

SCHEME OF ARRANGEMENT AND AMALGAMATION

AMONGST

INSAI CHEMPLAST PRIVATE LIMITED

[TRANSFEROR COMPANY]

AND

K K CHEMPRO (INDIA) PRIVATE LIMITED

[TRANSFeree COMPANY / DEMERGED COMPANY]

AND

K K CHEM INDIA PRIVATE LIMITED

[RESULTING COMPANY NO. 1]

AND

PRS ENTERPRISES PRIVATE LIMITED

[RESULTING COMPANY NO. 2]

AND

THEIR RESPECTIVE SHAREHOLDERS

[UNDER SECTIONS 230 TO 232 AND OTHER RELEVANT PROVISIONS OF
THE COMPANIES ACT, 2013]

For INSAI CHEMPLAST PVT. LTD.

Authorised Signatory

For K K CHEMPRO (INDIA) PVT. LTD.

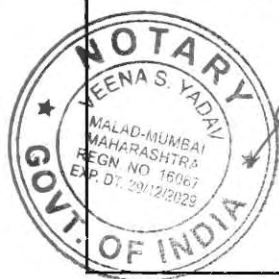
Authorised Signatory

For K K CHEM INDIA PRIVATE LIMITED

DIRECTOR

For PRS ENTERPRISES PVT. LTD.

DIRECTOR



I. PREAMBLE :

1. This Scheme of Arrangement and Amalgamation ("Scheme") is presented pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment or amendment thereof), as may be applicable, and also read with Sections 2(19AA), 2(1B), and other relevant provisions of the IT Act, as may be applicable, for the:



- (i) Amalgamation of INSAI CHEMPLAST PRIVATE LIMITED ("INSAI") into K K CHEMPRO (INDIA) PRIVATE LIMITED ("K K CHEMPRO") and consequent dissolution of INSAI without winding up



- (ii) Demerger of undertaking viz. Speciality Silicones & Chemicals Business ("*Demerged Undertaking No. 1*") of K K Chempro (India) Private Limited ("K K CHEMPRO") into K K Chem India Private Limited ("K K CHEM") on a going concern basis;

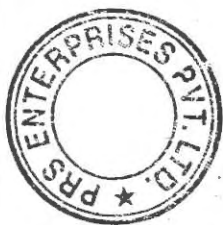


- (iii) Demerger of undertaking viz. Specialty Additive for plastic and allied industries ("*Demerged Undertaking No. 2*") of K K Chempro (India) Private Limited ("K K CHEMPRO") into PRS Enterprises Private Limited ("PRS") on a going concern basis;

II. BACKGROUND AND DESCRIPTION OF THE COMPANIES :



2. INSAI is a private limited company domiciled in India and incorporated on 27th September 2007 under the Companies Act, 1956 with CIN U18201MH2007PTC174559 and having its registered office at Rajprabha Landmark, Industrial Estate, Gala No. 32/33, 1st Floor, Building No.6, Sativali, Thane - 401208, Palghar, Maharashtra, India. INSAI is currently engaged in the business of Trading of Industrial chemicals.



3. K K CHEMPRO is a private limited company domiciled in India and incorporated on 17th May 2008 under the Companies Act, 1956 with CIN U24100MH2008PTC182345 and having its registered office at

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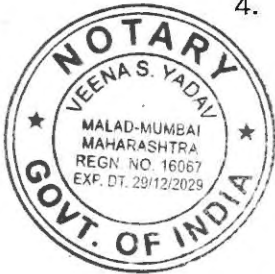
DIRECTOR

For K K CHEMPRO (INDIA) PVT. LTD.

Authorised Signatory
For PRS ENTERPRISES PVT. LTD.

DIRECTOR

A/442, Neo Corporate Plaza, Ramachandra Lane Extension, Opp. Kapol Wadi, Malad (West), Mumbai - 400064, Maharashtra, India. K K CHEMPRO is engaged in the trading of products of various chemicals mainly under the distributorship agreement with Dow Corning, Multibase, Evonik, etc.



4. K K CHEM is a private limited company domiciled in India and incorporated on 17th July, 2024 under the Companies Act, 2013 with CIN U20110MH2024PTC428942 and having its registered office at A/442, Neo Corporate Plaza, Ramachandra Lane Extension, Opp. Kapol Wadi, Malad (West), Mumbai - 400064, Maharashtra, India. K K CHEM is incorporated to carry on the business of manufacturing and trading of various chemicals.



5. PRS is a private limited company domiciled in India and incorporated on 24th November, 2009 under the Companies Act, 1956 with CIN U51109MH2009PTC197264 and having its registered office at Off - 442, Neo Corporate Plaza, Cabin A, Ramchandra Lane Extension, Malad (W), Opp Kapole Wadi, Malad West, Mumbai – 400064, Maharashtra, India. PRS is having object of carrying business of trading of products of various chemicals.

III. RATIONALE AND PURPOSE OF THE SCHEME :



- a) Rationalizing the group structure to ensure optimized legal entity structure more aligned with the business
- b) Reorganizing the legal entity in the group structure so as to obtain significant cost savings and/or simplification benefits;
- c) Rationalizing costs by elimination of administrative functions and multiple record-keeping.
- d) Focused management;
- e) Leveraging on synergies on consolidation.

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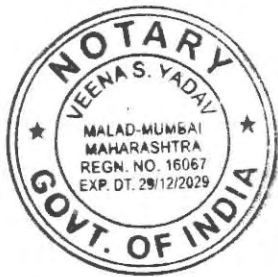
For K K CHEMPRO (INDIA) PVT. LTD.

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- f) The proposed corporate restructuring mechanism by way of a scheme of arrangement and amalgamation under the provisions of the Act is beneficial, advantageous and not prejudicial to the interests of the shareholders, creditors and other stakeholders of all the companies involved.
- g) This Scheme also provides for various other matters consequential or otherwise integrally connected herewith.
- h) The Scheme will not in any manner be prejudicial to the interests of the concerned shareholders and creditors or general public at large.



IV. PARTS OF THE SCHEME :

The Scheme is divided into the following parts:

1. **PART – “A”** deals with definitions, interpretation, effective date and share capital;
2. **PART – “B”** deals with Amalgamation of INSAI with K K CHEMPRO and matters incidental thereto;
3. **PART – “C”** deals with the demerger of the Demerged Undertaking No. 1 of K K CHEMPRO into K K CHEM and Demerged Undertaking No. 2 of K K CHEMPRO into PRS and matters incidental thereto;
4. **PART – “D”** deals with *the general terms and conditions*.

PART - “A”

DEFINITIONS, INTERPRETATION, EFFECTIVE DATE AND SHARE CAPITAL

1. **DEFINITIONS**

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

- 1.1 **“Act”** means the Companies Act, 2013 and any rules, regulations, circulars or guidelines issued thereunder and shall, if the context so requires and as may be applicable, mean the Companies Act, 1956 and

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any rules, regulations, circulars or guidelines issued thereunder, as amended from time to time and shall include any statutory replacement or re-enactment thereof.

1.2 **"INSAI"** means INSAI CHEMPLAST PRIVATE LIMITED or Transferor Company.

1.3 **"K K CHEMPRO"** means K K CHEMPRO (INDIA) PRIVATE LIMITED or Transferee Company or Demerged Company.



1.4 **"K K CHEM"** means K K CHEM INDIA PRIVATE LIMITED or Resulting Company No. 1.

1.5 **"PRS"** means PRS ENTERPRISES PRIVATE LIMITED or Resulting Company No. 2.



1.6 **"Appointed Date 1"** for the purpose of this Scheme means 1st day of April, 2024;

1.7 **"Appointed Date 2"** for the purpose of this Scheme means 1st day of October, 2024.



1.8 **"Amalgamation"** means Merger by Absorption / Amalgamation of Transferor Company with Transferee Company in accordance with sections 2(1B) and 47(vi) of the IT Act.



1.9 **"Amalgamated Undertaking"** means the whole of the undertaking of INSAI, as a going concern, including entire business and properties of INSAI as on Appointed Date 1, including (without limitation) in particular;



- i. all the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature) of INSAI, whether situated in India or abroad, including, without limitation, all land, buildings and structures, offices, branches, residential and other premises, capital work-

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[Signature]
Authorised Signatory
For K K CHEM INDIA PRIVATE LIMITED

For K K CHEMPRO (INDIA) PVT. LTD.

[Signature]
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For PRS ENTERPRISES PVT. LTD.

DIRECTOR

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in-progress, machines and equipment's, furniture, fixtures, office equipment, computers, information technology equipment, laptops, server, vehicles, appliances, accessories, power lines, stocks, current assets (including inventories, sundry debtors, bills of exchange, loans and advances), investments of all kinds (including shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates, investment in subsidiaries), cash and bank accounts (including bank balances), contingent rights or benefits, benefits of any deposits, earnest monies, receivables, advances or deposits paid by or deemed to have been paid by INSAI, financial assets, benefit of any bank guarantees, performance guarantees and letters of credit, leases (including lease rights), leave and license agreements, hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, tenancies in relation to the office and/or residential properties, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held directly or in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, titles, easements, privileges, liberties and advantages etc. of whatsoever nature and wheresoever situated belonging to or is in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by INSAI or in connection with or relating to INSAI and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by INSAI;

- ii. all permits, quotas, rights, entitlements, industrial and other licences, subsidies, rights claims, lease, tenancy rights, insurance cover, easements, contracts, agreements, bids,



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[Signature]
 Authorised Signatory
 For K K CHEM INDIA PRIVATE LIMITED

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 DIRECTOR

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[Signature]
 Authorised Signatory
 For PRS ENTERPRISES PVT. LTD.

[Signature]
 DIRECTOR



tenders, letters of intent, expressions of interest, memorandums of understanding, offer letters, approvals, consents, subsidies, privileges, other benefits (including tax benefits), incentives deductions, exemptions, rebates, allowances, amortization, credits, Minimum Alternate Tax Credit ("MAT Credit"), Foreign Tax Credit, dividend distribution tax (if applicable), tax deducted at source, tax collected at source and advance income tax payment, entitlement, if any, tax losses and exemptions in respect of profits of the undertaking for the residual period, i.e., for the period remaining as on the Appointed Date 1 out of the total period for which the benefit or exemption is available in law if the amalgamation pursuant to this Scheme does not take place, all other rights including sales tax deferrals and exemptions and other benefits, the input credit balances (including, State Goods & Service Tax ("SGST"), Integrated Goods and Services Tax ("IGST") and Central Goods and Service Tax ("CGST") credits) under the Goods and Service Tax ("GST") laws, CENVAT/ MODVAT credit balances under Central Excise Act, 1944, sales tax law, duty drawback claims, rebate receivables, refund and advance, all customs duty benefits and exemptions, export and import incentives and benefits or any other benefits/ incentives/ exemptions/ given under any policy announcements issued or promulgated by the government of India or state government or any other government body or authority or any other like benefits under any statute), receivables, and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts, arrangements and all other interests etc. in connection with or relating to INSAI, whether or not so recorded in the books of accounts of INSAI;

- iii. all debts, borrowings, obligations, duties, claims and liabilities, both present and future, current and non-current (including deferred tax liabilities, contingent liabilities and the Liabilities and

