

December 17, 2019

1. Corporate Relationship Department  
**BSE Limited,**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001.
2. Manager – Listing  
**National Stock Exchange of India Ltd.**  
Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex, Bandra (E),  
Mumbai - 400 051

**Sub.: Scheme of Amalgamation of Marpol Private Limited and Perma Construction Aids Private Limited, both wholly-owned subsidiaries of Kansai Nerolac Paints Limited (“the Company”), with the Company**

- Ref.: 1. Regulation 37(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**  
**2. Scrip Codes: BSE - 500165, NSE - KANSAINER**

Dear Sirs,

This is in furtherance of the intimation(s) dated May 2, 2019 and July 29, 2019, submitted on behalf of the Company with respect to the Scheme of Amalgamation of Marpol Private Limited and Perma Construction Aids Private Limited, both wholly-owned subsidiaries of the Company, with the Company, under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“Scheme of Amalgamation”).

In that regard, please note that the Company is in process of filing the Scheme of Amalgamation with the National Company Law Tribunal, Mumbai and National Company Law Tribunal, Ahmedabad. Accordingly, in terms of the provisions of Regulation 37(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015,

- Certified True Copy of the Resolution passed by the Board of Directors, approving the draft Scheme of Amalgamation; and
  - Certified True Copy of Draft Scheme of Amalgamation.
- are attached herewith for your reference.

The details as required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular CIR/CFD/CMD/4/2015 dated September 9, 2015, have already been provided to the Stock Exchanges.

Kindly take the same on record.

For **KANSAI NEROLAC PAINTS LIMITED**

  
**G. T. GOVINDARAJAN**  
**COMPANY SECRETARY**



Encl.: As above

Head Office :  
NEROLAC HOUSE  
Ganpatrao Kadam Marg,  
Lower Parel, Mumbai - 400013 India

Tel.: + 91.22.2493 4001  
+91.22.2499 2500


CIN No.: L24202MH1920PLCO00825

**CERTIFIED EXTRACT OF THE RESOLUTION PASSED BY BOARD OF  
DIRECTORS OF THE COMPANY AT ITS MEETING HELD ON JULY 29, 2019**

Resolved that the Board accord its consent to the Scheme of Amalgamation for the merger of Marpol Private Limited and Perma Construction Aids Private Limited (both wholly owned subsidiaries of the Company) with the Company and undertaking the process of merger.

Further Resolved that Mr. H.M. Bharuka, Vice Chairman and Managing Director, Mr. Anuj Jain, Executive Director, Mr. P.D. Pai, Director- Finance and Mr. G.T. Govindarajan, Company Secretary be and are authorized, jointly and severally, to sign such applications and documents, make the necessary filings with the authorities and to do all such acts, deeds, matters and things as may be required, in regard to the process of merger of the said wholly-owned subsidiaries, Marpol Private Limited and Perma Construction Aids Private Limited with the Company.

For **KANSAI NEROLAC PAINTS LIMITED**

  
**G. T. GOVINDARAJAN**  
**COMPANY SECRETARY**



**SCHEME OF AMALGAMATION OF  
MARPOL PRIVATE LIMITED AND  
PERMA CONSTRUCTION AIDS 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 Marpol Private Limited (**Marpol**), a company incorporated under the provisions of the Companies Act, 1956 having its registered office at Panandiker Chambers, 1st Floor, M.L. Furtado Road, Margao, Goa – 403601 and Perma Construction Aids Private Limited (**Perma**) incorporated under the provisions of the Companies Act, 1956 having its registered office at Unit-II Plot No. 3102, GIDC Sarigam, Valsad, Gujarat- 396155 with Kansai Nerolac Paints Limited (**Nerolac**), a company incorporated under the provisions of the Indian Companies Act, 1913 having its registered office at Nerolac House, Ganpatrao Kadam Marg, Lower Parel, Mumbai-400013, Maharashtra, pursuant to Sections 230 to 232 and other relevant provisions of the Companies Act, 2013.

- (a) Marpol was incorporated on 5<sup>th</sup> April 1983 under the name of Marpol Chemicals Private Limited and registered with the Registrar of Companies, Goa, Daman & Diu, Panaji, as a Private Limited Company. Thereafter on 6<sup>th</sup> November 2001 its name was changed to its present name and a fresh Certificate of Incorporation was issued by the Registrar of Companies Goa, Daman & Diu, Panaji consequent upon change of name. Marpol's registered office is situated at Panandiker Chambers, 1st Floor, M.L. Furtado Road, Margao, Goa - 403601. The Corporate Identification Number of Marpol is U24222GA1983PTC000532. The



**CERTIFIED TRUE COPY  
FOR KANSAI NEROLAC PAINTS LTD.**  
  
**G. T. GOVINDARAJAN  
COMPANY SECRETARY**

PAN of Marpol is AACCM2018D. The e-mail address of Marpol is [marpol@marpolind.com](mailto:marpol@marpolind.com). Marpol has not changed its name or objects during the last five years.

