

**SCHEME OF AMALGAMATION OF  
NEROFIX PRIVATE LIMITED  
WITH  
KANSAI NEROLAC PAINTS LIMITED  
AND  
THEIR RESPECTIVE SHAREHOLDERS**

(Under Sections 230 to 232 and other applicable  
provisions of the Companies Act, 2013)

**PREAMBLE**

This Scheme of Amalgamation provides for the amalgamation of Nerofix Private Limited (“**Nerofix**”), a company incorporated under the provisions of the Companies Act, 2013 having its registered office at 27th Floor, A-Wing, Marathon Futurex, N.M. Joshi Marg, Lower Parel, Mumbai - 400013, Maharashtra with Kansai Nerolac Paints Limited (“**Nerolac**”), a company incorporated under the provisions of the Indian Companies Act, 1913 having its registered office at 28th Floor, A-Wing, Marathon Futurex, N.M. Joshi Marg, Lower Parel, Mumbai - 400013, Maharashtra, pursuant to Sections 230 to 232 and other relevant provisions of the Companies Act, 2013.

- (a) Nerofix was incorporated on 17<sup>th</sup> July 2019 under the name of Nerofix Private Limited and registered with the Registrar of Companies, Mumbai, as a Private Limited Company. Nerofix’s registered office is situated at 27th Floor, A-Wing, Marathon Futurex, N.M. Joshi Marg, Lower Parel, Mumbai - 400013. The Corporate Identification Number of Nerofix is U24299MH2019PTC328170. The PAN of Nerofix is AAGCN6144B. The e-mail address of Nerofix is [debashishvanikar@nerolac.com](mailto:debashishvanikar@nerolac.com). Nerofix has not changed its name or objects during the last five years.

The main objects of Nerofix as specified under the heading A- Main Object of the Company to be pursued by the Company on its incorporation under Clause 3 (a) of the Memorandum of Association of the Company is as under:

- 1) To carry on the business as manufacturers, exporters and importers and marketing of adhesives and sealants, construction chemicals, paints and coatings, and other industrial consumables and other related products in India and abroad.
- 2) To carry on the business of manufacturing and marketing of cable filling compounds, cable flooding compounds, thixotropic, jellies



again changed to Goodlass Wall Limited and a Certificate of change of name was issued by the Registrar of Companies, Bombay. Thereafter on 17<sup>th</sup> May, 1956, its name was once again changed to Goodlass Wall Private Limited and a Certificate of change of name was issued by the Registrar of Companies, Bombay. Thereafter on 1<sup>st</sup> July, 1957, its name was once again changed to Goodlass Nerolac Paints Private Limited and a Certificate of change of name was issued by the Registrar of Companies, Bombay. Thereafter on 12<sup>th</sup> February, 1958, its name was once again changed to Goodlass Nerolac Paints Limited and a Certificate of change of name was issued by the Registrar of Companies, Bombay. Thereafter on 11<sup>th</sup> July, 2006, its name was changed to its present name, Kansai Nerolac Paints Limited and a fresh Certificate of Incorporation was issued by the Registrar of Companies, Maharashtra, Mumbai consequent upon change of name. Nerolac is a Public Limited Company listed on Bombay Stock Exchange (“BSE”) Limited and National Stock Exchange of India Ltd. (NSE) and having its Registered Office at 28<sup>th</sup> Floor, A-Wing, Marathon Futurex, N.M. Joshi Marg, Lower Parel, Mumbai - 400013, Maharashtra. The Corporate Identification Number of Nerolac is L24202MH1920PLC000825. The PAN of Nerolac is AAACG1376N. The email address of Nerolac is [investor@nerolac.com](mailto:investor@nerolac.com). Nerolac has not changed its name or objects during the last five years.

The main objects of Nerolac to be pursued by the Company on its incorporation as specified under Clause III of the Memorandum of Association of the Company are as under:

- (a) To acquire and take over as a going concern the business now carried on at Naigaum, Mumbai, under the style or firm of American Paint & Varinsh Co., and all or any of the assets and liabilities of the proprietor of that business in connection therewith and with a view thereto to enter into an Agreement with A.T. Mirza in the terms of the draft a copy whereof has for the purpose of identification been subscribed by F.E. Dinshaw, an Attorney of the Bombay High Court, and to carry the same into effect with or without modification.
- (b) To manufacture white lead, red lead, litharge, orange mineral, linseed oil and to purchase and sell the same, to manufacture, buy and sell paints, varnishes, oils, colours, enamels, mortar and cement, stains and coatings, water-proof coatings and compound, dyes, glue, putty, chemicals for making colour, paint brushes and other supplies for painters.

- (c) To buy, sell, import, export, manipulate, prepare for market and deal in merchandise of all kinds and generally to carry on business as merchants, importers and exporters.
- (c1) To carry on the business of manufacturing and selling of pigments, Pigment Emulsions, Dispersions, Binder Materials, Thickeners, Chemicals, Dyes and Manures.
- (c2) To carry on all or any of the business of metal founders, workers, converters and merchants, miners, smelters, metallurgists, mechanical electrical and general engineers, planters, farmers, graziers, stockmen, dairymen, ship and other vessel owners, charterers and builders, ship-brokers, managers of shipping property, shippers, bargemen, lightermen, carriers by sea and land, railway and forwarding agents, bonded and common carmen, freight contractors, insurance brokers, provision merchants and preservers, ice merchants, refrigerating storekeepers, warehouseman, wharfingers, dock owners and commission merchants, and any other trade or business whatsoever which can in the opinion of the Company be advantageously or conveniently carried on by the Company by way of extension of or in connection with any such business as aforesaid, or is calculated directly or indirectly to develop any branch of the Company's business or to increase the value of or turn to account any of the Company's Assets, property or rights.
- (c3) To carry on business as manufacturers of, and dealers in, chemical, biochemical, industrial and other preparations and articles, dyes, chemicals, acids, alkalies, colours, glues, gums, pasters, organic or mineral intermediates, compositions, paint and colour grinders, preparatory articles of all kinds, laboratory reagents, and to carry on the business of chemists and oil and colourmen.
- (c4) To carry on business as manufacturers, producers, refiners, importers and exporters of, and dealers in, copra, cottonseed, linseed, castor seed, groundnuts and seeds of all kinds and oil bearing substances whatsoever and oils and oil cakes manufactured therefrom, and to carry on business as oil brokers, oil blenders, boilers, refiners, distillers, separators, waste oil dealers and as dry salters, tallow merchants and soap and candle makers.
- (c5) To carry on business as financial, monetary and commercial agents and advisers and to undertake, carry on and execute all kinds of financial, commercial, trading and other operations; which are

incidental to the main objects of the Company and to carry on and transact every kind of guarantee and indemnity business, and to undertake and execute trusts of all kinds and to promote, finance or otherwise assist any company or other persons as Directors may think fit.

