by and on behalf of the Resultant Company 1.

7.9.3 The transfer and vesting of the assets, liabilities and obligations of the Rayon Undertaking in accordance with the provisions of this Scheme and the continuance of the legal proceedings by or against the Resultant Company 2 shall not affect any transaction or proceedings already completed by DCMSR on or before the Effective Date and the Resultant Company 2 accepts all acts, deeds and things done and executed by and/or on behalf of DCMSR as acts, deeds and things done and executed by and on behalf of the Resultant Company 2.

**7.10 Residual**

7.10.1 Upon this Scheme becoming effective, the past track record of DCMSR relating to the Chemical Undertaking, including without limitation the profitability, production volumes, experience, credentials and market share, shall be deemed to be the track record of the Resultant Company 1 for all commercial and regulatory purposes including for the purposes of eligibility, standing, evaluation and participation of the Resultant Company 1 in all existing and future bids, tenders and contracts of all authorities, agencies and clients.

7.10.2 Upon this Scheme becoming effective, the past track record of DCMSR relating to the Rayon Undertaking, including without limitation the profitability, production volumes, experience, credentials and market share, shall be deemed to be the track record of the Resultant Company 2 for all commercial and regulatory purposes including for the purposes of eligibility, standing, evaluation and participation of the Resultant Company 2 in all existing and future bids, tenders and contracts of all authorities, agencies and clients.

7.10.3 Upon this Scheme becoming effective, the Resultant Company 1 shall be entitled to operate all bank accounts, cash and deposits relating to the Chemical Undertaking, realise all monies and complete and enforce all pending contracts and transactions in respect of the Chemical Undertaking in the name of DCMSR to the extent necessary. It is clarified that until such time that the name of the bank accounts of DCMSR, in relation to or in connection with the Chemical Undertaking, have been replaced with that of the Resultant Company 1, the Resultant Company 1 shall be entitled to operate the bank accounts of DCMSR in relation to or in connection with the Chemical Undertaking, in the name of DCMSR in so far as may be necessary. All cheques and other negotiable instruments, electronic fund transfers (such as NEFT, RTGS, etc.) and payment orders received or presented for encashment which are in the name of DCMSR, in relation to or in connection with the Chemical Undertaking, after the Effective Date shall be accepted by the bankers of the Resultant Company 1 and credited to the account of the Resultant Company 1, if presented by the Resultant Company 1.

7.10.4 Upon this Scheme becoming effective, the Resultant Company 2 shall be entitled to operate

7.10.4 Upon this Scheme becoming effective, the Resultant Company 2 shall be entitled to operate all bank accounts, cash and deposits relating to the Rayon Undertaking, realise all monies and complete and enforce all pending contracts and transactions in respect of the Rayon Undertaking in the name of DCMSR to the extent necessary. It is clarified that until such time that the name of the bank accounts of DCMSR, in relation to or in connection with the Rayon Undertaking, have been replaced with that of the Resultant Company 2, the Resultant Company 2 shall be entitled to operate the bank accounts of DCMSR in relation to or in connect with the Rayon Undertaking, in the name of DCMSR in so far as may be necessary. All cheques and other negotiable instruments, electronic fund transfers (such as NEFT,



RTGS, etc.) and payment orders received or presented for encashment which are in the name of DCMSR, in relation to or in connection with the Rayon Undertaking, after the Effective Date shall be accepted by the bankers of the Resultant Company 2 and credited to the account of the Resultant Company 2, if presented by the Resultant Company 2.