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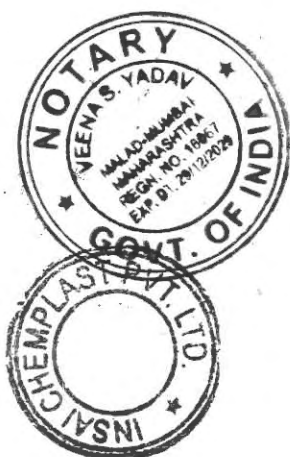
DIRECTOR

obligations under any licenses or permits or schemes) of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized, whether secured or unsecured, whether in Rupees or foreign currency, whether provided for or not in the books of accounts or disclosed in the balance sheet of INSAI;

iv. all trade and service names and marks, patents, copyrights, goodwill, designs, logos, trade name, domain names, goodwill and other intellectual property rights (secured or applied) of any nature whatsoever, books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programs, manuals, data, catalogues, quotations, sales and advertising material, lists of present and former customers and suppliers, other customer information, customer credit information, customer pricing information and all other records and documents, whether in physical or electronic form relating to business activities and operations of INSAI.

v. all the current staff, employees and related obligations of whatsoever kind, including liabilities of INSAI with regard to its said employees, including with respect to the payment of gratuity, bonus, superannuation, pension benefits, provident fund, compensation or benefits, if any, in the event of their resignation from the employment, death, voluntary retirement, retrenchment or otherwise.

vi. any statutory licenses, permissions, registrations, approvals or consents held by INSAI as required to carry on the operations shall stand vested in or assigned or transferred to K K CHEMPRO without any further act or deed and shall be appropriately mutated by the statutory authorities concerned therewith in favour of K K CHEMPRO and the benefit of all the statutory and regulatory



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Authorised Signatory

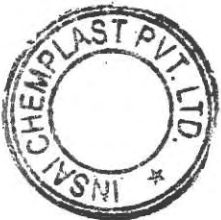
For PRS ENTERPRISES PVT. LTD.

[Signature]
DIRECTOR

permissions, consents, environmental approvals, registration or other licenses etc. shall vest in and become available to K K CHEMPRO as if they were originally obtained by K K CHEMPRO. In so far as the various incentives, subsidies, rehabilitation scheme, special status and other benefits or privileges enjoyed, granted by any Governmental Authority or by any other person, or availed by INSAI, are concerned, the same shall vest with and be available to K K CHEMPRO on the same terms and conditions as applicable to INSAI, as if the same had been allotted and/ or granted and/ or sanctioned and/ or allowed to K K CHEMPRO.



- 1.10 **"Applicable Law"** means (a) means any statute, notification, bye laws, rules, regulations, guidelines, circulars, rule or common law, policy, code, directives, ordinance, schemes, notices, orders or instructions law enacted or issued or sanctioned by any Appropriate Authority including any modification or re-enactment thereof for the time being in force;



- 1.11 **"Appropriate Authority"** means any prescribed governmental, statutory, regulatory, departmental or public body or authority of India including, Registrar of Companies, Regional Director, the National Company Law Tribunal, etc.



- 1.12 **"Board of Directors"** means the Board of Directors of INSAI, K K CHEMPRO, K K CHEM and PRS, as the context may require, and include a committee duly constituted and authorised or individuals authorized for the purposes of matters pertaining to this Scheme and/or any other matter relating thereto, if any.



- 1.13 **"Consent"** means any notice, consent, approval, authorization, waiver, permit, permission, clearance, license, exemption, no objection certificate, registration, with, of, from or to any Person.



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Authorised Signatory

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[Signature]

DIRECTOR

For PRS ENTERPRISES PVT. LTD.

[Signature]

DIRECTOR

1.14 **"Effective Date"** means the means the last of the dates on which conditions and matters referred to in Clause 32 hereof occur or have been fulfilled or waived

1.15 **"Encumbrance"** means any mortgage, pledge, equitable interest, assignment by way of security, conditional sales contract, hypothecation, right of other persons, claim, security interest, encumbrance, title defect, title retention agreement, voting trust agreement, interest, option, lien, charge, commitment, restriction or limitation of any nature whatsoever, including restriction on use, voting rights, transfer, receipt of income or exercise of any other attribute of ownership, right of setoff, any arrangement (for the purpose of, or which has the effect of, granting security), or any other security interest of any kind whatsoever, or any agreement, whether conditional or otherwise, to create any of the same and the term "Encumbered" shall be construed accordingly.

1.16 **"Governmental Approvals"** means any Consent of any Governmental Authority.

1.17 **"Governmental Authority"** means (i) a national or state government, political subdivision thereof; (ii) an instrumentality, board, commission, court, or agency, whether civilian or military, of any of the above, however constituted; and (iii) a government-owned/ government-controlled association, organization in the Republic of India etc.

1.18 **"IT Act"** means the Indian Income-tax Act, 1961 and shall include any statutory modifications, re-enactments or amendments thereof for the time being in force.

1.19 **"NCLT"** means, the National Company Law Tribunal, Mumbai Bench having jurisdiction in relation to INSAI, K K Chempro , K K Chem and PRS or such other forum or authority as may be vested with any of the powers of the above-mentioned tribunal under the Act for approving any



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DIRECTOR

scheme of arrangement, compromise or reconstruction of a company under Sections 230 to 232 of the Act.

1.20 **"NCLT Order"** means all order(s) passed by the NCLT sanctioning the Scheme and includes any order passed by NCLT or any other Governmental Authority's order(s) for extension of time or condonation of delay in filing of the requisite forms with the Registrar of Companies in relation to this Scheme, if applicable.



1.21 **"Person"** means any individual or other entity, whether a corporation, firm, company, joint venture, trust, association, organization, partnership or proprietorship, including any governmental agency or regulatory body.



1.22 **"Record Date 1"** means the date to be mutually fixed by the Board of Directors of INSAI and K K CHEMPRO for the purpose of determining the shareholders of INSAI who shall be entitled to receive equity shares of K K CHEMPRO, as the case may be pursuant to and as contemplated under this Scheme.



1.23 **"Record Date 2"** means the date to be mutually fixed by the Board of Directors of K K CHEMPRO, K K CHEM and PRS for the purpose of determining the shareholders of K K CHEMPRO who shall be entitled to receive equity shares of K K CHEM & PRS pursuant to and as contemplated under this Scheme including allotment of shares as proposed in Part B of the Scheme.



1.24 **"Registrar of Companies"** means the Registrar of Companies, Mumbai having jurisdiction over INSAI, K K CHEMPRO, K K CHEM and PRS.



1.25 **"Remaining Business"** means the business, assets and liabilities of K K CHEMPRO which pertains to the business of "Speciality Polymers & Other Chemicals" (i.e. entire undertaking other than Demerged Undertaking No. 1 & Demerged Undertaking No. 2 post the amalgamation of INSAI into K K CHEMPRO)

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DIRECTOR

1.26 "Rupees" or "Rs." or "INR" means the lawful currency of India.

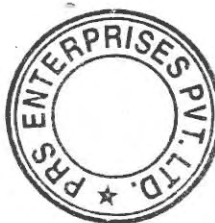
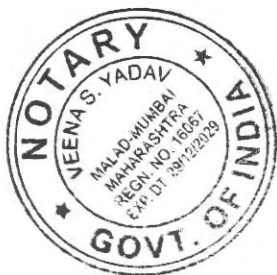
1.27 "Scheme" or "the Scheme" or "this Scheme" means this Scheme of Arrangement and Amalgamation in its present form or with any modification(s) approved or imposed or directed by the NCLT or any other Governmental Authorities.

1.28 "Demerged Undertakings" means the "Demerged Undertaking No. 1" and "Demerged Undertaking No. 2", collectively.

1.29 "Resulting Companies" means the "K K Chem" and "PRS", collectively.

1.30 "Demerged Undertaking No. 1" means the entire "Speciality Silicones & Chemicals Business" of K K CHEMPRO post the amalgamation of INSAI with K K CHEMPRO, as a going concern as of the Appointed Date 2, including all its assets, contracts, identified investments, rights, approvals, licenses and powers and all its debts, outstandings, liabilities, duties, obligations and employees pertaining to the said business including, but not in any way limited to, the following:

- (a) all assets, as are movable in nature pertaining to and in relation to the Speciality Silicones & Chemicals Business, whether present or future or contingent, tangible or intangible (other than brands and trademarks), in possession or reversion, including electrical fittings, furniture, fixtures, appliances, accessories, power lines, office equipment, computers, communication facilities, installations, vehicles, inventory and tools and plants, actionable claims, current assets, earnest monies and sundry debtors, financial assets, identified investment, outstanding loans and advances recoverable in cash or in kind or for value to be received, provisions, receivables, funds, cash and bank balances and deposits including accrued interest thereto with Government, semi-Government, local and other authorities and bodies, banks, customers and other Persons, insurances, the benefits of any bank guarantees, performance guarantees and letters of credit, and tax



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related assets, including but not limited to service tax input credits, GST credits or set-offs;

(b) all Consents (including but not limited to any concerned licenses), benefits, registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, subsidies, liberties and advantages including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto that pertain exclusively to the Speciality Silicones & Chemicals Business;

(c) all contracts, agreements, purchase orders / service orders, operation and maintenance contracts, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes of meetings, bids, tenders, expression of interest, letter of intent, hire and purchase arrangements, lease / license agreements, joint venture agreement, tenancy rights, agreements / panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier / manufacturer of goods / service providers, other arrangements, undertakings, deeds, bonds, schemes, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder pertaining to the Speciality Silicones & Chemicals Business;

(d) all rights to use and avail telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the



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ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by K K CHEMPRO pertaining to or in connection with the Speciality Silicones & Chemicals Business and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by K K CHEMPRO and pertaining to the Speciality Silicones & Chemicals Business;



(e) all the credits for taxes such as sales tax, service tax, CENVAT, GST that pertain to the Speciality Silicones & Chemicals Business;



(f) all books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), test reports, computer programs, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer/supplier pricing information, and all other books and records, whether in physical or electronic form that pertain to the Speciality Silicones & Chemicals Business;



(g) all debts, liabilities, duties, taxes and obligations of K K CHEMPRO pertaining to the Speciality Silicones & Chemicals Business;



(h) all employees of K K CHEMPRO employed / engaged in the Speciality Silicones & Chemicals Business as on the Effective Date; and



(i) all legal proceedings, including quasi-judicial, arbitral and other administrative proceedings of whatsoever nature relating to the Speciality Silicones & Chemicals Business.

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For K K CHEM INDIA PRIVATE LIMITED

DIRECTOR

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DIRECTOR

Explanation:

In case of any question that may arise as to whether a specific business or asset or liability or charge or employee pertains or does not pertain to the said "Speciality Silicones & Chemicals Business" or whether it arises out of the activities or operations of the "Speciality Silicones & Chemicals Business" shall be decided by a mutual agreement between the Board of Directors of K K CHEMPRO and K K CHEM.