- (c6) To manufacture, prepare for market, revise, clean, restore, recondition, treat and otherwise manipulate and deal in and turn to account by any process or means whatsoever all by products, refuse, wastes and other products capable of being manufactured or produced out of or with the use of all or any raw materials, ingredients, substances or commodities used in the manufacture of all or any of the products which the Company is entitled to manufacture or deal in and to make such other use of the same as may be thought fit.
- (c7) To manufacture and deal in, all types of containers, receptacles, boxes, cartons, cages, bins, tubes, crates, packing cases, cans, ball strapping systems and bags and fittings therefor, of every kind for holding, keeping, storing, shipping and handling the products which the Company is entitled to manufacture or deal in or any of them.
- (d) To carry on any other business whether manufacturing or otherwise which may seem to the Company capable of being conveniently carried on in connection with the above or calculated directly or indirectly to enhance the value of or render profitable any of the Company's profits or rights.
- (e) To acquire and deal with the property following:
  - 1. The business, property and liabilities of any company, firm or person carrying on any business within the objects of the Company.
  - 2. Lands, buildings, easements, and other interest in real estate.
  - 3. Plant, machinery, personal estate and effects.
  - 4. Patents, patent rights or inventions, copy rights, designs, trade marks or secret processes.
  - 5. Shares or stock or securities in or of any company or undertaking the acquisition of which may promote or advance the interests of this Company.

- (f) To perform or do all or any of the following operations, acts or things:
1. To pay all the costs, charges and expenses of the promotion and establishment of the Company.
  2. To sell, let, dispose off or grant rights over all or any property of the Company.
  3. To erect buildings, plant and machinery for the purposes of the Company.
  4. To make experiments in connection with any business of the Company and to protect any inventions of the Company by letters patent or otherwise.
  5. To grant licenses, to use patents, copyrights, designs, or secret processes of the Company.
  6. To manufacture plant and machinery, tools, goods and things for any of the purposes of the business of the Company.
  7. To draw, accept and negotiate bills of exchange, promissory notes and other negotiable instruments.
  8. To underwrite the shares, stock or securities of any other company and to pay underwriting commissions and brokerage on the any shares, stocks or securities issued by this Company.
  9. To borrow money or to receive money on deposit either without security or secured by debentures, debenture stock (perpetual or terminable), mortgage, or other security charged on the undertaking or all or any of the assets of the Company, including uncalled capital.
  10. To lend or deposit money, securities and property on any terms that may be thought fit, and particularly to customers or other persons or corporations having dealings with the Company and to give any guarantees that may be deemed expedient and transact all kinds of trust and agency business and to invest any moneys of the Company not required for the purposes of its business in such investments or securities as may be thought expedient.

11. To amalgamate with any other Company or companies and to enter into any partnership or arrangement in the nature of a partnership co-operation or union of interests, with any person or persons or corporation engaged or interested or about to become engaged or interested in the carrying on or conduct of any business or enterprise which this Company is authorized to carry on or conduct or from which this company would or might derive any benefit whether direct or indirect.
  12. To promote Companies.
  13. To sell the undertaking and all or any of the property of the Company for cash, or for stock, shares or securities of any other company, or for other consideration.
  14. To provide for the welfare of persons employed or formerly employed by the Company, or any predecessors in business of the company, and the wives, widows and families of such persons by grants of money or other aid or otherwise as the Company shall think fit.
  15. To subscribe to or otherwise aid, benevolent, charitable, national or other institutions, or objects of a public charter or which have any moral or other claims to support or aid by the Company by reason of the locality or its operations or otherwise.
  16. To distribute in specie assets of the Company properly distributable amongst its members.
  17. To refer or agree to refer any claim, demand, dispute or question whatsoever, by or against the Company, or in which the Company is interested or concerned, whether directly or indirectly, and whether between the Company and a member or members or his, or their representatives, or between the Company and any third party, to arbitration in India or at any place outside India and to observe perform and to do all acts, deeds, matters and things usual, necessary, proper or expedient to carry out or enforce the award.
- (g) To do all or any of the things hereinbefore authorized either alone, or in conjunction with, or as factors, trustees, or agents for others, or by or through factors, trustees or agents.

- (h) To do all such other things as are incidental or conducive to the attainment of the above objects, or any of them.

Nerolac is principally engaged in the manufacturing of paints.

The Authorised, Issued, Subscribed and Paid-up Share Capital of Nerolac as on the Appointed date was as under:

**Authorised Share Capital:**

85,00,00,000 Equity Shares of Re. 1 each	Rs. 85,00,00,000
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**Issued, Subscribed and Paid-up Share Capital:**

80,84,44,880 Equity Shares of Re. 1 each                      Rs. 80,84,44,880

After the Appointed Date, Nerolac has issued and allotted 57,636 Equity Shares of Re.1 each. The Issued, Subscribed and Paid-up Share Capital as on date is Rs.80,85,02,516.