The main object of Marpol as specified under the heading A- Main Object of the Company to be pursued by the Company on its incorporation under Clause III (A) of the Memorandum of Association of the Company is as under:

- 1) To manufacture, mix, buy, sell, refine, prepare, import, export and carry on the business in Alkyd Resins, Acrylic Resins, Polyester Resins, Polyurethane, Silicone, Fluoropolymer, Polycarbonate, Isocyanate Alkyds, Power coating Paints, Epoxies, Acrylics, epoxy Polyester Paints, electrophoretic paints, highsolid coating, water bourne coatings, water reducible coatings and non-aqueous dispersions.
- 2) To buy, manufacture, mix, self-refine, prepare, import, export and to carry on any business in minerals, methylated and rectified spirits, dry or other colours, raw materials, pigments, dyes, paints, synthetic paints and thinners, coloured or other cements, varnishes, synthetic resins, enamels, lacquers, distempers, disinfectants, oil, wood preservative, fruit or vegetable or other preservatives, printings and marking inks, polishes, crayons, powers, electroplating, abrasive and its chemicals, she dressing, greases, vasilines, creams, glue, gelatin, and other glue preparations.
- 3) To refine, sell, mix, prepare for market, import, export and manufacture, prepare and extract, all kinds of turpentine including Canada turpentine from fine larchfir, pistachio and other trees and to prepare various oils, chemicals, drugs and different other products from the same.
- 4) To manufacture, produce, refine, process, formulate, buy, sell, export, import or otherwise deal in all types of heavy and light chemical elements and compounds, including without limiting the generality of the foregoing, laboratory, and scientific chemicals. If any nature used or capable of being used in the paint industry, agricultural chemicals, fertilisers, petro-chemicals, industrial chemicals or any mixtures, derivatives and compounds thereof and



its deal in all types of chemicals, pharmaceuticals and biological preparations, drugs, vaccines, injections, acids, alcohols, wine or wine syrups, cordials, mineral waters, liquors, soaps, restorative tonics, antiseptic, antiseptic cotton and dressing and other allied products any by-products thereof.

- 5) To carry on the business as manufacturers and dealers in pharmaceutical, medical, chemical, industrial and other preparative and articles, compounds, oils, paints, pigments and varnishes, drugs, dyeware and dealers in proprietary articles of all kinds of electrical, chemicals, photographic, surgical and scientific apparatus and materials.

Marpol is principally engaged in manufacture of powder coatings.

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

**Authorised Share Capital:**

50,00,000 Equity Shares of Rs.10 each                      Rs. 5,00,00,000

**Issued, Subscribed and Paid-up Share Capital:**

29,95,200 Equity Shares of Rs.10 each                      Rs. 2,99,52,000

There was no change in the Issued, Subscribed and Paid-up Share Capital of Marpol after the Appointed Date (as defined hereinafter). The entire paid –up share capital of Marpol is held by Nerolac.

Following are the Directors of Marpol as on the Appointed Date:

Sr. No.	Name of the Director	DIN	Address
1.	Mr. Rohit Ramchandra Pai Panandiker	00559055	H. No: 262, Minguel Loyola Furtado Road, Margoa 403601, Goa
2.	Mr. Prashant Devidas Pai	08115481	A/206, Vrindavan, V M Ghanekar Road Vile Parle East Mumbai 400057, Maharashtra



3.	Mr. G.T. Govindarajan	08105268	F-203, Lloyds Estate, V.I.T. College Marg, Wadala East, Mumbai,400037, Maharashtra
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- (b) Perma Construction Aids Private Limited (**Perma**) was incorporated on 11<sup>th</sup> April 1997 and registered with the Registrar of Companies, Gujarat, Dadra and Nagar Haveli as a Private Company and has its registered office at Unit-II Plot No.3102, GIDC Sarigam Valsad Gujarat- 396155. The Corporate Identification Number of Perma is U45201GJ1997PTC032104. The PAN of Perma is AABCP4353K. The email address of Perma is info@permaindia.com. Perma has not changed its name or objects during the last five years.

The main objects of Perma as specified under the heading A- Main Object of the Company to be pursued by the Company on its incorporation under Clause III (A) of the Memorandum of Association of the Company are as under:

- 1) To carry on the business of processing, converting, producing, manufacturing, formulating, using, buying, acquiring, storing, packing, selling, marketing, transporting, importing, exporting and disposing of chemicals including, integral water proofing compounds of concrete and mortar, crystalline based water proof coatings for concrete structures, elastomeric water proof coatings, plasticizers, non shrink grouts for machine foundation, repair, compounds based on acrylic and styrene butadiene rubber, water repellent coatings, polymer tile fixing adhesives epoxy floor toppings and coatings, polyurethane toppings and coatings and ancillary chemicals and compounds, on our behalf and on behalf of others, contracting for jobs applying above items, construction chemicals and chemical products of any nature and kind whatsoever and all allied and auxiliary products, derivatives, formulations, processes, bye-products and joint-products, construction activity, resins for fibre glass industry bitumen emulsion.