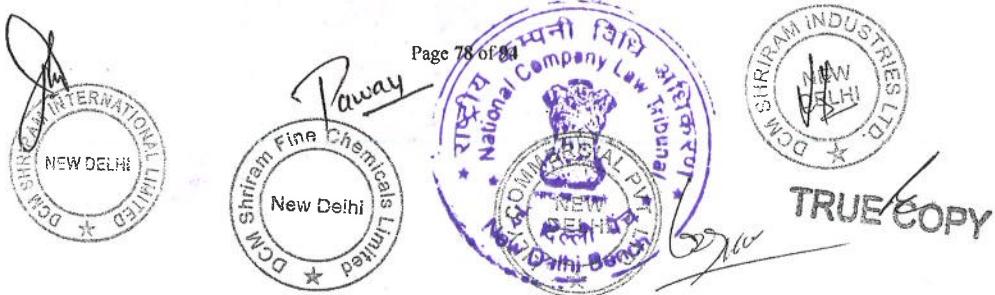
- 7.10.5 Upon this Scheme becoming effective, the Resultant Company 1 shall be entitled to occupy and use all premises, whether owned, leased or licensed, relating to the Chemical Undertaking in the name of DCMSR to the extent necessary.
- 7.10.6 Upon this Scheme becoming effective, the Resultant Company 2 shall be entitled to occupy and use all premises, whether owned, leased or licensed, relating to the Rayon Undertaking in the name of DCMSR to the extent necessary.
- 7.10.7 Upon this Scheme becoming effective, the Resultant Company 1 shall be entitled to rely on, use and operate on the basis of all licenses, consents and approvals, relating to the Chemical Undertaking in the name of DCMSR to the extent necessary.
- 7.10.8 Upon this Scheme becoming effective, the Resultant Company 2 shall be entitled to rely on, use and operate on the basis of all licenses, consents and approvals, relating to the Rayon Undertaking in the name of DCMSR to the extent necessary.
- 7.10.9 Upon the Scheme becoming effective, the borrowings limit of Resultant Company 1 and Resultant Company 2 under Section 180(1)(c) of the Act shall stand increased to the extent of the loans vested in these two companies as per the Scheme, without any further act or approval under section 180(1)(c) of the Act and the approval of the shareholders under the said section for increasing the borrowings limit.



## SCHEDULE - 1

## Licenses to be Transferred to Resultant Company 1 as part of the Chemical Undertaking

Serial No.	Name of the License	Licensor	License No.	Validity
1.	License for storage of chlorine cylinders.	Explosives Department.	G/CC/UP/06/840(G11249).	30 September 2028.
2.	License for storage of Toluene.		P/HQ/UP/15/143(P7534).	31 December 2023.
3.	Consolidated consent to operate and authorisation under Air (Prevention & Control of Pollution) Act, 1974.	Uttar Pradesh Pollution Control Board.	165704/UPPCB/MEERUT(UPPCBRO)/CTO/BOTH/MEERUT/2022.	31 December 2024.
4.	Consolidated consent to operate and authorisation under Air (Prevention & Control of Pollution) Act, 1974.	Uttar Pradesh Pollution Control Board.	15793/UPPCB/Meerut (UPPCBRO)/HWM/MEERUT/2021.	12 December 2026.
5.	Authorisation for disposal of hazardous waste.	Uttar Pradesh Ground Water Authority	Reg. No.: 202102000157.	17 February 2026.
6.	No-objection certificate for use of ground water.	Uttar Pradesh Ground Water Authority	NOC No.- NOC016504.	17 February 2026.
7.	License to work a factory.	Uttar Pradesh Factories Department.	Reg. No.-UPFA7000048.	31 December 2023.
9.	Pressure vessels testing certificates.	Chief Controller of Explosives.	S/HO/UP/03/356(S3839).	Renewable every 6 months.
10.	Registration under Contract Labour (Regulation & Prohibition) Act, 1970.	Uttar Pradesh Labour Department.	MRCR-29.	One time registration.
11.	No-objection certificate issued by fire department.	Uttar Pradesh Fire Department.	UPFS/2023/74954/MRT/MEERUT/1410/JD.	7 March 2026.
12.	Daurala Nagar Panchayat	Nagar Panchayat.	31/ Book No.142.	31 March 2024.