Following were the Directors of Nerolac as on the Appointed Date:

<b>Sr. No.</b>	<b>Name of the Director</b>	<b>DIN</b>	<b>Address</b>
1.	Mr. Bhaskar Bhat	00148778	Flat No. 884, Chaitanya Plot, Indiranagar 1st Stage, Bangalore- 560038
2.	Mr. H. Nishibayashi	03169150	7-6-14 Okamoto, Higashinada-Ku, Kobe-Shi, Hyogo-Ken, Japan
3.	Ms. Sonia Singh	07108778	1703, The Imperial Towers, B. B. Nakashe Marg, Tardeo, Mumbai 400034
4.	Mr. Takashi Tomioka	08736654	2-1488-3, Owada-Cho, Minuma- Ku, Saitama-Shi, Saitama- 3370053, Japan
5.	Mr. Pravin Digambar Chaudhari	02171823	Flat-12, Bldg.1, F-1 Goldmist Chs. Ltd., Gulmohar Road, JVPD, Vile Parle Mumbai 400049
6.	Mr. Hirokazu Kotera	10707431	1502, Floor 15, Sun Palazzo, Senapati Bapat Marg, Lower Parel, Mumbai, Maharashtra, India - 400013



7.	Mr. Uday Shirish Bhansali	00363902	C-6, Sea Face Park, 50 Bhulabhai Desai Road, Mumbai 400026
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**RATIONALE FOR THE SCHEME**

The rationale for the proposed merger is as follows:-

The merger will provide benefits for synergy, economies of scale, growth and expansion to our Company. Furthermore, the merger will result in the integration of business operations, reduction and rationalization of administrative costs and overheads, and administrative convenience, thereby enhancing operational efficiency.

In view of the aforesaid, the Board of Directors of Nerofix and Nerolac at their respective meetings held on 31st July, 2025 and 11th August, 2025 have considered and unanimously approved, the Scheme of Amalgamation of Nerofix with Nerolac subject to necessary statutory approvals. Accordingly, the Board of Directors of both the Companies have formulated this Scheme of Amalgamation for the transfer to and vesting of the respective undertakings and businesses of Nerofix into Nerolac pursuant to the provisions of Sections 230 to 232 and other relevant provisions of the Companies Act, 2013 as applicable and in force.

Details of voting pattern by the board of directors of Nerofix and Nerolac in respect of the resolution for approving the scheme of amalgamation are as follows:

**Directors of Nerofix:**

Names of Directors who voted unanimously in favour of the resolution:

- Mr. Abhijit Manohar Natoo
- Mr. Prashant Devidas Pai
- Mr. Jason Simon Gonsalves

**Directors of Nerolac:**

Names of Directors who voted unanimously in favour of the resolution:

- Mr. Bhaskar Bhat
- Ms. Sonia Singh
- Mr. Takashi Tomioka
- Mr. Pravin Digambar Chaudhari
- Mr. Hirokazu Kotera

Mr. Uday Shirish Bhansali

Mr. Gen Yokota

#### **AMOUNT DUE TO CREDITORS**

- (a) As on 31<sup>st</sup> March 2025, Nerofix has one Secured Creditor being Tata Capital Limited for an amount of Rs. 30,00,00,000 and Unsecured Creditors to the extent of Rs. 33,66,50,022.
- (b) As on 30th June, 2025, Nerofix has one Secured Creditor being Tata Capital Limited for an amount of Rs. 30,00,00,000 and Unsecured Creditors to the extent of Rs. 44,00,30,411.
- (c) As on 31<sup>st</sup> March 2025, Nerolac does not have any Secured Creditors and has Unsecured Creditors to the extent of Rs. 890,30,65,902.
- (d) As on 30th June, 2025, Nerolac does not have any Secured Creditors and has Unsecured Creditors to the extent of Rs. 808,94,62,741.

#### **1. DEFINITIONS:**

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

- 1.1. **“Act” or “the Act”** means the Companies Act, 2013 including any statutory modification or re-enactment thereof for the time being in force;
- 1.2. **“Appointed Date”** means **1<sup>st</sup> April 2025** or such other date as may be fixed by the NCLT while sanctioning the Scheme;
- 1.3. **“Effective Date”** means the date on which the certified true copies of the Orders of the NCLT sanctioning this Scheme are filed by Nerofix and Nerolac with the Registrar of Companies, for Nerofix and Nerolac.
- 1.4. **“NCLT”** means the National Company Law Tribunal.
- 1.5. **“Nerofix”** means Nerofix Private Limited.
- 1.6. **“Nerolac”** means Kansai Nerolac Paints Limited.
- 1.7. **“Scheme” or “the Scheme” or “this Scheme”** means this Scheme of Amalgamation in its present form or with any modification(s) made under Clause 16.2 of this Scheme or any modifications approved or directed by the NCLT.
- 1.8. **“Transferor Company”** means Nerofix Private Limited.

- 1.9. **“Transferee Company”** means Kansai Nerolac Paints Limited

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

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

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT, shall be operative from the Appointed Date but shall be implemented from the Effective Date.

3. **VESTING OF ASSETS:**

- 3.1. With effect from the Appointed Date, the entire business and undertaking of Nerofix including all its properties and assets (whether movable or immovable, tangible or intangible) of whatsoever nature, such as licenses, lease, tenancy rights, if any, and all other rights, title, interest, contracts, powers or benefits of every kind, nature and descriptions whatsoever shall, under the provisions of Sections 230 to 232 of the Act and pursuant to the orders of the NCLT sanctioning this Scheme and without further act, instrument or deed, but subject to the securities, mortgages, charges, encumbrances or liens, if any, existing as on the Effective Date be transferred and / or deemed to be transferred to and vested in Nerolac so as to become the properties and assets of Nerolac.

- 3.2. However, in respect of such of the assets of Nerofix as are movable in nature or are otherwise capable of transfer by manual delivery, they shall be physically handed over by manual delivery or endorsement and delivery. The same may be so transferred by Nerofix, without requiring any deed or instrument or conveyance for the same and shall become the property of Nerolac to the end and intent that the ownership and property therein passes to Nerolac on such handing over, which would take place on the Effective Date or thereafter on a date as may be decided by the Board of Directors of Nerolac.