1.31

"Demerged Undertaking No. 2" means the "Specialty Additive for plastic and allied Industries Business" of K K CHEMPRO, as a going concern as of the Appointed Date 2, including all its assets, contracts, identified investments, rights, approvals, licenses and powers and all its debts, outstandings, liabilities, duties, obligations and employees pertaining to the said business including, but not in any way limited to, the following:



- (j) all assets, as are movable in nature pertaining to and in relation to the Specialty Additive for plastic and allied Industries Business (including but not limited to investment in Shares of Maxpol Private Limited), whether present or future or contingent, tangible or intangible (other than brands and trademarks), in possession or reversion, including electrical fittings, furniture, fixtures, appliances, accessories, power lines, office equipment, computers, communication facilities, installations, vehicles, inventory and tools and plants, actionable claims, current assets, earnest monies and sundry debtors, financial assets, identified investment, outstanding loans and advances recoverable in cash or in kind or for value to be received, provisions, receivables, funds, cash and bank balances and deposits including accrued interest thereto with Government, semi-Government, local and other authorities and bodies, banks, customers and other Persons, insurances, the benefits of any bank guarantees, performance guarantees and letters of credit, and tax related assets, including but not limited to service tax input credits, GST credits or set-offs;

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DIRECTOR

(k) all Consents (including but not limited to any concerned licenses), benefits, registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, subsidies, liberties and advantages including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto that pertain exclusively to the Specialty Additive for plastic and allied Industries Business;



(l) all contracts, agreements, purchase orders/service orders, operation and maintenance contracts, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes of meetings, bids, tenders, expression of interest, letter of intent, hire and purchase arrangements, lease / license agreements, joint venture agreement, tenancy rights, agreements / panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/manufacturer of goods / service providers, other arrangements, undertakings, deeds, bonds, schemes, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder pertaining to the Specialty Additive for plastic and allied Industries Business;



(m) all rights to use and avail telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by K K CHEMPRO pertaining to or in connection with the Specialty Additive for plastic and allied



For INSAI CHEMPLAST PVT. LTD.

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Authorised Signatory

For K K CHEM INDIA PRIVATE LIMITED

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DIRECTOR

For K K CHEMPRO (INDIA) PVT. LTD.

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Authorised Signatory

For PRS ENTERPRISES PVT. LTD.

[Signature]

DIRECTOR

Industries Business and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by K K CHEMPRO and pertaining to the Specialty Additive for plastic and allied Industries Business;

(n) all the credits for taxes such as sales tax, service tax, CENVAT, GST that pertain to the Specialty Additive for plastic and allied Industries Business;



(o) all books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), test reports, computer programs, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer / supplier pricing information, and all other books and records, whether in physical or electronic form that pertain to the Specialty Additive for plastic and allied Industries Business;



(p) all debts, liabilities, duties, taxes and obligations of K K CHEMPRO pertaining to the Specialty Additive for plastic and allied Industries Business;



(q) all employees of K K CHEMPRO employed / engaged in the Specialty Additive for plastic and allied Industries Business as on the Effective Date; and



(r) all legal proceedings, including quasi-judicial, arbitral and other administrative proceedings of whatsoever nature relating to the Specialty Additive for plastic and allied Industries Business.

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DIRECTOR

Explanation:

In case of any question that may arise as to whether a specific business or asset or liability or charge or employee pertains or does not pertain to the said "Specialty Additive for plastic and allied Industries Business" or whether it arises out of the activities or operations of the "Specialty Additive for plastic and allied Industries Business" shall be decided by a mutual agreement between the Board of Directors of K K CHEMPRO & PRS.



2.

INTERPRETATION :

2.1 In addition to the above terms, certain terms may be defined elsewhere in this Scheme and wherever such terms are used in this Scheme, they shall have the meaning so assigned to them.



2.2 The terms referred to in this Scheme shall, unless defined otherwise in this Scheme or inconsistent with the context or meaning thereof, bear the meaning ascribed to them under the relevant statute / legislation.



2.3 All references in this Scheme to statutory provisions shall be construed as meaning and including references to:

(a) any statutory modification, consolidation or re-enactment made after the date of approval of this Scheme by the Board of Directors of INSAI, K K CHEMPRO, K K CHEM and PRS and for the time being in force;



(b) all subordinate legislation made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated);

(c) all statutory instruments or orders made pursuant to a statutory provision;



(d) any statutory provisions of which these statutory provisions are a consolidation, re-enactment or modification.

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2.4 Words denoting the singular shall include the plural and words denoting any gender shall include all genders.

2.5 Headings, subheadings, titles, subtitles to clauses, sub-clauses, sections and paragraphs are for information only and shall not form part of the operative provisions of this Scheme or the schedules hereto and shall be ignored in construing the same.

2.6 References to clauses, and schedules are, unless the context otherwise requires, references to clauses, and schedules to this Scheme.

2.7 Reference to days, months and years are to calendar days, calendar months and calendar years, respectively.

2.8 Any reference to "writing" shall include printing, typing, lithography and other means of reproducing words in visible form.

2.9 The words "include" and "including" are to be construed without limitation.

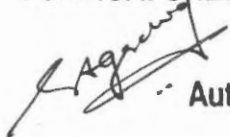
2.10 Where a wider construction is possible, the words "other" and "otherwise" shall not be construed ejusdem generis with any foregoing words.

3. **DATE OF TAKING EFFECT :**

3.1 The Scheme shall be effective from the Appointed Date 1 and Appointed Date 2 for Part B & Part C respectively mentioned herein but shall be operative from the Effective Date. The various parts of the Scheme shall be deemed to have taken effect in following sequence:

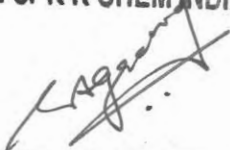
3.2 Firstly, Part B of the Scheme (relating to Amalgamation of INSAI by K K CHEMPRO) shall be deemed to have taken effect, prior to Part C of the Scheme; and

For INSAI CHEMPLAST PVT. LTD.



Authorised Signatory

For K K CHEM INDIA PRIVATE LIMITED



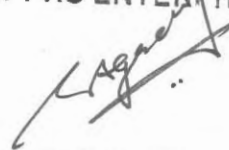
DIRECTOR

For K K CHEMPRO (INDIA) PVT. LTD.

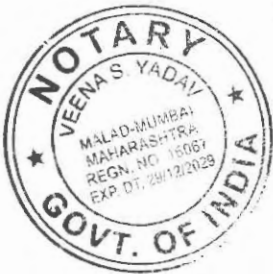


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3.3 Thereafter, Part – “C” of the Scheme (relating to demerger of the Demerged Undertakings of K K CHEMPRO into K K CHEM and PRS) shall be deemed to have taken effect, after Part B of the Scheme.

4. **SHARE CAPITAL :**

4.1 The share capital of INSAI as on date is as follows:

Particulars	Amount in INR
Authorised:	
Equity Shares:	
50,000 Equity Shares of Rs. 10 each	5,00,000
TOTAL	5,00,000
Issued, Subscribed and Paid-up:	
Equity Shares:	
10,000 Equity Shares of Rs. 10 each	1,00,000
TOTAL	1,00,000

The equity shares of INSAI are not listed on the Stock Exchanges.

There are no other existing commitments, obligations or arrangements by INSAI as on the date of sanction of this Scheme by the Board of Directors of INSAI to issue any further shares or convertible securities.

4.2 The share capital of K K CHEMPRO as on date is as follows:

Particulars	Amount in INR
Authorised:	
Equity Shares:	
1,99,75,000 Equity Shares of Rs. 10 each	19,97,50,000
Optionally Convertible Redeemable Preference Shares:	

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DIRECTOR

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25,000 Optionally Convertible Redeemable Preference Shares of Rs. 10 each	2,50,000
TOTAL	20,00,00,000
Issued, Subscribed and Paid-up:	
Equity Shares:	
1,20,36,992 Equity Shares of Rs. 10 each	12,03,69,920
TOTAL	12,03,69,920

The equity shares of K K CHEMPRO are not listed on the Stock Exchanges.

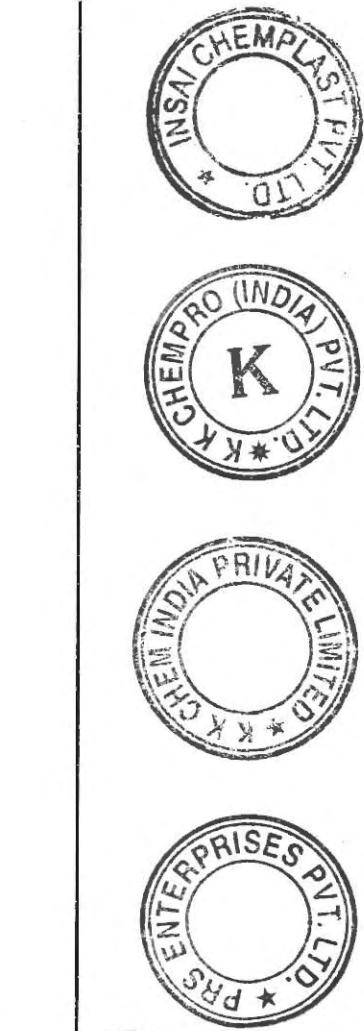
There are no existing commitments, obligations or arrangements by K K CHEMPRO as on the date of sanction of this Scheme by the Board of Directors of the company to issue any further shares or convertible securities.

4.3 The share capital of K K CHEM as on date is as follows:

Particulars	Amount in INR
Authorised:	
Equity Shares:	
1,00,000 Equity Shares of Rs. 10 each	10,00,000
TOTAL	10,00,000
Issued, Subscribed and Paid-up:	
Equity Shares:	
10,000 Equity Shares of Rs. 10 each	1,00,000
TOTAL	1,00,000

The equity shares of K K CHEM are not listed on the Stock Exchanges.

There are no existing commitments, obligations or arrangements by K K CHEM as on the date of sanction of this Scheme by the Board of



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Directors of the company to issue any further shares or convertible securities.

4.4 The share capital of PRS as on date is as follows:

Particulars	Amount in INR
Authorised:	
Equity Shares:	
1,00,000 Equity Shares of Rs. 10 each	10,00,000
TOTAL	10,00,000
Issued, Subscribed and Paid-up:	
Equity Shares:	
10,000 Equity Shares of Rs. 10 each	1,00,000
TOTAL	1,00,000

The equity shares of PRS are not listed on the Stock Exchanges.

There are no existing commitments, obligations or arrangements by PRS as on the date of sanction of this Scheme by the Board of Directors of the company to issue any further shares or convertible securities

PART – “B”

**TRANSFER AND VESTING OF THE AMALGAMATED
UNDERTAKING INTO K K CHEMPRO**

5. **TRANSFER AND VESTING OF THE AMALGAMATED UNDERTAKING
INTO K K CHEMPRO:**

5.1 Upon coming into effect of the Scheme and with effect from the Appointed Date 1 and subject to the provisions of the Scheme, the Amalgamated Undertaking shall, subject to the terms and conditions of this Scheme and, without any further act, instrument or deed, be and stand transferred to and vested in and/or be deemed to have been and stand transferred to and vested in K K CHEMPRO so as to become the undertaking of K K CHEMPRO by virtue of and in the following manner:

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DIRECTOR

DIRECTOR

5.2 All assets of INSAI that are movable in nature and/or otherwise capable of transfer by physical or constructive delivery, novation and/or endorsement and delivery or by operation of law, pursuant to the NCLT Order, shall be vested in K K CHEMPRO. Upon this Scheme becoming effective, the title of such property shall be deemed to have been mutated and recognised as that of K K CHEMPRO, absolutely and forever.

5.3 In respect of such of the assets of INSAI in relation to the Amalgamated Undertaking, outstanding loans and advances, if any, other than those referred to in Clause 5.1 above, all kind of banking accounts including but not limited to current and saving accounts, term deposits, recoverable in cash or in kind or for value to be received, deposits, if any, with Governmental Authorities and other authorities and bodies, shall, without any further act, instrument or deed, be and stand transferred to and vested in K K CHEMPRO and/or be deemed to be transferred to and vested in K K CHEMPRO on the Appointed Date 1 upon effectiveness of the Scheme. K K CHEMPRO shall upon sanction of the Scheme be entitled to the delivery and possession of all documents of title of such movable property in this regard.