Serial No.	Name of the License	Licensor	License No.	Validity
	License.			
13.	Inspection certificate of electrical installations electrical load.	Electric Safety Department.	Certificate No. 735.	9 December 2024.
14.	Stamping and verification certificate.	Weights & Measurement Department.	DIRLM/GOI/2021/227.	Valid upto change of nomination of director
15.	Registration certificate for disposal of plastic waste.	Plastic Waste Management (Uttar Pradesh Pollution Control Board).	PR-29-UTT-09-AAACD0204C-22.	28 September 2024
16.	Registration certificate for disposal of plastic waste.	Plastic Waste Management (Uttar Pradesh Pollution Control Board).	IM-21-UTT-09-AAACD0204C-22.	20 September 2024
17.	Drugs manufacturing license.	Uttar Pradesh Food Safety & Drug Administration.	25 of 1990.	31 December 2026.
18.	TAN.	Income Tax Department.	MRTD07296C.	One time registration.
19.	TAN.	Income Tax Department.	DELD16419E.	One time registration.
20.	Issue of factory stuffing permission.	Central Excise Department.	C. No. VIII(ICD)6/EXP/FS/628/2012	One time registration.
21.	Employees' state insurance corporation registration.	Employees' State Insurance Corporation Department.	6700061893000304.	One time registration.
22.	Provident fund registration.	Provident Fund Department.	UP/230 (Online No.- MRMRT00002300000).	One time registration.
23.	License for storage of chlorine cylinders.	Explosives Department.	G/CC/UP/06/1601(G24590).	30 September 2028.
24.	License for storage of liquid nitrogen.		S/HO/UP/03/356(S3839).	30 September 2027.
25.	Liquid nitrogen safety valve hydro testing vessel certificate.		LIPS/06361/18/UP/210.	Renewable annually.
26.	License for storage of petroleum class-		R/HQ/UP/152976(P8375).	31 December 2027



Page 79 of 94  
Delhi Bank

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Serial No.	Name of the License	Licensor	License No.	Validity
	A.			
27.	License for storage of ammonia in tank.		S/HO/UP/03/86(S3906).	30 September 2024
28.	Ammonia safety valve hydro testing vessel certificate.		PV(R)414/CPS55755/18/UP/10302.	Renewable annually.
29.	License for storage of methyl alcohol (MA-4).	District Magistrate.	Certificate no. 2.	31 March 2024.
30.	License for storage of methyl alcohol (MA-2).	District Magistrate.	Certificate no.1.	31 March 2024.
31.	Consolidated consent to operate and authorisation under Air (Prevention & Control of Pollution) Act, 1974.			
32.	Consolidated consent to operate and authorisation under Air (Prevention & Control of Pollution) Act, 1974.	Uttar Pradesh Pollution Control Board.	165429/UPPCB/MEERUT(UPPCBRO)/CTO/BOTH/MEERUT/2022.	31 December 2024.
33.	Authorisation for disposal of hazardous waste.		15768/UPPCB/Meerut (UPPCBRO)/HWM/MEERUT/2021.	12 December 2026.
34.	Registration for disposal of bio medical waste.		268/BMW-520/2018	One time registration.
35.	Registration of occupational health committee.	CMO (Medical Department)	CMEE2372252.	30 April 2024.
36.	No-objection certificate for use of ground water.	Uttar Pradesh Ground Water Authority.	Reg. No.: 202102000151.	17 February 2026.
37.	No-objection certificate for use of ground water - borewell.	Uttar Pradesh Ground Water Authority.	NOC No.- NOC023222.	17 February 2026.
38.	License to work a factory.	Uttar Pradesh Factories Department.	Reg. No.-UPFA7000047.	31 December 2023.
39.	Registration under Contract Labour (Regulation & Prohibition) Act,	Uttar Pradesh Labour Department.	MRCR-27.	One Time Registration.



Serial No.	Name of the License	Licensor	License No.	Validity
	1970.			
40.	No-objection certificate issued by fire department.	Uttar Pradesh Fire Department.	UPFS/2023/74953/MRT/MEERUT/1409/JD.	7 March 2026.
41.	Daurala nagar panchayat license.	Nagar Panchayat.	95/ Book No.140.	31 March 2024.
42.	Inspection certificate of electrical installations - 3150 KVA electric load.	Electric Safety Department.	Certificate No. 149.	20 May 2025.
43.	Inspection certificate of electrical installations - DG set		Certificate No. 119.	15 June 2024.
44.	Inspection certificate of electrical installations - transformer		Certificate No. 211.	9 July 2024.
45.	Registration certificate for disposal of plastic waste.	Plastic Waste Management (Uttar Pradesh Pollution Control Board).	PR-29-UTT-09-AAACD0204C-22.	28 September 2024
46.	Registration certificate for disposal of plastic waste.	Plastic Waste Management (Uttar Pradesh Pollution Control Board).	IM-21-UTT-09-AAACD0204C-22.	20 September 2024
47.	License for acetic anhydride (purchase, possession, storage and consumption).	Narcotics Department	DLCD0100202.	One time registration.
48.	TAN.	Income Tax Department	MRTD01386A.	One time registration.
49.	TAN.	Income Tax Department	DELD08601F.	One time registration.
50.	Issue of factory stuffing permission.	Central Excise Department.	C.No. VIII(1CD)6/EXP/FS/627/2012.	One time registration.
51.	Employees' state insurance corporation registration.	Employees' State Insurance Corporation Department.	67000615720000399.	One time registration.