4. **TRANSFER OF LIABILITIES**

- 4.1. With effect from the Appointed Date, all debts, liabilities, duties and obligations of Nerofix as on the close of business on the date immediately preceding the Appointed Date, whether or not provided for in the books of Nerofix and all other liabilities of Nerofix which may arise or accrue on or after the Appointed Date upto the Effective Date, but which relate to the

period on or upto the Appointed Date shall under the provisions of sections 230 to 232 of the Act and pursuant to the Orders of the NCLT sanctioning this Scheme and without any further act or deed, be transferred or deemed to be transferred to and vested in and be assumed by Nerolac, so as to become as from the Appointed Date, the debts, liabilities, duties and obligations of Nerolac on the same terms and conditions as were applicable to Nerofix, Provided however that any charges, mortgages and/or encumbrances shall be confined only to the relative assets of Nerofix or part thereof on or over which they are subsisting on transfer to and vesting of such assets in Nerolac and no such charges, mortgages, and/or encumbrances shall be enlarged or extend over or apply to any other asset(s) of Nerolac. Any reference in any security documents or arrangements (to which Nerofix is a party) to any assets of Nerofix shall be so construed to the end and intent that such security shall not extend, nor be deemed to extend, to any of the other asset(s) of Nerolac and Nerolac shall not be obliged to create any further or additional security.

- 4.2. For the removal of doubt, it is clarified that to the extent that there are deposits, obligations, balances or other outstandings as between Nerofix and Nerolac, the obligations in respect thereof shall come to an end and there shall be no liability in that behalf and corresponding effect shall be given in the books of account and records of Nerolac for the reduction of such assets or liabilities, as the case may be, and there would be no accrual of interest or any other charges in respect of such deposits or balances, with effect from the Appointed Date.

## **5. LEGAL PROCEEDINGS:**

- 5.1. If any suits, actions and proceedings of whatsoever nature (hereinafter referred to as the “**Proceedings**”) by or against Nerofix is pending on the Effective Date, the same shall not abate or be discontinued nor in any way be prejudicially affected by reason of the amalgamation of Nerofix with Nerolac or anything contained in the Scheme, but the Proceedings may be continued and enforced by or against Nerolac as effectually and in the same manner and to the same extent as the same would or might have continued and enforced by or against Nerofix, in the absence of the Scheme.

## **6. CONTRACTS AND DEEDS**

- 6.1. All contracts, deeds, bonds, agreements, arrangements, incentives, licences, engagements, registrations and other instruments of whatsoever nature to which Nerofix is a party or to the benefit of which Nerofix may be eligible, and which have not lapsed and are subsisting on the Effective Date, shall remain in full force and effect against or in favour of Nerolac, as the case

may be, and may be enforced by or against Nerolac as fully and effectually as if, instead of Nerofix, Nerolac had been a party or beneficiary thereto.

- 6.2. Nerolac shall, if and to the extent required by law, enter into and/or issue and/or execute deeds, writings or confirmations, to give formal effect to the provisions of this Clause and to the extent that Nerofix is required prior to the Effective Date to join in such deeds, writings or confirmations, Nerolac shall be entitled to act for and on behalf of and in the name of Nerofix.

## **7. SAVING OF CONCLUDED TRANSACTIONS**

- 7.1. The transfer of the assets and liabilities of Nerofix under Clauses 3 and 4 above, the continuance of Proceedings under Clause 5 above and the effectiveness of contracts and deeds under Clause 6 above, shall not affect any transaction or Proceedings already concluded by Nerofix on or before the Effective Date and to the end and intent that Nerolac accepts and adopts all acts, deeds and things done and executed by Nerofix in respect thereto, as if done and executed on its behalf.

## **8. EMPLOYEES**

- 8.1. All the employees of Nerofix in service on the Effective Date shall, on and from the Effective Date, become the employees of Nerolac without any break or interruptions in their service and upon the terms and conditions not less favourable than those on which they were engaged on the Effective Date.
- 8.2. With regard to provident fund and gratuity fund or any other special funds or schemes created or existing for the benefit of such employees (hereinafter referred to as the “**said Funds**”) of Nerofix, upon the Scheme becoming effective, Nerolac shall stand substituted for Nerofix for all purposes whatsoever relating to the administration or operation of such schemes or funds in relation to the obligations to make contributions to the said Funds in accordance with the provisions of such schemes or funds in the respective Trust Deeds or other documents.

## **9. CONDUCT OF BUSINESS TILL EFFECTIVE DATE**

With effect from the Appointed Date and upto and including the Effective Date:

- 9.1. Nerofix shall be deemed to have been carrying on and shall carry on its respective business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all of its assets for and on account of, and in trust for Nerolac and all profits or dividends or

other rights accruing to Nerofix and all taxes thereof, or losses arising or incurred by it, relating to such investments, shall, for all intent and purpose, be treated as the profits, dividends, taxes or losses, as the case maybe, of Nerolac.

- 9.2. Nerofix shall carry on its respective business and activities with reasonable diligence, business prudence and shall not (without the prior written consent of Nerolac) alienate, charge, mortgage, encumber or otherwise deal with or dispose of its respective undertaking or any part thereof, except in the ordinary course of business.
- 9.3. All the profits or income, taxes (including advance tax and tax deducted at source) or any costs, charges, expenditure accruing to Nerofix or expenditure or losses arising or incurred or suffered by Nerofix shall for all purposes be treated and be deemed to be and accrue as the profits, taxes, incomes, costs, charges, expenditure or losses of Nerolac, as the case may be.
- 9.4. Nerofix shall not vary the terms and conditions of service of its respective employees except in the ordinary course of their business.
- 9.5. On and after the Appointed Date and until the Effective Date, Nerofix shall not without the prior written consent of the Board of Directors of Nerolac:
  - i. except as contemplated under this Scheme, issue or allot any further securities, either by way of rights or bonus or otherwise; or
  - ii. utilize, subject to Clause 10.1 below, the profits, if any, for any purpose including declaring or paying any dividend.
- 9.6. It is clarified that all taxes payable by Nerofix, relating to the transferred undertaking, from the Appointed Date onwards including all or any refunds and claims shall, for all purposes, be treated as the tax liabilities or refunds and claims of Nerolac.
- 9.7. This Scheme has been drawn up to comply with and fall within the definition and conditions relating to “Amalgamation” as specified under Section 2(1B) and other applicable provisions of the Income Tax Act, 1961, as amended. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Sections of the Income Tax Act, 1961, at a later date, including resulting from amendment of law or for any other reason whatsoever, the Scheme shall stand modified / amended / altered to the extent determined necessary to comply with and fall within the definition and conditions relating to “Amalgamation” as specified in the Income Tax Act, 1961. In such an event, the Clauses which

are inconsistent shall be read down or if the need arises, be deemed to be deleted and such modification/reading down or deemed deletion shall, however, not affect the other parts of the Scheme.