5.4 All immovable properties of INSAI, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of INSAI, whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto shall stand vested in and/or be deemed to have been vested in K K CHEMPRO, by operation of law pursuant to the sanctioning of the Scheme and upon the Scheme becoming effective. Such assets shall stand vested in K K CHEMPRO and shall be deemed to be and become the property as an integral part of K K CHEMPRO by operation of law. K K CHEMPRO shall upon the NCLT Order sanctioning the Scheme and upon this Scheme becoming effective, be always entitled to all the rights and privileges attached in relation to such immovable properties and shall be liable to pay appropriate rent, rates and taxes and fulfil all obligations in relation thereto or as applicable to such immovable



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DIRECTOR

properties. Upon this Scheme becoming effective, the title to such properties shall be deemed to have been mutated and recognised as that of K K CHEMPRO and the mere filing thereof with the appropriate registrar or sub-registrar or with the relevant Governmental Authority shall suffice as record of continuing titles with K K CHEMPRO and shall be constituted as a deemed mutation and substitution thereof. K K CHEMPRO shall upon the Scheme becoming effective be entitled to the delivery and possession of all documents of title to such immovable property in this regard. It is hereby clarified that all the rights, title and interest of INSAI in any leasehold properties shall without any further act, instrument or deed, be vested in or be deemed to have been vested in K K CHEMPRO. Further, at the discretion of K K CHEMPRO, such immovable properties including leasehold rights can be vested pursuant to a separate conveyance or any other agreement as well.



5.5 All the other assets, brands, trademarks, rights, title, interests and identified investments of INSAI shall also without any further act, instrument or deed stand transferred to and vested in and be deemed to have been transferred to and vested in K K CHEMPRO upon the coming into effect of this Scheme.

5.6 Upon the Scheme coming into effect, all debts (secured and unsecured), liabilities, bonds, debentures (including contingent liabilities), duties and obligations of every kind, nature and description of INSAI shall without any further act, instrument or deed, be and stand transferred to and vested in and/or be deemed to have been and stand transferred to and vested in K K CHEMPRO, so as to become on and from the Appointed Date 1, the debts, liabilities, bonds, debentures (including contingent liabilities), duties and obligations of K K CHEMPRO on the same terms and conditions as were applicable to INSAI, and further that it shall not be necessary to obtain the Consent of any Person who is a party to contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions

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of this Clause. Necessary modification, as may be required would be carried out to the debt instrument issued by INSAI, if any.

- 5.7 Upon this Scheme becoming effective, the secured creditors of INSAI and/or other holders of Encumbrance over the properties of INSAI shall be entitled to Encumbrance only in respect of the properties, assets, rights, benefits and interest of INSAI, as existing immediately prior to the amalgamation of INSAI with K K CHEMPRO and the secured creditors of K K CHEMPRO and and/or other holders of Encumbrance over the properties of K K CHEMPRO shall be entitled to Encumbrance only in respect of the properties, assets, rights, benefits and interest of K K CHEMPRO, as existing immediately prior to the amalgamation of INSAI with K K CHEMPRO. It is hereby clarified that pursuant to the amalgamation of INSAI with K K CHEMPRO, (a) the secured creditors of INSAI and/or other holders of Encumbrance over the properties of INSAI shall not be entitled to any additional Encumbrance over the properties, assets, rights, benefits and interest of K K CHEMPRO and therefore, such assets which are not currently Encumbered shall remain free and available for creation of any Encumbrance thereon in future in relation to any current or future indebtedness of K K CHEMPRO; and (b) the secured creditors of K K CHEMPRO and/or other holders of Encumbrance over the properties of K K CHEMPRO shall not be entitled to any additional Encumbrance over the properties, assets, rights, benefits and interest of INSAI and therefore, such assets which are not currently Encumbered shall remain free and available for creation of any Encumbrance thereon in future in relation to any current or future indebtedness of K K CHEMPRO.

- 5.8 On and from the Effective Date, and thereafter, K K CHEMPRO shall be entitled to operate all bank accounts, demat accounts, if any, of INSAI and realize all monies and complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of INSAI in the name of K K CHEMPRO in so far as may be necessary until the transfer of rights and obligations of INSAI to K K



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Authorised Signatory

For PRS ENTERPRISES PVT. LTD.

[Signature]

DIRECTOR

CHEMPRO under this Scheme have been formally given effect to under such contracts and transactions.

- 5.9 With effect from the Effective Date, the borrowing and investment limits of K K CHEMPRO under the Act shall be deemed without any further act or deed to have been enhanced by the borrowing and investment limits of INSAI, such limits being incremental to the existing limits of K K CHEMPRO.



- 5.10 Any corporate approvals obtained by INSAI, whether for the purposes of compliance or otherwise, shall stand transferred to K K CHEMPRO and such corporate approvals and compliance shall be deemed to have been obtained and complied with by K K CHEMPRO.



- 5.11 All Governmental Approvals and other Consents, quotas, rights, authorizations, entitlements, no objection certificates and licenses, including those relating to tenancies, privileges, powers and facilities of every kind and description of whatsoever nature, to which INSAI are a party or to the benefit of which INSAI may be entitled to use or which may be required to carry on the operations of INSAI, and which are subsisting or in effect immediately prior to the Effective Date, shall be, and remain, in full force and effect in favour of or against K K CHEMPRO and may be enforced as fully and effectually as if, instead of INSAI, K K CHEMPRO had been a party, a beneficiary or an obligee thereto and shall be appropriately mutated by the relevant Governmental Authorities in favour of K K CHEMPRO. In so far as the various incentives, service tax benefits, subsidies (including applications for subsidies), rehabilitation schemes, grants, special status, rights, and other benefits or privileges enjoyed, granted by any Governmental Authority or by any other Person, or availed of by INSAI are concerned, the same shall, without any further act or deed, vest with and be available to K K CHEMPRO on the same terms and conditions as are available to INSAI.



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DIRECTOR

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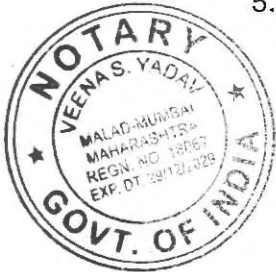
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DIRECTOR

5.12 All registrations, licenses, trademarks, brands, copyrights, domain names, applications for copyrights, trade-names and trademarks, etc. pertaining to INSAI, if any, shall stand vested in K K CHEMPRO without any further act, instrument or deed, upon the sanction of the Scheme and upon this Scheme becoming effective.

5.13 All taxes (including but not limited to advance tax, tax deducted at source, tax collected at source, MAT credits, dividend distribution tax, securities transaction tax, taxes withheld/paid in a foreign country, value added tax, sales tax, service tax, GST etc.) payable by or refundable to INSAI with effect from the Appointed Date 1, including all or any refunds or claims shall be treated as the tax liability or refunds/claims, etc. as the case may be, of K K CHEMPRO, and any tax incentives, advantages, privileges, exemptions, credits, holidays, remissions, reductions, service tax input credits, GST input credits etc., as would have been available to INSAI, shall pursuant to this Scheme becoming effective, be available to K K CHEMPRO.

5.14 Any third party or Governmental Authority required to give effect to any provisions of this Scheme, shall take on record the NCLT Order sanctioning the Scheme on its file and duly record the necessary substitution or endorsement in the name of K K CHEMPRO as successor in interest, pursuant to the sanction of this Scheme by the NCLT, and upon this Scheme becoming effective. For this purpose, K K CHEMPRO shall file certified copies of such NCLT Order and if required file appropriate applications or forms with relevant authorities concerned for statistical and information purposes only and there shall be no break in the validity and enforceability of Governmental Approvals, Consents, exemptions, quotas, rights, entitlements, licenses (including the licenses granted by any Governmental Authorities for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description of whatsoever nature.



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5.15 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all Consents, permissions, certificates, clearances, authorities, power of attorneys given by, issued to or in favour of INSAI shall stand transferred to K K CHEMPRO, as if the same were originally given by, issued to or executed in favour of K K CHEMPRO, and K K CHEMPRO shall be bound by the terms thereof, the obligations and duties there under, and the rights and benefits under the same shall be available to K K CHEMPRO.



5.16 K K CHEMPRO shall, at any time after this Scheme coming into effect, in accordance with the provisions hereof, if so required under any Applicable Law or otherwise, execute appropriate deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to which INSAI have been a party, including any filings with the regulatory authorities, in order to give formal effect to the above provisions. K K CHEMPRO shall for this purpose, under the provisions hereof, be deemed to have been authorized to execute any such writings on behalf of INSAI and to carry out or perform all such formalities or compliances referred to above on the part of INSAI.



5.17 With effect from the Effective Date, all inter se contracts solely between the INSAI and K K CHEMPRO shall stand cancelled and cease to operate, and appropriate effect shall be given to such cancellation and cessation in the books of accounts and records of K K CHEMPRO.



5.18 With effect from the Effective Date, there will be no accrual of income or expense on account of any transactions, including inter alia any transactions in the nature of sale or transfer of any goods, materials or services, between INSAI and K K CHEMPRO. For avoidance of doubt, it is hereby clarified that with effect from the Effective Date, there will be no accrual of interest or other charges in respect of any inter se loans, deposits or balances between INSAI and K K CHEMPRO.



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DIRECTOR

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5.19 For avoidance of doubt and without prejudice to the generality of any applicable provisions of this Scheme, it is clarified that in order to ensure (i) implementation of the provisions of the Scheme; (ii) uninterrupted transfer of the relevant Consents, patents, certificates etc.; and (iii) continued vesting of the benefits, exemptions available to INSAI in favour of K K CHEMPRO, the Board of Directors of INSAI and K K CHEMPRO shall be deemed to be authorized to execute or enter into necessary documentations with any regulatory authorities or third parties, if applicable and the same shall be considered as giving effect to the NCLT Order and shall be considered as an integral part of this Scheme. Further, K K CHEMPRO shall be deemed to be authorized to execute or enter into necessary documentations with any regulatory authorities or third parties, if applicable, on behalf of INSAI and to carry out or perform all such formalities or compliance required for the purpose of implementation of the provisions of the Scheme.



6. **CONSIDERATION :**

6.1 Upon this Scheme coming into effect and upon the transfer and vesting of the business and undertaking of the Transferor Company in the Transferee Company, the consideration in respect of such transfer shall, subject to the provisions of the Scheme, be paid and satisfied by the Transferee Company as detailed in this Clause.



6.2 All the equity shares of Transferee Company which are held by Transferor Company shall stand cancelled pursuant to the Scheme. Notwithstanding the said cancellation, any existing shareholding between Transferor Company and Transferee Company, as the case may be, shall stand cancelled, without any further act or deed, upon the Scheme becoming effective.



6.3 The Board of Directors of the Transferor Company and Transferee Company have engaged Mr. Subhas R. Hegde (Registered Valuer), to provide a valuation report in respect of the share exchange ratio to be considered for issue of new shares to the shareholders of Transferor



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Authorised Signatory

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[Signature]
DIRECTOR

Company pursuant to the Scheme. The Transferee Company, without further application, act or deed, shall issue and allot to each of the shareholders of Transferor Company and whose name appears in the Register of members of Transferor Company on the Record Date 1, shares in the proportion as follows:

"49 Equity Shares of Transferee Company of Rs. 10/- each for every 1 Equity Share of Rs.10/- each held in Transferor Company."