Serial No.	Name of the License	Licensor	License No.	Validity
52.	Provident fund registration.	Provident Fund Department.	UP/17378 (Online MRMRT0017378000). No.-	One time registration.
53.	Shops & establishment registration.	Department of Labour, Delhi.	20150066367.	One time registration.



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## SCHEDULE - 2

## Assets pertaining to the Chemical Undertaking

A. Daurala (District Meerut – Uttar Pradesh)

Serial No.	Location	Khasra No.	Area (in Sq. Mtr.)	Type of Asset
1.	Village Daurala.	1732.	2,696.	Freehold.
2.	Village Daurala.	1733.	6,557.	Freehold.
3.	Village Daurala.	313, 314, 315.	10,243.	Freehold.
4.	Village Mohd. Pur Hayak.	298.	120.	Freehold.
5.	Village Mohd. Pur Hayak.	297.	370.	Freehold.
6.	Village Mohd. Pur Hayak.	312.	5,550	Freehold.
7.	Village Mohd. Pur Hayak.	294.	10,484.	Freehold.
8.	Village Mohd. Pur Hayak.	296.	700.	Freehold.
9.	Village Mohd. Pur Hayak.	295.	643.	Freehold.
10.	Village Mohd. Pur Hayak.	288.	450.	Freehold.
11.	Village Mataur.	421.	5,850.	Freehold.
12.	Village Mataur.	433.	2,956.	Freehold.
13.	Village Mataur.	434.	17,057.	Freehold.
14.	Village Mataur.	435.	6,551.	Freehold.
15.	Village Mataur.	436.	4,086.	Freehold.
16.	Village Mataur.	437.	3,110.	Freehold.
17.	Village Mataur.	438.	7,564.	Freehold.
18.	Village Mataur.	439.	1,250.	Freehold.
19.	Village Mataur.	440.	1,250.	Freehold.
20.	Village Mataur.	441.	1,239.	Freehold.
21.	Village Mataur.	442 & 492.	8,985.	Freehold.
22.	Village Mataur.	443.	1,680.	Freehold.
23.	Village Mataur.	444.	1,701.	Freehold.
24.	Village Mataur.	445.	3,856.	Freehold.
25.	Village Mataur.	446.	2,177.	Freehold.
26.	Village Mataur.	447.	2,177.	Freehold.
27.	Village Mataur.	70 (Ka).	18,676.	Freehold.
28.	Village Daurala.	63.	5,108.	Freehold.
29.	Village Daurala.	70.	251.	Freehold.
30.	Village Daurala.	60.	16,258.	Freehold.
Total			1,49,595	

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## SCHEDULE – 3

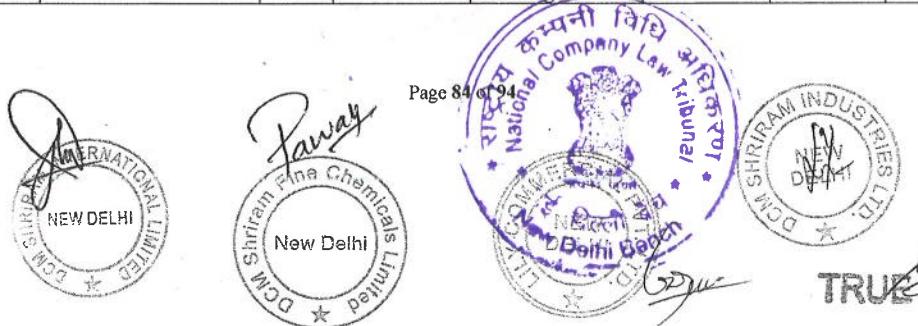
## Details of Intellectual Property Rights of DCMSR appertaining to Chemical Undertaking

## Part A: Details of Copyright

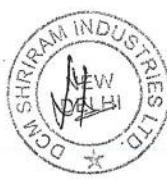
Serial No.	Title of the Work	Class	Registration No.	Status	Owner	Entities Using the Copyright after the Effective Date
1.	DCM Shriram.	Artistic.	A-54102/97.	Registered	DCMSR	DCMSR and Resultant Companies.