- 9.8. Upon the Scheme becoming effective, Nerolac is expressly permitted and shall be entitled to revise its financial Statements and Returns along with prescribed Forms, filings and annexures under the Income Tax Act, 1961, as amended, (including for minimum alternate tax purposes and tax benefits, ) GST law and other tax laws, and to claim refunds and/or credits for taxes paid (including minimum alternate tax), and to claim tax benefits under the Income Tax, 1961 etc. and for matters incidental thereto, if required to give effect to the provisions of this Scheme.
- 9.9. Nerofix, shall preserve and carry on its respective businesses and activities with reasonable diligence and business prudence and shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts nor incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comforts or commitments for themselves or any third party or sell, transfer, alienate, charge, mortgage or encumber or deal with the undertaking or any part thereof save and except in each case in the following circumstances:
- (a) If the same is in their ordinary course of business as carried on the date of filing this Scheme with the NCLT; or
  - (b) If the same is permitted by this Scheme; or
  - (c) If the same is permitted by written consent of the Board of Directors of Nerolac; or
  - (d) If the same is pursuant to any pre-existing obligations undertaken by Nerofix.
- 9.10. Nerofix shall not, without prior written consent of Nerolac, undertake any new business.
- 9.11. Nerofix shall not, without prior written consent of Nerolac, take any major policy decisions either in respect of the management of Nerofix or for its business and shall not change its present capital structure.
- 9.12. Nerofix shall co-operate with Nerolac for smooth transfer of the businesses and undertakings from Nerofix to Nerolac and any of respective Directors of Nerofix and any Directors of Nerolac shall be empowered to give effect to the Scheme in all aspects as may be necessary or expedient including settling any question or difficulties arising in relation to the Scheme in such

manner as they deem fit to attain the objective of this Scheme and their decision in this regard shall be final and binding.

10. **DIVIDENDS**

- 10.1. Nerofix and Nerolac shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Appointed Date. The dividend, if any, shall be declared by Nerofix only with the prior written consent of the Board of Directors of Nerolac, as mentioned in Clause 9.5 above.
- 10.2. Subject to the provisions of the Scheme, the profits of Nerofix, for the period beginning from the Appointed Date, shall belong to and be the profits of Nerolac and will be available to Nerolac for being disposed of in any manner as it thinks fit.
- 10.3. It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of Nerofix and/or Nerolac to demand or claim any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the Board of Directors of Nerolac, subject to such approval of the shareholders, as may be required.

11. **CONSIDERATION:**

As the entire Paid up Equity Share Capital of Nerofix is held by Nerolac, upon the Scheme becoming effective, the entire paid-up Equity Share Capital of Nerofix shall stand automatically cancelled and there will not be any issue and allotment of shares of Nerolac.

12. **DISSOLUTION OF NEROFIX**

On the Scheme becoming effective, Nerofix shall stand dissolved without being wound up, without any further act by the parties.

13. **FINANCIAL STATEMENT AND LIST OF SHAREHOLDERS OF NEROFIX AND NEROLAC AS ON 31<sup>ST</sup> MARCH 2025 AND 30TH JUNE, 2025 IS AS UNDER:**

13.1. **NEROFIX**

**Financial Statement of Nerofix as on 31<sup>st</sup> March 2025 is as under :-**

Particulars	Amount (Rs. in Crores)
<b>Assets</b>	
<b>Non-Current Assets</b>	
<b>Property, Plant and Equipment</b>	<b>21.80</b>
<b>Capital Work-in-progress</b>	<b>0.02</b>



Particulars	Amount (Rs. in Crores)
<b>Other Intangible Assets</b>	<b>2.83</b>
<b>Other Non- Current Assets</b>	<b>0.13</b>
<b>Current Tax Assets (Net)</b>	<b>0.01</b>
<b>Total Non-current Assets</b>	<b>24.79</b>
<b>Current Assets</b>	
<b>Inventories</b>	<b>19.27</b>
<b>Financial Assets</b>	
<b>Trade Receivables</b>	<b>22.23</b>
<b>Cash and Cash Equivalents</b>	<b>1.35</b>
<b>Bank Balances other than cash and cash Equivalents</b>	<b>-</b>
<b>Loans</b>	
<b>Other Current Assets</b>	<b>2.83</b>
<b>Total current Assets</b>	<b>45.68</b>
<b>Total Assets</b>	<b>70.47</b>
<b>Equity and Liabilities</b>	
<b>Equity Share Capital</b>	<b>20.00</b>
<b>Reserves and surplus</b>	<b>-26.04</b>
<b>Total Equity</b>	<b>-6.04</b>
<b>Liabilities</b>	
<b>Non-current Liabilities</b>	<b>30.00</b>
<b>Deferred Tax Liabilities (Net)</b>	<b>0.85</b>
<b>Total Non-current Liabilities</b>	<b>30.85</b>
<b>Current Liabilities</b>	
<b>Financial Liabilities</b>	
<b>Borrowings</b>	<b>0.00</b>
<b>Trade Payables</b>	<b>40.17</b>
<b>Other Financial Liabilities</b>	<b>3.04</b>
<b>Other Current Liabilities</b>	<b>2.18</b>
<b>Provisions</b>	<b>0.27</b>
<b>Total Current Liabilities</b>	<b>45.66</b>
<b>Total Liabilities</b>	<b>76.51</b>
<b>Total Equity and Liabilities</b>	<b>70.47</b>