6.4 The Board of Directors of the Transferor Company, based on their independent judgement and after taking into consideration the aforesaid valuation report, concluded that the said exchange ratio is fair and reasonable and is in the interest of shareholders of the Transferor Company.



6.5 No fractional certificate(s) shall be issued by the Transferee Company in respect of any fractions which the members of the Transferor Company may be entitled to on issue and allotment of equity shares as aforesaid by the Transferee Company. The fraction, if any, shall be rounded off to the next number and Transferee Company shall issue the equity shares accordingly.



6.6 The shares so allotted pursuant to Clause 6.3 above shall rank, for dividend, voting rights and for all other benefits and in all other respects, pari-passu with the existing shares of the Transferee Company with effect from the date of allotment.



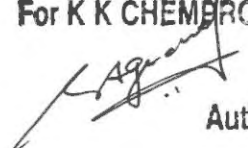
6.7 The issue and allotment of shares, pursuant to Clause 6.3 above is an integral part of this Scheme. The approval of this Scheme by the members of the Transferee Company shall be deemed to be due compliance with all applicable provisions of the Act including but not limited to Section 62(1)(c) of the Act, to the extent applicable.



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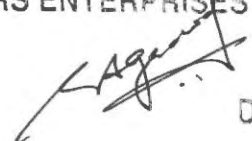
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DIRECTOR

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6.8 Upon coming into effect of this Scheme, the share certificates, if any, representing the shares held in INSAI shall be deemed to be cancelled without any further act or deed.

6.9 The cancellation and consequent Reduction of the paid-up share capital of the Transferee Company pursuant to Clause 6.2 above, shall be effected as an integral part of the scheme as the same does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid up share capital and it shall also be deemed to be in compliance with the provisions of section 66 and other applicable provisions of the Act and rules and regulations made there under upon the Scheme becoming effective. The order of the NCLT sanctioning the Scheme shall be deemed to be an order under Section 66 of the Act confirming the reduction. Further, the Transferee Company shall not be required to use the words "AND REDUCED" as part of its corporate name and such use is dispensed with.



7. ACCOUNTING TREATMENT:

7.1 K K Chempro shall account for the Amalgamation in accordance with the 'Pooling of Interest Method' as per Accounting Standard 14 on Accounting for Amalgamation notified under Section 133 of the Companies Act, 2013. In addition to the same, INSAI shall pass such accounting entries which are necessary in connection with the Scheme to comply with other applicable Accounting Standards.



7.2 With effect from the Appointed Date 1, all the Assets, Liabilities and Reserves as on the Appointed Date 1, recorded in the books of the INSAI, shall stand transferred to and vested in K K Chempro pursuant to the Scheme becoming effective and shall be accounted for in the books of K K Chempro at the book values as recorded in the books of the INSAI.



7.3 The difference, if any, between:

- a) the value of the Shares allotted by K K Chempro pursuant to the Scheme and corresponding share capital of INSAI; and

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b) the share capital and corresponding value of investment recorded in the Books of Accounts being cancelled pursuant to cancellation of existing shareholding between INSAI and K K Chempro, as the case may be;

shall be adjusted in the Reserves of the K K Chempro.

7.4 The identity of the reserves of the INSAI, if any, to the extent possible shall be preserved and they shall appear in the financial statements of the K K Chempro in the same form and manner, in which they appeared in the financial statements of the INSAI, prior to this Scheme becoming effective. Accordingly, if there are any reserves in the financial statements of the INSAI that are available for distribution as dividend prior to this Scheme becoming effective, the same would also be available in the financial statements of the K K Chempro for distribution as dividend on and after the Effective Date;

7.5 In case of any differences in accounting policy between the INSAI and the K K Chempro, the accounting policies followed by the K K Chempro will prevail and the difference till the respective Appointed Date 1 will be quantified and adjusted in the Reserves mentioned earlier to ensure that the financial statements of the K K Chempro reflect financial position on the basis of consistent accounting policy.

7.6 Upon the Scheme coming into effect, to the extent that there are any inter-company investments, loans, bonds, debentures, advances, deposits, balances, or other obligations between the INSAI and the K K Chempro, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of accounts and records of K K Chempro for the cancellation of any such assets or liabilities, as the case may be. The difference, if any, arising by such effects in the books of accounts, shall be adjusted in the reserves of the K K Chempro. For the removal of doubts, it is hereby clarified that there would be no accrual of interest or other charges in respect of any such inter-company investments, loans, debt securities or balances with effect from the Appointed Date 1.

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- 7.7 In any case, the accounting treatment in respect of the Scheme will be carried and maintained in order to be in conformity with the Accounting Standards applicable to the K K Chempro as prescribed under Section 133 of the Companies Act, 2013.

8. **SAVING OF CONCLUDED TRANSACTIONS :**

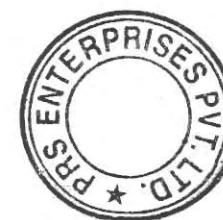
- 8.1 Subject to the terms of the Scheme, the transfer and vesting of the Amalgamated Undertaking and continuance of proceedings by or against K K CHEMPRO, as provided herein, shall not affect any transactions or proceedings already concluded by the INSAI before the Effective Date, to the end and intent that K K CHEMPRO accepts and adopts all acts, deeds and things done and executed by and/or on behalf of INSAI in relation to the Amalgamated Undertaking as acts, deeds and things done and executed by and on behalf of K K CHEMPRO.



9. **CONTRACTS, DEEDS, AND OTHER INSTRUMENTS :**

- 9.1 Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, understandings whether written or oral and other instruments, if any, of whatsoever nature to which INSAI is a party or to the benefit of which INSAI may be eligible and which are subsisting or having effect on the Appointed Date 1, without any further act, instrument or deed, shall be in full force and effect against or in favour of K K CHEMPRO, as the case may be, and may be enforced by or against K K CHEMPRO as fully and effectively as if, instead of K K CHEMPRO, INSAI had been a party or beneficiary or obligee thereto.

- 9.2 Without prejudice to other provisions of this Scheme and notwithstanding the fact that the vesting of the Amalgamated Undertaking occurs by virtue of this Scheme itself, K K CHEMPRO may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any Applicable Law or otherwise, execute deeds of confirmation in favour of any party to any



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contract or arrangement to which INSAI are a party as may be necessary to be executed in order to give formal effect to the above provisions. K K CHEMPRO shall be deemed to be authorised to execute any such writings on behalf of INSAI and to carry out or perform all formalities or compliances required for the purposes referred to above on the part of INSAI.

10.

LEGAL PROCEEDINGS :

All legal proceedings relating to the Amalgamated Undertaking of whatsoever nature by or against INSAI pending and/or arising before the Effective Date, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against K K CHEMPRO, as the case may be, in the same manner and to the same extent as would or might have been continued and enforced by or against INSAI. It is hereby expressly clarified that any legal proceedings by or against INSAI in relation to cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of INSAI and pertaining to the Amalgamated Undertaking shall be instituted, or as the case may be, continued, by or against, K K CHEMPRO after the coming into effect of the Scheme.

10.2 All legal or other proceedings initiated by or against the Amalgamated Undertaking referred in Clause 10.1 above shall stand transferred to the name of K K CHEMPRO and the same shall be continued, prosecuted, defended and enforced as the case may be by or against K K CHEMPRO, to the exclusion of INSAI.

11.

STAFF, EMPLOYEES & WORKMEN :

11.1 Upon the coming into effect of this Scheme, all the employees on the payroll of the INSAI engaged in or in relation to the Amalgamated Undertaking immediately prior to the Effective Date, shall become the employees of K K CHEMPRO without any break or interruption of service and with the benefit of continuity of service on terms and conditions

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which are not less favourable than the terms and conditions as were applicable.

- 11.2 INSAI agrees that the service of all employees of INSAI immediately prior to the Effective Date shall be taken into account for the purpose of all retirement benefits to which they may be eligible in K K CHEMPRO immediately prior to the coming into effect of this Scheme. K K CHEMPRO further agrees that for the purpose of payment of any retrenchment compensation, gratuity, grants, stock options or other terminal benefits, such past service with INSAI, shall also be taken into account and agrees and undertakes to pay the same as and when payable.



- 11.3 Upon the coming into effect of this Scheme, K K CHEMPRO shall make all the necessary contributions for such transferred employees and deposit the same in provident fund, gratuity fund or superannuation fund or any other special fund or staff welfare scheme or any other special scheme. K K CHEMPRO will also file relevant intimations to the statutory authorities concerned who shall take the same on record and substitute the name of INSAI for K K CHEMPRO.



- 11.4 Subject to the Applicable Law, the existing provident fund, gratuity fund and pension and /or superannuation fund/trusts, retirement funds or employees state insurance schemes or pension scheme or employee deposit linked insurance scheme or any other benefits, if any, created by INSAI for their employees, shall be continued on the same terms and conditions and will be transferred to the necessary funds, schemes or trusts of K K CHEMPRO without any separate act, deed or approval and till the time such necessary funds, schemes or trusts are created by K K CHEMPRO, all contribution shall continue to be made to the respective existing funds, schemes or trusts of the INSAI.



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12. **TAXATION MATTERS :**

12.1 The provisions of this Scheme as they relate to the amalgamation of INSAI with K K CHEMPRO has been drawn up to comply with the conditions relating to 'amalgamation' as defined under Section 2(1B) of the (Indian) Income-tax Act, 1961 (hereinafter referred to as IT Act). If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section of the IT Act, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the IT Act, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the IT Act. Such modification will, however, not affect the other parts of the Scheme (including accounting treatment specified in Clause 7).

12.2 Upon the Scheme coming into effect, K K CHEMPRO is expressly permitted to revise its financial statements and returns along with prescribed forms, filings and annexures under the IT Act (including for minimum alternate tax purposes, carry forward and set-off of tax losses and tax benefits), service tax, sales tax, VAT, excise and customs laws, as may be applicable, CGST, SGST, IGST and other tax laws and to claim refunds and/or credits for taxes paid by INSAI (including minimum alternate tax, dividend distribution tax and foreign taxes as applicable), and to claim tax benefits under the IT Act and other tax laws etc. and for matters related and incidental thereto, if deemed required or necessary to give effect to the provisions of this Scheme.

12.3 Upon the Scheme coming into effect, all taxes (direct and/or indirect)/ cess/ duties etc. payable by or on behalf of INSAI from the Appointed Date 1 onwards including all or any refunds and claims, including refunds or claims pending with any Governmental Authority, and including the right to claim credit for minimum alternate tax, dividend distribution tax, tax deducted at source, tax collected at source, set-off and carry forward of accumulated losses, foreign taxes, deferred revenue expenditure, deduction, rebate, allowance, amortization

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benefit, etc. or any other or like benefits under the said acts or under and in accordance with any law or act, whether in India or anywhere outside India and unutilized CENVAT credit, VAT credit, input tax credit for CGST, SGST and IGST etc shall, for all purposes, be treated as the tax/ cess/ duty, liabilities or refunds, claims, accumulated losses and unutilized CENVAT credits, VAT credit, CGST, SGST and IGST credits and rights to claim credit or refund etc of K K CHEMPRO. Accordingly, upon the Scheme becoming effective, K K CHEMPRO shall be permitted to revise, if it becomes necessary, its income tax returns, withholding tax returns, wealth tax returns, sales tax returns, excise and CENVAT returns, service tax returns, other statutory returns, CGST returns, SGST returns, IGST returns and to claim refunds/ credits (including, but not limited to Foreign Tax Credit, dividend distribution tax, if any, and minimum alternate tax), pursuant to the provisions of this Scheme.