## Part B: Details of Trademarks Used by the DCM Shriram Group

Serial No.	Trademark	Class	Application/Registration No.	Description	Status	Owner/ Applicant	Entities Using the Trademark After the Effective Date
1.	 DCM SHRIRAM	414	5363222	Education, providing of training, entertainment, sporting and cultural activities.	Registered.	DCMSR.	DCMSR and Resultant Companies.
2.		42	5363233	Scientific and technological services and research and design relating thereto, industrial analysis and research services, design and development of computer hardware and software.	Registered.	DCMSR	DCMSR and Resultant Companies.
3.		9	5363226	Scientific, nautical, surveying, including through drones, electric, photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), lifesaving and teaching	Registered.	DCMSR.	DCMSR and Resultant Companies.



Serial No.	Trademark	Class	Application/Registration No.	Description	Status	Owner/Applicant	Entities Using the Trademark After the Effective Date
				apparatus and instruments; apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs; automatic vending machines and mechanisms for coin-operated apparatus, cash registers, calculating machines, data processing equipment and computers, fire extinguishing apparatus.			
4.		11	5363210	All kinds of power generation.	Registered.	DCMSR.	DCMSR and Resultant Companies.
5.		5	5363208	All pharmaceutical, drug intermediaries, sanitisers of different compositions, veterinary and sanitary preparations, dietetic substances adapted for medical use, fungicides, herbicides.	Pending registration.	DCMSR.	DCMSR and Resultant Companies.
6.		1	5363207	All chemicals including fine chemicals used in industry, science, photography, agriculture, horticulture and	Pending registration.	DCMSR.	DCMSR and Resultant Companies.



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Serial No.	Trademark	Class	Application/Registration No.	Description	Status	Owner/Applicant	Entities Using the Trademark After the Effective Date
				forestry, unprocessed artificial resins, unprocessed plastics, manures, fire extinguishing compositions, tempering and soldering preparations, chemical substances for preserving foodstuffs, tanning substances, adhesive used in industry.			



200

SCHEDULE – 4

Licenses to be Transferred to Resultant Company 2 as part of the Rayon Undertaking

Serial No.	Name of the License	Licensor	License No.	Validity
1.	Registration and license to work a factory.	Rajasthan Factories Department.	Reg. No. – RJ 1941.	31 March 2024.
2.	EPF and ESI Registration Letters.	Provident Fund Department and Employees' Insurance Corporation Department.	ESI: RJ/1128/85. EPF: PF/RJ/1128/851.	Valid until cancelled.
3.	Consent to operate captive power plant-9.2 MW situated at Shriram Nagar, Kota.	Rajasthan State Pollution Control Board.	2023-2024/CD/6901	30 November 2027.
4.	Consent to operate captive power plant – 2 MW situated at Shriram Nagar, Kota.	Rajasthan State Pollution Control Board.	2023-2024/CD/6874	30 September 2023 (renewal application filed on 29 June 2023).
5.	Consent to operate – Carbon Di Sulphide plant situated at Shriram Nagar, Kota.	Rajasthan State Pollution Control Board.	2019-2020/CD/6365	31 October 2023 (renewal application filed on 30 June 2023).
6.	Consent to operate – Dipping Plant situated at Shriram Nagar, Kota.	Rajasthan State Pollution Control Board.	2022-2023/CD/6648	30 November 2026.
7.	Consent to establish – engineering project section plant situated at Shriram Nagar, Kota.	Rajasthan State Pollution Control Board.	2020-2021/CD/6423	28 February 2025.
8.	Consent to operate – Main Plant - 23 TPD Rayon Plant situated at Shriram Nagar, Kota.	Rajasthan State Pollution Control Board.	2023-2024/CD/6875	30 June 2026.
9.	Consent to operate – Main Plant - 7 TPD Expansion Rayon Plant situated at Shriram Nagar, Kota.	Rajasthan State Pollution Control Board.	Application ID: 336099	Under process.
10.	Authorisation for storage of hazardous waste.	Rajasthan State Pollution Control Board.	RPCB/HWM/2019-2020/HSW/HSW/271	31 October 2024.
11.	Consent to operate for operation of 2 sewage treatment plants (150 KLD each) in Shriram Nagar Colony, Kota.	Rajasthan State Pollution Control Board.	2023-2024/CD/6915	31 December 2027.
12.	Industrial license from Ministry of Textile.	Ministry of Textiles.	No. L/23/5/M 17.Tex.D/61	Valid until cancelled.
13.	Certificate of establishment.	Department of Labour.	201565241	Valid until cancelled.
14.	Sulphur storage licence.	Explosives Department.	114/6465 Jaipur	31 December 2017 (Under Renewal since December 2017)