Financial Statement of Nerofix as on 30th June, 2025 is as under:

Particulars	Amount (Rs. in Crores)
<b>Assets</b>	
<b>Non-Current Assets</b>	
<b>Property, Plant and Equipment</b>	<b>21.62</b>
<b>Capital Work-in-progress</b>	<b>0.06</b>
<b>Other Intangible Assets</b>	<b>2.68</b>
	<b>0.10</b>
<b>Current Tax Assets (Net)</b>	<b>0.02</b>
<b>Total Non-current Assets</b>	<b>24.48</b>
<b>Current Assets</b>	
<b>Inventories</b>	<b>21.46</b>
<b>Financial Assets</b>	
<b>Trade Receivables</b>	<b>26.61</b>

Cash and Cash Equivalents	0.88
Bank Balances other than cash and cash Equivalents	-
Loans	
Other Current Assets	4.34
Total current Assets	53.29
Total Assets	77.77
Equity and Liabilities	
Equity Share Capital	20.00
Reserves and surplus	-29.31
Total Equity	-9.31
Liabilities	
Non-current Liabilities	27.50
Deferred Tax Liabilities (Net)	0.91
Total Non-current Liabilities	28.41
Current Liabilities	
Financial Liabilities	
Borrowings	2.50
Trade Payables	51.24
Other Financial Liabilities	3.63
Other Current Liabilities	1.01
Provisions	0.28
Total Current Liabilities	58.66
Total Liabilities	87.08
Total Equity and Liabilities	77.77

Following are the Shareholders of Nerofix as on 30th June, 2025:

Sr. no	Names of shareholders	Address	Number of shares	Nomin al Value per share (₹)	Amount in ₹	Percent age of holding (%)
1.	Kansai Nerolac Paints Limited	28th Floor, A-Wing, Marathon Futurex, N.M. Joshi Marg, Lower Parel, Mumbai – 400013	1,99,99,999	10	19,99,99,990	100 %

2	Kansai Nerolac Paints Limited WITH Prashant Devidas Pai	28th Floor, A- Wing, Marathon Futurex, N.M. Joshi Marg, Lower Parel, Mumbai – 400013	1	10	10	0%
	<b>TOTAL</b>		<b>2,00,00,000</b>	<b>10</b>	<b>20,00,00,000</b>	<b>100%</b>

13.2. NEROLAC

Financial Statement of Nerolac as on 31st March, 2025 is as under:

Particulars	Amount (Rs. in Crores)	Amount (Rs. in Crores)
<b>Assets</b>		
<b>Non-Current Assets</b>		
<b>Property, Plant and Equipment</b>	<b>1935.67</b>	
<b>Capital Work-in-progress</b>	<b>220.97</b>	
<b>Right of Use Assets (ROU)</b>	<b>217.44</b>	
<b>Investment Property</b>	<b>0.12</b>	
<b>Other Intangible Assets</b>	<b>11.53</b>	
		<b>2385.73</b>
<b>Financial Assets:</b>		
<b>Investments</b>	<b>60.68</b>	
<b>Loans</b>	<b>-</b>	
<b>Other Financial Assets</b>	<b>70.98</b>	
		<b>131.66</b>
<b>Non-Current Tax Assets (Net)</b>		<b>183.12</b>
<b>Other Non-current Assets</b>		<b>94.97</b>
<b>Total Non-current Assets</b>		<b>2795.48</b>
<b>Current Assets</b>		
<b>Inventories</b>		<b>1609.71</b>
<b>Financial Assets</b>		
<b>Investments</b>	<b>1845.98</b>	
<b>Trade Receivables</b>	<b>1274.70</b>	
<b>Cash and Cash Equivalents</b>	<b>85.72</b>	
<b>Bank Balances other than cash and cash Equivalents</b>	<b>174.52</b>	
<b>Loans</b>	<b>-</b>	
<b>Other Financial Assets</b>	<b>22.87</b>	
		<b>3403.79</b>
<b>Other Current Assets</b>		<b>160.26</b>
<b>Total current Assets</b>		<b>5173.76</b>

<b>Total Assets</b>		<b>7969.24</b>
<b>Equity and Liabilities</b>		
<b>Equity Share Capital</b>	<b>80.84</b>	
<b>Other Equity</b>	<b>6285.39</b>	
<b>Total Equity</b>		<b>6366.23</b>
<b>Liabilities</b>		
<b>Non-current Liabilities</b>		
<b>Financial Liabilities :</b>		
<b>Borrowings</b>	<b>-</b>	
<b>Lease Liabilities</b>	<b>139.46</b>	
<b>Provisions</b>	<b>20.95</b>	
<b>Deferred Tax Liabilities (Net)</b>	<b>155.27</b>	
<b>Total Non-current Liabilities</b>		<b>315.68</b>
<b>Current Liabilities</b>		
<b>Financial Liabilities :</b>		
<b>Lease Liabilities</b>	<b>31.74</b>	
<b>Trade Payables</b>		
<b>Total Outstanding dues of Micro Enterprises and small Enterprises</b>	<b>33.81</b>	
<b>Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises</b>	<b>989.84</b>	
		<b>1023.65</b>
<b>Other Financial Liabilities</b>		<b>161.84</b>
		<b>1217.23</b>
<b>Other Current Liabilities</b>		<b>45.28</b>
<b>Provisions</b>		<b>24.82</b>
<b>Current Tax Liabilities (Net)</b>		<b>-</b>
<b>Total Current Liabilities</b>		<b>1287.33</b>
<b>Total Liabilities</b>		<b>1603.01</b>
<b>Total Equity and Liabilities</b>		<b>7969.24</b>