12.4 All expenses incurred by INSAI under section 43B of the IT Act, in relation and pertaining to the Amalgamating Undertaking shall be claimed as a deduction by K K CHEMPRO and the transfer of the Amalgamating Undertaking shall be considered as succession of business by K K CHEMPRO

12.5 All the expenses incurred by INSAI and K K CHEMPRO in relation to the Scheme, including stamp duty expenses, if any, shall be allowed as deduction to K K CHEMPRO in accordance with Section 35DD of the IT Act

12.6 K K CHEMPRO shall also be permitted to claim refunds / credits in respect of any transaction between INSAI and K K CHEMPRO. Without prejudice to the generality of Clause 12.3 above, upon the Scheme becoming effective, K K CHEMPRO shall be permitted to revise, if it becomes necessary, its income tax returns and related withholding tax certificates, including withholding tax certificates, relating to transactions between INSAI and K K CHEMPRO, and to claim refunds, advance tax and withholding tax credits, benefit of credit for minimum alternate tax/ dividend distribution tax, if any, foreign taxes and carry

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forward of accumulated losses etc., pursuant to the provisions of this Scheme. In case, any tax deducted at source by the INSAI on payables to K K CHEMPRO which has been deemed not to be accrued shall be deemed to be advance taxes paid by K K CHEMPRO and shall, in all proceedings, be dealt with accordingly.



- 12.7 The withholding tax/ tax collected at source/ advance tax/ minimum alternate tax/ dividend distribution tax, foreign taxes, if any, paid by INSAI under the IT Act or any other statute for the period commencing from the Appointed Date 1 shall be deemed to be the tax deducted from/ tax collected for/ advance tax/ dividend distribution tax, if any, foreign taxes paid by K K CHEMPRO and credit for such withholding tax/advance tax/tax collected at source/ minimum alternate tax/ dividend distribution tax, if any, foreign taxes shall be allowed to K K CHEMPRO notwithstanding that certificates or challans for withholding tax/ tax collected at source/ advance tax/ dividend distribution tax, if any/ foreign tax are in the name of INSAI and not in the name of K K CHEMPRO.



13. **DISSOLUTION OF INSAI :**

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



14. **COMBINATION OF AUTHORISED SHARE CAPITAL :**

- 14.1 As a part of this Scheme and upon the coming into effect of this Scheme, the authorised share capital of the K K Chempro shall automatically stand increased, without any further act, instrument or deed on the part of the K K Chempro, if any, including payment of stamp duty and fees payable to Registrar of Companies, by the aggregate authorised share capital of the INSAI.



- 14.2 It is clarified that the stamp duties and fees (including registration fee) paid on the authorised share capital of the INSAI shall be utilized and applied to the increased authorised share capital of the K K Chempro.

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Further, the fee, if any, paid by the INSAI on its Authorised Capital will be set-off against any fees payable by the K K Chempro on its Authorised Capital subsequent to the amalgamation in accordance with the provisions of section 230 to 232 of Companies Act, 2013 and the Transferee Company will pay the balance / difference amount of the fees on its increasing Authorised share capital, if any.



- 14.3 It is also clarified that the requisite approval of the shareholders of the INSAI and the K K Chempro to this Scheme shall be sufficient for the purposes of effecting the aforesaid additions in the Memorandum of Association of the K K Chempro and that no further resolutions under the applicable provisions of the Act shall be required to be separately passed. All actions taken in accordance with this Clause shall be deemed to be in full compliance of Sections 13, 61 and 64 and other applicable provisions of the Act and rules and regulations issued thereunder and no further resolutions or actions under any other provisions of the Act or the rules or regulations issued thereunder would be required to be separately passed or undertaken by the K K Chempro.



15. **COSTS :**

Until the Effective Date, K K CHEMPRO and INSAI shall respectively bear their own costs, charges and expenses, in relation to or in connection with or incidental to the Scheme. Provided however that all stamp duty, registration charges and other transfer charges in relation to the Scheme and the matters contemplated herein shall be borne and paid by K K CHEMPRO.



16. **CONDUCT OF BUSINESS TILL EFFECTIVE DATE :**

With effect from the date of approval of the Scheme by the Board of Directors of K K CHEMPRO and INSAI up to the Effective Date:



- 16.1 INSAI shall, in respect of the Amalgamated Undertaking, be deemed to have been carrying on and shall carry on their respective business and

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activities and shall hold and stand possessed of and hold all their respective properties and assets for and on account of and in trust for K K CHEMPRO. INSAI hereby undertakes to hold the said assets with utmost prudence until the Effective Date.

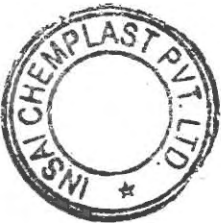
16.2 On or after the Appointed Date 1 but before the Effective Date, all the profits or income accruing or arising to INSAI, in respect of the Amalgamated Undertaking or expenditure or losses arising to or incurred by K K CHEMPRO in respect of the Amalgamated Undertaking, shall for all purposes and intents be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses (as the case may be) of K K CHEMPRO.

16.3 INSAI shall carry on their respective business and activities with reasonable diligence and prudence and shall not without the prior written consent of K K CHEMPRO, alienate, charge, mortgage, Encumber or otherwise deal with or dispose-off, the Amalgamated Undertaking, except in the ordinary course of business. INSAI shall not undertake any new businesses within the Amalgamated Undertaking except in the ordinary course of its business.

16.4 Where any of the liabilities and obligations attributed to the Amalgamated Undertaking, has been discharged by INSAI, on or after the Appointed Date 1 but before the Effective Date, such discharge shall be deemed to have been for and on behalf of K K CHEMPRO.

16.5 All loans raised and liabilities incurred by INSAI, after the Appointed Date 1 but before the Effective Date and subsisting as on the Effective Date, for operations of the Amalgamated Undertaking shall be discharged by K K CHEMPRO on or after the Effective Date.

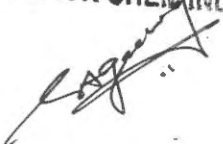
16.6 INSAI shall not vary the terms and conditions of service of the employees or conclude settlements with unions or employees, except in the ordinary course of business or consistent with past practice or



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pursuant to any pre-existing obligation without the prior written consent of the Board of Directors of K K CHEMPRO.

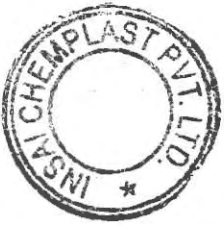
PART - "C"

17. **DEMERGER OF THE DEMERGED UNDERTAKING NO. 1 OF K K CHEMPRO INTO K K CHEM AND DEMERGED UNDERTAKING NO. 2 OF K K CHEMPRO INTO PRS AND MATTERS INCIDENTAL THERETO**



18. **DEMERGER AND VESTING OF THE DEMERGED UNDERTAKINGS :**

Upon the coming into effect of this Scheme and with effect from the Appointed Date 2, the Demerged Undertakings shall, subject to the terms and conditions of this Scheme and, without any further act, instrument or deed, be demerged from Demerged Company and stand transferred to and vested in and/ or deemed to have been demerged and vested in Resulting Companies, so as to become the undertaking of Resulting Companies by virtue of and in the following manner:



- 18.1 All assets of Demerged Company in relation to the Demerged Undertakings that are movable in nature and/or otherwise capable of transfer by physical or constructive delivery, novation and/or endorsement and delivery or by operation of law, pursuant to the NCLT Order, shall be vested in Resulting Companies. Upon this Scheme becoming effective, the title of such property shall be deemed to have been mutated and recognized as that of Resulting Companies, absolutely and forever.



- 18.2 In respect of such of the assets of Demerged Company in relation to the Demerged Undertakings, outstanding loans and advances, if any, all kind of banking accounts including but not limited to current and saving accounts, term deposits, recoverable in cash or in kind or for value to be received, deposits, if any, with Governmental Authorities and other



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authorities and bodies, shall, without any further act, instrument or deed, be and stand transferred to and vested in Resulting Companies and/or be deemed to be transferred to and vested in Resulting Companies on the Appointed Date 2 upon effectiveness of the Scheme. Resulting Companies shall upon sanction of the Scheme be entitled to the delivery and possession of all documents of title of such movable property in this regard.



- 18.3 All the assets, rights, title, interests and investments of Demerged Company in relation to the Demerged Undertakings shall also without any further act, instrument or deed stand transferred to and vested in and be deemed to have been transferred to and vested in Resulting Companies upon the coming into effect of this Scheme.



- 18.4 Upon the Scheme coming into effect, all debts (secured and unsecured), liabilities, bonds, debentures, duties and obligations of every kind, nature and description of Demerged Company in relation to the Demerged Undertakings shall without any further act, instrument or deed, be and stand transferred to and vested in and/or be deemed to have been and stand transferred to and vested in, Resulting Companies, so as to become on and from the Appointed Date 2, the debts, liabilities, bonds, debentures, duties and obligations of Resulting Companies on the same terms and conditions as were applicable to Demerged Company, and further that it shall not be necessary to obtain the Consent of any Person who is a party to contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this Clause. Necessary modification, as may be required would be carried out to the debt instrument issued by Demerged Company in relation to the Demerged Undertakings.



- 18.5 Subject to the other provisions of this Scheme, in so far as the assets of the Demerged Undertakings are concerned, the Encumbrance over such assets, to the extent they relate to any loans or borrowings of the Remaining Business of Demerged Company, shall without any further

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act, instrument or deed be released and discharged from the same and shall no longer be available as Encumbrance in relation to those liabilities of Demerged Company which are not transferred to Resulting Companies. The absence of any formal amendment which may be required by a bank and/ or financial institution in order to affect such release shall not affect the operation of this Clause.



- 18.6 In so far as the assets of the Remaining Business are concerned, the Encumbrance over such assets, to the extent they relate to any loans or borrowings of the Demerged Undertakings shall, without any further act, instrument or deed be released and discharged from such Encumbrance. The absence of any formal amendment which may be required by a bank and/ or financial institution in order to affect such release shall not affect the operation of this Clause.



- 18.7 In so far as the existing Encumbrance in respect of the loans and other liabilities relating to the Remaining Business are concerned, such Encumbrance shall, without any further act, instrument or deed be continued with Demerged Company only on the assets that are remaining with Demerged Company.