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201

Serial No.	Name of the License	Licensor	License No.	Validity
15.	License under The Industries (Development and Regulation) Act, 1951 for establishing a new industrial undertaking for manufacturing of communications equipment.	Department of Industrial Policy & Promotion.	DIL:34(2018).	License will cease to be valid if commercial production in the new industrial undertaking is not established within 15 years.
16.	License under The Industries (Development and Regulation) Act, 1951 for establishing a new industrial undertaking for manufacturing of Opto electronic devices.	Department of Industrial Policy & Promotion.	DIL:33(2018).	License will cease to be valid if commercial production in the new industrial undertaking is not established within 15 years.
17.	License under the Arms Act, 1959 for manufacture of bullet proof vehicles.	Department of Industrial Policy & Promotion.	LN10248C7A14318	Valid until cancelled.
18.	License under the Arms Act, 1959 for manufacture of unmanned aerial vehicles.	Department of Industrial Policy & Promotion.	LN10248C7A14218	Valid until cancelled.

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## SCHEDULE – 5

## Assets pertaining to the Rayon Undertaking

## A. At District Kota (Rajasthan)

Serial No.	Location	Khasra No.	Area (in Hectares)	Type of Asset
1.	Village Kansua. (Factory)	Present Khasra Nos.: - 356,361,362,363,364 Old Khasra Nos as per Court Order:- 293,294,297,300 and 301	32.49	Leasehold.
2.	Village Umedgunj (Colony).	Present Khasra No.: - 10. Old Khasra Nos as per Court Order:- 13,14,16 and 17	45.23	Leasehold.
3.	Village Rajpura.(Factory and Colony)	Present Khasra No.: - 422. Old Khasra Nos: as per Court Order 322 and 324.		Leasehold.
4.	Village Devlimanji.	419.	1.63.	Freehold.
5.	Village Aanwa.	167.	1.39.	Freehold.
6.	Village Khajuri.	1632, 1658, 1659, 1663, 1664 and 1667.	3.01.	Freehold.
7.	Land for Guest House (Umedgunj/Kansua)	418,419.	0.4054.	Leasehold.

## B. At Delhi

Serial No.	Location	Area (in Sq. Ft.)	Type of Asset
1.	Aakashdeep Building, Flat No. 403.	708.	Leasehold.
2.	Aakashdeep Building, Flat No. 405.	440.	Leasehold.
3.	Aakashdeep Building, Flat No. 406.	708.	Leasehold.
4.	Aakashdeep Building, Flat No. 502.	708.	Leasehold.
5.	Aakashdeep Building, Flat No. 507.	708.	Leasehold.

## C. At District Meerut – Uttar Pradesh

Serial No.	Location	Khasra No.	Area (in Sq. Mtr.)	Type of Asset
1.	Village Palhera.	1-Ma.	61,840.	Freehold.
2.	Village Palhera.	2.	1,140.	Freehold.
3.	Village Palhera.	3-M.	6,450.	Freehold.
4.	Village Palhera.	4-M.	5,720.	Freehold.
5.	Village Palhera.	6.	380.	Freehold.
6.	Village Pabli Khas.	1697.	10,620.	Freehold.