Financial Statement of Nerolac as on 30<sup>th</sup> June, 2025 is as under

<b>Particulars</b>	<b>Amount (Rs. in Crores)</b>
<b>Assets</b>	
<b>Non-Current Assets</b>	
<b>Property, Plant and Equipment</b>	<b>2001.53</b>
<b>Capital Work-in-progress</b>	<b>155.98</b>
<b>Other Intangible Assets</b>	<b>212.6</b>
<b>Other Intangible Assets</b>	<b>25.26</b>
<b>Current Tax Assets (Net)</b>	
<b>Total Non-current Assets</b>	<b>2754.53</b>
<b>Current Assets</b>	
<b>Inventories</b>	<b>1688.98</b>
<b>Financial Assets</b>	<b>1832.94</b>

Particulars	Amount (Rs. in Crores)
Trade Receivables	1556.41
Cash and Cash Equivalents	161.42
Bank Balances other than cash and cash Equivalents	135.33
Loans	
Other Financial Assets	10.57
Other Current Assets	159.87
Total current Assets	5545.52
Total Assets	8300.05
Equity and Liabilities	
Equity Share Capital	80.85
Reserves and surplus	
Total Equity	6294.78
Liabilities	
Non-current Liabilities	
Deferred Tax Liabilities (Net)	155.92
Total Non-current Liabilities	312.17
Current Liabilities	
Financial Liabilities	31.94
Borrowings	
Trade Payables	1079.38
Other Financial Liabilities	437.36
Other Current Liabilities	71.05
Provisions	31.93
Total Current Liabilities	1693.10
Total Liabilities	2005.27
Total Equity and Liabilities	8300.05

Following are the Shareholders of Nerolac as on 30<sup>th</sup> June, 2025

Sr. no.	Names of shareholders	Number of shares	Nominal Value per share (₹)	Amount in ₹	Percentage of holding (%)
1.	Promoter & Promoter Group	60,62,03,847	1	60,62,03,847	74.98
2.	Public	20,22,86,832	1	20,22,86,832	25.02
	<b>TOTAL</b>	<b>80,84,90,679</b>	<b>1</b>	<b>80,84,90,679</b>	<b>100%</b>

Nerolac is a company whose shares are listed on the stock exchanges viz. BSE Limited and National Stock Exchange of India Ltd and are freely transferable.

**14. ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFeree COMPANY**

14.1. Notwithstanding anything else contained in the Scheme, the Transferee Company shall account for the amalgamation of the Transferor Company in accordance with the Pooling of Interest Method of accounting as laid down in Appendix C of Indian Accounting Standard ("Ind AS") 103 (Business Combinations of entities under common control) prescribed under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standard) Rules, 2015, as may be amended from time to time, in its standalone financial statements such that:

(a) All the assets and liabilities, if any, of the Transferor Company shall be recorded at the carrying value as appearing in the consolidated financial statements of the Transferee Company;

(b) The identity of the reserves pertaining to the Transferor Company, shall be preserved and the Transferee Company shall record the reserves of the Transferor Company in the same form and at the carrying values as appearing in the consolidated financial statements of Transferee Company, subject to clause (d);

(c) Pursuant to the amalgamation of the Transferor Company with the Transferee Company, the inter-company balances between the Transferee Company and/or the Transferor Company, if any, appearing in the books of the Transferor Company and/or the Transferee Company shall stand cancelled and there shall be no further obligation in that behalf.

(d) The value of investment held by the Transferee Company in the Transferor Company, represented by its equity share capital and securities premium (if any), shall stand cancelled pursuant to amalgamation and there shall be no further obligation in that behalf.

(e) The surplus, if any arising after taking the effect of clause (a) to (d), shall be transferred to Capital Reserve in the financial statements of the Transferee Company. The deficit, if any, arising after taking the effect of clause (a) to (d) and adjustment of previously existing credit balance in capital reserve, if any, shall be debited to the Retained Earnings in the financial statements of the Transferee Company.

(f) In case of any differences in accounting policy between the Transferor Company and Transferee Company, the accounting policies followed by the Transferee Company will prevail to ensure that the financial statements of Transferee Company reflect the financial position on consistent accounting policies.

(g) Comparative financial information in the financial statements of the Transferee Company shall be restated for the accounting impact of merger, as stated above, as if the merger had occurred from the beginning of the comparative period.

(h) For accounting purposes, the Scheme will be given effect on the date when all substantial conditions of the amalgamation of the Transferor Company with Transferee Company are completed.

(i) Any matter not dealt with in Clause hereinabove shall be dealt with in accordance with the requirements of applicable the Indian Accounting Standards.

## **15. CHANGE IN THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF NEROLAC:**

15.1. **Change in Authorised Share Capital:** Upon the Scheme being finally effective, the Authorised Share Capital of Nerofix of Rs. 20,00,00,000 divided into 2,00,00,000 equity shares of Rs.10 each will stand subdivided into 20,00,00,000 equity shares of Re. 1 each and will get merged with that of Nerolac without payment of additional fees and duties as the said fees have already been paid and the Authorised Share Capital of Nerolac will be increased to that extent and no separate procedure shall be followed under the Act.

## **16. GENERAL:**

16.1. On the Scheme being agreed to by the respective requisite majorities of members of Nerofix and Nerolac, Nerofix and Nerolac shall with reasonable dispatch, apply to the NCLT, Mumbai for sanctioning this Scheme of Amalgamation under Section 230 to 232 of the Act and for an order or orders for carrying this Scheme into effect.

16.2. Subject to the approval of the NCLT at Mumbai Nerofix and Nerolac through 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, are hereby empowered and authorized to assent from time to time to any modifications or amendments or conditions or limitation which the NCLT Mumbai or any other Government Authority may deem fit to approve or impose and to settle all doubts or difficulties that may arise for carrying out the Scheme and to do and execute

all acts, deeds, matters and things as may be necessary for putting the Scheme into effect.