- 18.8 All Governmental Approvals and other Consents, quotas, rights, authorizations, entitlements, no objection certificates and licenses, including those relating to tenancies, privileges, powers and facilities of every kind and description of whatsoever nature, to which Demerged Company in relation to the Demerged Undertakings is a party or to the benefit of which Demerged Company in relation to the Demerged Undertakings may be entitled to use or which may be required to carry on the operations of Demerged Company in relation to the Demerged Undertakings, and which are subsisting or in effect immediately prior to the Effective Date, shall be, and remain, in full force and effect in favour of or against Resulting Companies and may be enforced as fully and effectually as if, instead of Demerged Company, Resulting Companies had been a party, a beneficiary or an obligee thereto and shall be appropriately mutated by the relevant Governmental Authorities in



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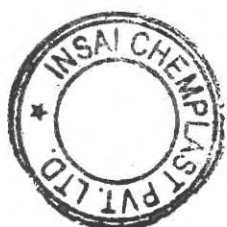
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favour of Resulting Companies. In so far as the various incentives, service tax benefits, subsidies (including applications for subsidies), rehabilitation schemes, grants, special status, rights, and other benefits or privileges enjoyed, granted by any Governmental Authority or by any other Person, or availed of by Demerged Company in relation to the Demerged Undertakings are concerned, the same shall, without any further act or deed, vest with and be available to Resulting Companies on the same terms and conditions as are available to Demerged Company in relation to the Demerged Undertakings.



18.9 All registrations, licenses, copyrights, domain names, applications for copyrights, etc. pertaining to Demerged Company in relation to the Demerged Undertakings, if any, shall stand vested in Resulting Companies without any further act, instrument or deed, upon the sanction of the Scheme and upon this Scheme becoming effective.



18.10 All taxes (including but not limited to value added tax, sales tax, service tax, GST etc.) payable by or refundable to Demerged Company in relation to the Demerged Undertakings with effect from the Appointed Date 2, including all or any refunds or claims shall be treated as the tax liability or refunds/claims, etc. as the case may be, of Resulting Companies, and any tax incentives, advantages, privileges, exemptions, credits, holidays, remissions, reductions, service tax input credits, GST input credits etc., as would have been available to Demerged Company in relation to the Demerged Undertakings, shall pursuant to this Scheme becoming effective, be available to Resulting Companies. In case, any credit or tax deduction at source, advance tax, MAT, GST, CENVAT, refunds, etc. pertaining to Demerged Undertakings and paid or deemed to be paid by Demerged Company but could not be transferred shall be appropriately reimbursed by Resulting Companies.



18.11 Any third party or Governmental Authority required to give effect to any provisions of this Scheme, shall take on record the NCLT Orders sanctioning the Scheme on its file and duly record the necessary substitution or endorsement in the name of Resulting Companies as

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successor in interest, pursuant to the sanction of this Scheme by the NCLT, and upon this Scheme becoming effective. For this purpose, Resulting Companies shall file certified copies of such NCLT Order and if required file appropriate applications or forms with relevant authorities concerned for statistical and information purposes only and there shall be no break in the validity and enforceability of Governmental Approvals, Consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Governmental Authorities for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description of whatsoever nature.



18.12 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all Consents, certificates, power of attorneys given by, issued to or in favour of Demerged Company in relation to the Demerged Undertakings shall stand transferred to Resulting Companies, as if the same were originally given by, issued to or executed in favour of Resulting Companies, and Resulting Companies shall be bound by the terms thereof, the obligations and duties there under, and the rights and benefits under the same shall be available to Resulting Companies.



18.13 Resulting Companies shall, at any time after this Scheme coming into effect, in accordance with the provisions hereof, if so required under any Applicable Law or otherwise, execute appropriate deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to which Demerged Company in relation to the Demerged Undertakings have been a party, including any filings with the regulatory authorities, in order to give formal effect to the above provisions. Resulting Companies shall for this purpose, under the provisions hereof, be deemed to have been authorized to execute any such writings on behalf of Demerged Company in relation to the Demerged Undertakings and to carry out or perform all such formalities



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[Signature]
DIRECTOR

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[Signature]
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or compliances referred to above on the part of Demerged Company in relation to the Demerged Undertakings.

18.14 For avoidance of doubt and without prejudice to the generality of any applicable provisions of this Scheme, it is clarified that in order to ensure (i) implementation of the provisions of the Scheme; (ii) uninterrupted transfer of the relevant Consents, patents, certificates etc.; and (iii) continued vesting of the benefits, exemptions available to Demerged Company in relation to the Demerged Undertakings in favour of Resulting Companies, the Board of Directors of Demerged Company and Resulting Companies shall be deemed to be authorized to execute or enter into necessary documentations with any regulatory authorities or third parties, if applicable and the same shall be considered as giving effect to the NCLT Order and shall be considered as an integral part of this Scheme.



19. CONSIDERATION :

19.1 The Board of Directors of the Demerged Company and Resulting Companies have engaged Mr. Subhas R. Hegde (Registered Valuer), to provide a valuation report to be considered for issue of new shares to the shareholders of Demerged Company pursuant to the Scheme. The Resulting Companies, without further application, act or deed, shall issue and allot to each of the shareholders of Demerged Company and whose name appears in the Register of members of Demerged Company on the Record Date 2, shares in the proportion as follows:

To be issued by Resulting Company No. 1 :

"3 Equity Shares of Resulting Company No. 1 of Rs. 10/- each for every 1,000 Equity Shares of Rs.10/- each held in Demerged Company."

To be issued by Resulting Company No. 2 :

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"6 Equity Shares of Resulting Company No. 2 of Rs. 10/- each for every 1,000 Equity Shares of Rs.10/- each held in Demerged Company."

19.2 Upon this Scheme becoming effective, the Equity Shares of Resulting Companies to be issued and allotted to the equity shareholders of Demerged Company pursuant to Clause 19.1 above shall be subject to the provisions of the memorandum of association and articles of association of Resulting Companies and shall rank pari passu from the date of allotment in all respects with the existing equity shares of Resulting Companies including entitlement in respect of dividends. The issue and allotment of Equity Shares by Resulting Companies to the equity shareholders of Demerged Company as provided in this Scheme is an integral part hereof and shall be deemed to have been carried out pursuant to the Act.

19.3 Resulting Companies shall, if and to the extent required, apply for and obtain any approvals from concerned regulatory authorities for the issue and allotment of Equity shares to the members of Demerged Company under the Scheme.

19.4 Under and pursuant to the Scheme, no fractional shares shall be issued by Resulting Companies in respect of the fractional entitlements, if any, of the shareholders of Demerged Company and such fractional entitlement, if any, shall be ignored.

19.5 In the event of there being any pending share transfer, whether lodged or outstanding, of any shareholder of Demerged Company, the Board of Directors of Resulting Companies shall be empowered in appropriate cases, prior to or even subsequent to the Record Date 2 or the Effective Date, as the case may be to effectuate such a transfer in Resulting Companies as if such changes in the registered holders were operative on the Record Date 2, in order to remove any difficulties arising to the transfer of share in Demerged Company and in relation to shares issued by Resulting Companies.

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19.6 Approval of this Scheme by the shareholders of Demerged Company shall be deemed to be the due compliance with the provisions of section 42 and 62 of the Companies Act, 2013 and other relevant and applicable provisions of the Act for the issue and allotment of Equity Shares by Resulting Companies, as provided in this Scheme.

19.7 In the event that Demerged Company restructure their share capital by way of share split/ consolidation/ issue of bonus shares during the pendency of the Scheme, the Ratio for issue of shares and the stock options, shall be adjusted accordingly to take into account the effect of any such corporate actions.

19.8 The Equity Shares to be issued by Resulting Companies pursuant to Clause 19.1 of Part C above in respect of such shares of Demerged Company, the allotment or transfer of which is held in abeyance under the provisions of Section 126 of the Act or which Resulting Companies are unable to issue due to non-receipt of relevant approvals or due to Applicable Law shall, pending allotment or settlement of dispute by order of the appropriate court or otherwise, also be kept in abeyance in like manner by Resulting Companies.

19.9 Resulting Companies shall, to the extent required, increase its Authorized Share Capital in order to issue Equity Shares under this Scheme. Further, Resulting Companies shall comply with the provisions of the Act to increase its Authorized Share Capital, if necessary.

20. ACCOUNTING TREATMENT:

20.1 Accounting treatment in the books of Demerged Company:

Upon the coming into effect of this Scheme and with effect from the Appointed Date 2:

(a) The reduction in assets and liabilities of Demerged Company relating to Demerged Undertakings being transferred to Resulting

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Companies shall be at values appearing in the books of account of the Demerged Company as on the Appointed Date 2.

- (b) The difference, being the excess / shortfall of the carrying value of assets over the book value of liabilities of the Demerged Undertakings shall first be adjusted against General Reserve Account, to the extent available and thereafter against Retained Earnings to the extent available, in the same order.



20.2 Accounting treatment in the books of Resulting Companies:

Upon the coming into effect of this Scheme and with effect from the Appointed Date 2:



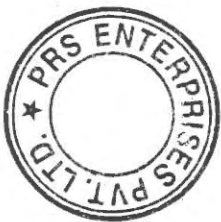
- (a) Resulting Companies, as on the Appointed Date 2, shall record the assets and liabilities pertaining to the Demerged Undertakings, transferred to and vested in it pursuant to this Scheme at their respective carrying values, if any, as appearing in the books of Demerged Company



- (b) Loans and advances, receivable, payables and other dues outstanding between Demerged Undertakings and Resulting Companies will stand cancelled and there shall be no further obligation / outstanding in that behalf;



- (c) Resulting Companies shall credit to its share capital in its books of account, the aggregate face value of the new equity shares issued by it to the shareholders of Demerged Company pursuant to this Scheme.



- (d) The difference, if any, between the carrying value of assets and liabilities under Clause (a) above transferred to Resulting Companies and the amount credited to share capital as per Clause (c) above shall be transferred to goodwill or capital reserve account as the case may be in the books of Resulting Companies.

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(e) In case, there is any difference in the accounting policies adopted by Demerged Company and Resulting Companies, the accounting policies followed by Demerged Company will prevail to ensure that the financial statements of Resulting Companies reflect the financial position on the basis of consistent accounting policy.

21. SAVING OF CONCLUDED TRANSACTIONS :



Subject to the terms of the Scheme, the transfer and vesting of the Demerged Undertakings and continuance of proceedings by or against Resulting Companies, as provided herein, shall not affect any transactions or proceedings already concluded by Demerged Company before the Effective Date, to the end and intent that Resulting Companies accepts and adopts all acts, deeds and things done and executed by and/or on behalf of Demerged Company in relation to the Demerged Undertakings as acts, deeds and things done and executed by and on behalf of Resulting Companies.

22. CONTRACTS, DEEDS, AND OTHER INSTRUMENTS :



22.1 Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, understandings whether written or oral and other instruments, if any, of whatsoever nature, in relation to the Demerged Undertakings, to which Demerged Company is a party or to the benefit of which Demerged Company may be eligible and which are subsisting or having effect on the Appointed Date 2, without any further act, instrument or deed, shall be in full force and effect against or in favour of Resulting Companies, as the case may be, and may be enforced by or against Resulting Companies as fully and effectively as if, instead of Demerged Company, Resulting Companies had been a party or beneficiary or obligee thereto.



22.2 Without prejudice to other provisions of this Scheme and notwithstanding the fact that the vesting of the Demerged Undertakings occurs by virtue of this Scheme itself, Resulting Companies may, at any

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time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any Applicable Law or otherwise, execute deeds of confirmation in favour of any party to any contract or arrangement, to which Demerged Company is a party in relation to the Demerged Undertakings, as may be necessary to be executed in order to give formal effect to the above provisions. Resulting Companies shall be deemed to be authorised to execute any such writings on behalf of and to carry out or perform all formalities or compliances required for the purposes referred to above on the part of Demerged Company.



23.