## SCHEDULE – 6

## Details of Intellectual Property Rights of DCMSR appertaining to Rayon Undertaking

## Part A: Details of Copyright Used by the DCM Shriram Group

Serial No.	Title of the Work	Class	Registration No.	Status	Owner	Entities Using the Copyright after the Effective Date
1.	DCM Shriram.	Artistic.	A-54102/97.	Registered.	DCMSR.	DCMSR and Resultant Companies.

## Part B: Details of Trademarks Used by the DCM Shriram Group

Serial No.	Trademark	Class	Application/Registration No.	Description	Status	Owner/ Applicant	Entities Using the Trademark after the Effective Date
1.	 DCM SHIRIRAM	23	5363211	Yarns and threads, for textiles and industrial use.	Registered.	DCMSR.	Resultant Company 2.
2.		414	5363222	Education, providing of training, entertainment, sporting and cultural activities.	Registered.	DCMSR.	DCMSR and Resultant Companies.
3.		42	5363233	Scientific and technological services and research and design relating thereto, industrial analysis and research services, design and development of computer hardware and software.	Registered.	DCMSR.	DCMSR and Resultant Companies.
4.		9	5363226	Scientific, nautical, surveying, including through drones, electric, photographic,	Registered.	DCMSR.	DCMSR and Resultant Companies.



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Serial No.	Trademark	Class	Application/Registration No.	Description	Status	Owner/Applicant	Entities Using the Trademark after the Effective Date
				cinematographic, optical, weighing, measuring, signalling, checking (supervision), lifesaving and teaching apparatus and instruments; apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs; automatic vending machines and mechanisms for coin-operated apparatus, cash registers, calculating machines, data processing equipment and computers, fire extinguishing apparatus.			
5.		11	5363210	All kinds of power generation.	Registered.	DCMSR.	DCMSR and Resultant Companies.
6.		5	5363208	All pharmaceutical, drug intermediaries, sanitisers of different compositions, veterinary and sanitary preparations, dietetic	Pending registration.	DCMSR.	DCMSR and Resultant Companies.



Serial No.	Trademark	Class	Application/Registration No.	Description	Status	Owner/Applicant	Entities Using the Trademark after the Effective Date
				substances adapted for medical use, fungicides, herbicides.			
7.		6	5363209	Metal fabricated items for industrial and transport needs, common metals and their alloys, metal building materials, transportable buildings of metal, materials of metal for railway tracks, non-electric cables and wires of common metal, ironmongery, small items of metal hardware, pipes and tubes of metal, safes, goods of common metal not included in other classes and ores.	Pending registration.	DCMSR.	Resultant Company 2.
8.		1	5363207	All chemicals including fine chemicals used in industry, science, photography, agriculture, horticulture and forestry, unprocessed artificial resins, unprocessed plastics, manures, fire extinguishing compositions,	Pending registration.	DCMSR.	DCMSR and Resultant Companies.



Page 92 of 94



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Serial No.	Trademark	Class	Application/Registration No.	Description	Status	Owner/Applicant	Entities Using the Trademark after the Effective Date
				tempering and soldering preparations, chemical substances for preserving foodstuffs, tanning substances, adhesive used in industry.			
9.		12	5363228	Vehicles, apparatus for locomotion by land, air or water including drones.	Pending registration.	DCMSR.	Resultant Company 2.
10.		13	5363230	Firearms, ammunition and projectiles, explosives, fireworks, defense products under licensing or non-licensing categories such as thermal imaging, electronics and communications.	Pending registration.	DCMSR.	Resultant Company 2.
11.		12	3700597	Automobiles, vehicles, cars, buses, trucks, tyres and tubes, automobiles parts, fitting & accessories included in class 12, engine for vehicles, automobile body and chassis, apparatus for locomotion by land, air or water	Registered.	DCMSR.	Resultant Company 2.



Serial No.	Trademark	Class	Application/Registration No.	Description	Status	Owner/Applicant	Entities Using the Trademark after the Effective Date
12.		12	5593529	Drones, delivery drones, rescue drones, photography drones, military and civil drones, camera drones, defense, security, commercial, unmanned aerial vehicle and its commercial applications under class 12.	Pending registration.	DCMSR.	Resultant Company 2.



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