- 16.3. The Scheme is conditional upon and subject to:
- (a) The Scheme being agreed to by the respective requisite majorities of the members as are referred to in clause 16.1 hereof on behalf of Nerofix and Nerolac and requisite Order or Orders referred to in clause 16.1 being obtained.
  - (b) Such other sanctions and approvals as may be required by law in respect of the Scheme being obtained.
- 16.4. After the sanction of the Scheme and in spite of dissolution Nerofix, Nerolac shall for a period of two years from the date of sanction of the Scheme, be also entitled to continue to operate existing Bank account (s) of Nerofix for the purpose of depositing cheques, drafts, pay orders and or payment advances issued to or to be issued in favor of Nerofix and for the purpose of transferring such deposits in such accounts of Nerofix to the account of Nerolac.
- 16.5. Disclosure about the effect of aforesaid Amalgamation on:

	<b>NEROFIX</b>	<b>NEROLAC</b>
<b>Key Managerial personnel</b>	Shall cease to be key managerial personnel in Nerofix.	No Effect
<b>Directors</b>	Shall cease to be directors in Nerofix.	No Effect
<b>Promoters</b>	Not Applicable, being wholly owned subsidiary of Nerofix.	No Effect
<b>Non-Promoter members</b>	Not Applicable	No Effect
<b>Depositors</b>	Not Applicable	No Effect
<b>Creditors</b>	Creditors of Nerofix would become creditors of Nerolac and shall be paid off in the ordinary course of Business.  Inter-company creditors, if any would get cancelled.	No Effect
<b>Debenture holders</b>	Not Applicable	Not Applicable
<b>Deposit Trustee and</b>	Not Applicable	Not Applicable



<b>Debenture trustee</b>		
<b>Employees of the Company</b>	Employees of Nerofix will become employees of Nerolac on the same terms and conditions as are no less favourable than existing conditions without any interruption of service upon amalgamation with Nerolac.	No Effect

Except as stated in this Scheme, there will not have any effect on the interests of Directors, Promoters, Non-Promoter members, Depositors, Creditors, Debenture holders, Deposit Trustee and Debenture trustee, Employees of the Company, as the case may be. There are no investigations, proceedings instituted or pending against Nerofix and Nerolac under the provisions of the Companies Act, 2013.

- 16.6. The person may vote in the meeting either in person or by proxies as specifically provided in the notice convening meeting of the shareholders of Nerolac wherever required.
- 16.7. The details of the following documents for obtaining extract from or for making copies or for inspection by the members and creditors would also be available at the respective registered offices of Nerofix and Nerolac.

(a) Latest audited financial statements of the Company including consolidated financial statements;

(b) Copy of the Scheme;

(c) The certificate issued by Auditor of the Transferee Company to the effect that the accounting treatment, if any, proposed in the scheme of compromise or arrangement is in conformity with the Indian - AS prescribed.
- 16.8. This Scheme will be forwarded / filed with all required regulatory or any other government authorities to seek its approval / no objection / sanctions, if any, as may be required.
- 16.9. Inter-se relationship between Directors of Nerofix and Nerolac.

The directors of Nerofix and Nerolac as on the Appointed Date are as under:

<b>Particulars</b>	<b>Nerofix</b>	<b>Nerolac</b>
Name of Directors	Mr. Abhijit Manohar Nattoo	Mr. Bhaskar Bhat

Particulars	Nerofix	Nerolac
	Mr. Prashant Devidas Pai	Mr. H. Nishibayashi
	Mr. Jason Simon Gonsalves	Ms. Sonia Singh
		Mr. Takashi Tomioka
		Mr. Pravin Digambar Chaudhari
		Mr. Hirokazu Kotera
		Mr. Uday Shirish Bhansali

Pursuant to the Appointed date, the following directors resigned as directors of Nerolac:

Particulars	Nerolac
Name of Directors	Mr. H. Nishibayashi

Pursuant to the Appointed date, the following directors were appointed as directors of Nerolac:

Particulars	Nerolac
Name of Directors	Mr. Gen Yokota

**Inter-se relation of directors of Nerolac with the directors of Nerofix:**

Name of Director	Inter-se Relations with Directors of Nerofix	Inter-se Relations with Directors of Nerolac
Mr. Bhaskar Bhat	Not Applicable	Not Applicable
Ms. Sonia Singh	Not Applicable	Not Applicable
Mr. H. Nishibayashi	Not Applicable	Not Applicable
Mr. Takashi Tomioka	Not Applicable	Not Applicable
Mr. Pravin Digambar Chaudhari	Not Applicable	Not Applicable
Mr. Hirokazu Kotera	Not Applicable	Not Applicable

<b>Name of Director</b>	<b>Inter-se Relations with Directors of Nerofix</b>	<b>Inter-se Relations with Directors of Nerolac</b>
Mr. Uday Shirish Bhansali	Not Applicable	Not Applicable
Mr. Gen Yokota	Not Applicable	Not Applicable
Mr. Abhijit Manohar Natoo	Not Applicable	Not Applicable
Mr. Prashant Devidas Pai	Not Applicable	Not Applicable
Mr. Jason Simon Gonsalves	Not Applicable	Not Applicable

16.10. Nerofix is the wholly owned subsidiaries of Nerolac.

**17. REVOCATION OF THE SCHEME:**

17.1. In the event of any of the said sanctions and approvals referred to in Clause 16.1 above, not being obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the NCLT and/or order or orders not being passed as aforesaid before 30th September 2026 or such other date as may be mutually agreed upon by the respective Board of Directors of Nerofix and Nerolac who are hereby empowered and authorized to agree to and extend the aforesaid period from time to time without any limitations in exercise of their powers through and by their respective delegate(s), this Scheme shall stand revoked, cancelled and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred inter se Nerofix and Nerolac or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, each company shall bear its own costs unless otherwise mutually agreed. Further, the Board of Directors of Nerolac with the approval of the NCLT shall be entitled to revoke, cancel and declare the Scheme as no effect, if such Boards are of view that the coming into effect of the Scheme in terms of the provisions of this Scheme or filing of the drawn up orders with any authority could have adverse implication on all/any of the companies.

18. **COST**

- 18.1. All costs, charges and expenses including stamp duty and registration fee of any deed, document, instrument or Tribunal's order of Nerofix and Nerolac respectively in relation to or in connection with negotiations leading upto the Scheme and of carrying out and implementing the terms and provisions of this Scheme and incidental to the completion of arrangement of the said Scheme and in pursuance of this scheme shall be borne and paid by Nerolac exclusively.

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