LEGAL PROCEEDINGS :



23.1 All legal proceedings relating to the Demerged Undertakings of whatsoever nature by or against Demerged Company pending and/or arising before the Effective Date, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against Resulting Companies, as the case may be, in the same manner and to the same extent as would or might have been continued and enforced by or against Demerged Company. It is hereby expressly clarified that any legal proceedings by or against Demerged Company in relation to cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of Demerged Company and pertaining to the Demerged Undertakings shall be instituted, or as the case may be, continued, by or against, Resulting Companies after the coming into effect of the Scheme.



23.2 All legal or other proceedings initiated by or against the Demerged Undertakings referred in Clause 23.1 above shall stand transferred to the name of Resulting Companies and the same shall be continued, prosecuted, defended and enforced as the case may be by or against Resulting Companies, to the exclusion of Demerged Company.

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24. STAFF, EMPLOYEES & WORKMEN :

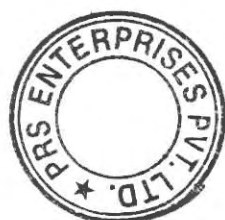
24.1 Upon the coming into effect of this Scheme, all the employees on the payroll of Demerged Company engaged in or in relation to the Demerged Undertakings immediately prior to the Effective Date, shall become the employees of Resulting Companies without any break or interruption of service and with the benefit of continuity of service on terms and conditions which are not less favourable than the terms and conditions as were applicable.



24.2 Resulting Companies agrees that the service of all employees engaged in or in relation to the Demerged Undertakings immediately prior to the Effective Date shall be taken into account for the purpose of all retirement benefits to which they may be eligible in Demerged Company immediately prior to coming into effect of this Scheme. Resulting Companies further agrees that for the purpose of payment of any retrenchment compensation, gratuity, grants, stock options or other terminal benefits, such past service with Demerged Company, shall also be taken into account and agrees and undertakes to pay the same as and when payable.



24.3 Upon the coming into effect of this Scheme, Resulting Companies shall make all the necessary contributions for such transferred employees engaged in or in relation to the Demerged Undertakings and deposit the same in provident fund, gratuity fund or superannuation fund or any other special fund or staff welfare scheme or any other special scheme. Resulting Companies will also file relevant intimations to the statutory authorities concerned who shall take the same on record and substitute the name of Resulting Companies for Demerged Companies.



24.4 Subject to the Applicable Law, the existing provident fund, gratuity fund and pension and /or superannuation fund/trusts, retirement funds or employees state insurance schemes or pension scheme or employee deposit linked insurance scheme or any other benefits, if

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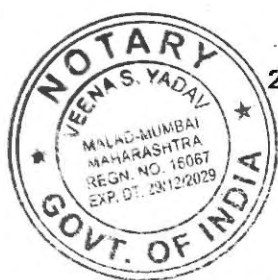
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any, created by Demerged Company for employees engaged in or in relation to the Demerged Undertakings, shall be continued on the same terms and conditions and will be transferred to the necessary funds, schemes or trusts of Resulting Companies without any separate act, deed or approval and till the time such necessary funds, schemes or trusts are created by Resulting Companies, all contribution shall continue to be made to the existing funds, schemes or trusts of Demerged Company.



25.

TAXATION MATTERS :

25.1

This part of the Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under Section 2(19AA) of the IT Act. If any of the terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said section shall prevail and the Scheme shall stand modified to the extent necessary to comply with the Section 2(19AA) of the IT Act. Such modification will however not affect other parts of the Scheme.



25.2

Upon the Scheme becoming effective and with effect from the Appointed Date 2, Resulting Companies are expressly permitted to revise and file returns pertaining to the Demerged Undertakings belonging to Demerged Company, including but not limited to income tax returns, tax deduction at source returns, sales tax/ value added tax returns, excise returns, service tax returns, IGST, CGST, SGST, GST returns, and other tax returns filed with the governmental and other authorities.



25.3

All expenses incurred by Demerged Company under section 43B of the IT Act, in relation and pertaining to the Demerged Undertakings shall be claimed as a deduction by Resulting Companies and the transfer of the Demerged Undertakings shall be considered as succession of business by Resulting Companies



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25.4 All the expenses incurred by Demerged Company and Resulting Companies in relation to the Scheme, including stamp duty expenses, if any, shall be allowed as deduction to each of Demerged Company and Resulting Companies in accordance with Section 35DD of the IT Act

25.5 Demerged Company and Resulting Companies shall also be permitted to claim refunds / credits in respect of any transaction between Demerged Undertakings of Demerged Company. Without prejudice to the generality of Clause 25.3 above, upon the Scheme becoming effective, Demerged Company and Resulting Companies shall be permitted to revise, if it becomes necessary, its income tax returns and related withholding tax certificates, including withholding tax certificates, relating to transactions between Demerged Undertakings of Demerged Company and Resulting Companies, and to claim refunds, advance tax and withholding tax credits, benefit of credit for minimum alternate tax/ dividend distribution tax, if any, foreign taxes and carry forward of accumulated losses etc., pursuant to the provisions of this Scheme.

26. **COSTS**

26.1 Until the Effective Date, Demerged Company and Resulting Companies shall respectively bear their own costs, charges and expenses, in relation to or in connection with or incidental to the Scheme. Provided however that all stamp duty charges with respect to the issuance and allotment of shares contemplated under this Part of the Scheme, payment of all stamp duty and registration charges and other transfer charges in relation to this Part of the Scheme and the matters contemplated herein shall be borne and paid by Resulting Companies.

27. **REMAINING BUSINESS :**

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

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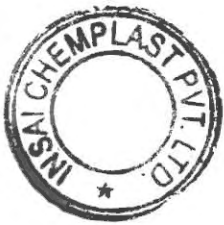
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27.2 All legal, tax and other proceedings by or against Demerged Company under any statute, whether pending on the Appointed Date 2 or which may be instituted at any time thereafter, whether or not in respect of any matter arising before the Effective Date, which does not specifically pertain or relate to Demerged Company (including those relating to any right, power, liability, obligation or duty, of Demerged Company in respect of the Remaining Business) shall be continued and enforced solely by or against Demerged Company only, without any liability arising on Resulting Companies or its shareholders.



27.3 Resulting Companies shall carry on all business and activities pertaining or relating to the Remaining Business in its own name and on its own account and its own behalf in all respects.



28. **CONDUCT OF BUSINESS TILL EFFECTIVE DATE :**

With effect from the date of approval of the Scheme by the Board of Directors of Demerged Company and up to the Effective Date:



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



28.2 On or after the Appointed Date 2 but before the Effective Date, all the profits or income accruing or arising to Demerged Company, in respect of the Demerged Undertakings or expenditure or losses arising to or incurred by Demerged Company in respect of the Demerged Undertakings, shall for all purposes and intents be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses (as the case may be) of Resulting Companies.



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28.3 Demerged Company shall carry on the business and activities with reasonable diligence and prudence and shall not without the prior written consent of Resulting Companies, alienate, charge, mortgage, Encumber or otherwise deal with or dispose-off, the Demerged Undertakings, except in the ordinary course of business. Demerged Company shall not undertake any new businesses within the Demerged Undertakings except in the ordinary course of its business.

28.4 Where any of the liabilities and obligations attributed to Demerged Undertakings, has been discharged by Demerged Company, on or after the Appointed Date 2 but before the Effective Date, such discharge shall be deemed to have been for and on behalf of Resulting Companies.

28.5 All loans raised and liabilities incurred by Demerged Company, after the Appointed Date 2 but before the Effective Date and subsisting as on the Effective Date, for operations of the Demerged Undertakings shall be discharged by Resulting Companies on or after the Effective Date.

28.6 Demerged Company shall not vary the terms and conditions of service of the employees or conclude settlements with unions or employees, except in the ordinary course of business or consistent with past practice or pursuant to any pre-existing obligation without the prior written consent of the Board of Directors of Resulting Companies.

PART – “D”

GENERAL TERMS & CONDITIONS

29. APPLICATIONS TO NCLT :

INSAI, K K CHEMPRO, K K CHEM and PRS, shall, with all reasonable dispatch, simultaneously, make necessary applications/ petitions to the NCLT, where the registered offices of INSAI, K K CHEMPRO, K K CHEM and PRS are situated, for sanctioning this Scheme and all

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matters ancillary or incidental thereto under Sections 230 to 232 and other applicable provisions of the Act.

30. MODIFICATIONS OR AMENDMENTS TO THE SCHEME :



INSAI, K K CHEMPRO, K K CHEM and PRS by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize including any committee or sub-committee thereof, may, collectively, make and/or Consent to any modifications/ amendments to the Scheme or to any conditions or limitations that the NCLT or any other Governmental Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them. INSAI, K K CHEMPRO, K K CHEM and PRS by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize including any committee or sub-committee thereof, shall be authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith. In case, post approval of the Scheme by the NCLT, there is any confusion in interpreting any clause of this Scheme, or otherwise, the Board of Directors of INSAI, K K CHEMPRO, K K CHEM and PRS shall jointly have complete power to take the most sensible interpretation so as to render the Scheme operational.

31. WITHDRAWAL OF THE SCHEME :

INSAI, K K CHEMPRO, K K CHEM and PRS shall have the discretion / liberty to withdraw their application(s)/ petition(s) from NCLT.

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32. **SCHEME CONDITIONAL ON APPROVALS/ SANCTIONS :**

The Scheme is and shall be conditional upon and subject to the following:

(a) The Scheme being approved by respective requisite majorities in numbers and value of such classes of members and creditors of the companies or dispensation thereof, as may be directed by the NCLT;

(b) The Scheme being sanctioned by the NCLTs under Section 230 to 232 of the Act, on terms acceptable to INSAI, K K CHEMPRO, K K CHEM and PRS and the certified or authenticated copy of the order of NCLT sanctioning the Scheme is filed with the Registrar of Companies.



33.

EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS

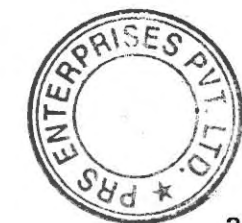
The Scheme shall not come into effect unless the aforementioned conditions mentioned in Clause 04 above are satisfied and in such an event, unless each of the conditions are satisfied, no rights and liabilities whatsoever shall accrue to or be incurred inter se INSAI, K K CHEMPRO, K K CHEM and PRS or their respective shareholders or creditors or employees or any other Person.



34.

SCHEME AS AN INTEGRAL WHOLE AND SEVERABILITY :

The provisions contained in this Scheme are inextricably inter-linked with the other provisions and the Scheme constitutes an integral whole. The Scheme would be given effect to only if it is approved in its entirety unless specifically agreed otherwise by the respective Board of Directors of INSAI, K K CHEMPRO, K K CHEM and PRS.



35.

MISCELLANEOUS :

If any part and/ or provision of this Scheme hereof is invalid, ruled illegal by any court or tribunal of competent jurisdiction or unenforceable under present or future laws, then it is the intention of the parties to the

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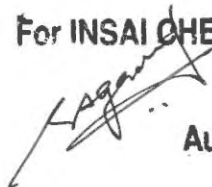
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Scheme that such provision shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part and/ or provision shall cause this Scheme to become materially adverse to any party, in which case the parties to the Scheme shall attempt to bring about a modification in the Scheme, as will best preserve for such parties the benefits and obligations of the Scheme, including but not limited to such part and/ or provision.

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Authorised Signatory



For K K CHEM INDIA PRIVATE LIMITED



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For PRS ENTERPRISES PVT. LTD.



DIRECTOR