Perma is principally engaged in the business of construction chemicals.



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

**Authorised Share Capital:**

15,00,000 Equity Shares of Rs.10 each                      Rs. 1,50,00,000

**Issued, Subscribed and Paid-up Share Capital:**

9,90,000 Equity Shares of Rs. 10 each                      Rs. 99,00,000

There was no change in the Issued, Subscribed and Paid-up Share Capital of Perma after the Appointed Date. The entire paid up share capital of Perma is held by Nerolac.

Following are the Directors of Perma as on the Appointed Date:

Sr. No.	Name of the Director	DIN	Address
1.	Mr. Charles Jeyasingh Augustine	00350686	F-103, Prithvi Classic, Modi Park, Iraniwadi, Road No-3 Mumbai, Kandivali West, Mumbai 400067, Maharashtra
2.	Mr. Mohammad Abdul Waheed	00352600	6-B/702, Neelam Nagar, 90 Feet Road, Mumbai Mulund East, Mumbai-400081, Maharashtra
3.	Mr. Anuj Jain	08091524	B - 207, Nestle I, P. B. Marg Lower Parel Mumbai 400013, Maharashtra
4.	Mr. Prashant Devidas Pai	08115481	A/206, Vrindavan, V M Ghanekar Road Vile Parle East Mumbai 400057 Maharashtra

- (c) Kansai Nerolac Paints Limited (Nerolac) was incorporated on 2nd September 1920 under the Indian Companies Act, 1913 under the name of The Gahagan Paint & Varnish Company Limited. Thereafter on 18th



April, 1933, its name was changed to Goodlass Wall (India) Private Limited and a Certificate of change of name was issued by the Registrar of Companies, Bombay. Thereafter on 9th February, 1946, 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 12th 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 11th July, 2006, its name was changed to its present name 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 BSE Limited and National Stock Exchange of India Ltd., and having its Registered Office at Nerolac House, Ganpatrao Kadam 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 [gtgovindarajan@nerolac.com](mailto:gtgovindarajan@nerolac.com). Nerolac has not changed its name or objects during the last five years.

The main objects of Nerolac as specified under the heading A- Main Object of the Company to be pursued by the Company on its incorporation 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, trademarks 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:**

60,00,00,000 Equity Shares of Re. 1 each	Rs. 60,00,00,000
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**Issued, Subscribed and Paid-up Share Capital:**

53,89,19,720 Equity Shares of Re. 1 each	Rs. 53,89,19,720
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There was no change in the Issued, Subscribed and Paid-up Share Capital of Nerolac after the Appointed Date.

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



Sr. No.	Name of the Director	DIN	Address
1.	Mr. Pradip Panalal Shah	00066242	72A Embassy Apartments, 7th Floor, Napean Sea Road, Mumbai 400006, Maharashtra.
2.	Mr. Harishchandra Meghraj Bharuka	00306084	A-11. Twin Towers Premises CHS Ltd, Off Veer Savarkar Marg, Prabhadevi, Mumbai-400025 Maharashtra.
3.	Mr. Noel Naval Tata	00024713	55 Windmere, 5 <sup>th</sup> Floor, Cuffe Parade, Colaba, Mumbai-400005, Maharashtra.
4.	Mr. Masaru Tanaka	06566867	2-26-1-721,Nishi Okamoto, Higasinada - Ku, Hyogo Prefecture , Kobe City 6580073 Japan.
5.	Mr. Hidenori Furukawa	06924589	Deer Court Tachibana 305, 22-15,3-Chome, Tachibanamachi, Amagasaki City 6610025 Japan.
6.	Mrs. Brinda Anand Somaya	00358908	A-17, Sterling Apartments, 38, Pedder Road, Mumbai 400026 Maharashtra.
7.	Mr. Katsuhiko Kato	07556964	152-0002,5-57,Megurohoncho, Meguro - Ku, Tokyo 1520002, Japan.
8.	Mr. Anuj Jain	08091524	B-207, Nestle 1, P.B.Marg Near Deepak Talkies, Lower Parel, Mumbai 400 013.



## **RATIONALE FOR THE SCHEME**

The rationale for the proposed merger is as follows:-

The merger will provide benefits of synergy, economies of scale, growth and expansion.

In view of the aforesaid, the Board of Directors of Marpol, Perma and Nerolac at their respective meetings held on 25<sup>th</sup> July, 2019, 26<sup>th</sup> July, 2019 and 29<sup>th</sup> July, 2019 have considered and unanimously approved, the Scheme of Amalgamation of Marpol and Perma with Nerolac subject to necessary statutory approvals. Accordingly, the Board of Directors of all the Companies have formulated this Scheme of Amalgamation for the transfer to and vesting of the respective undertakings and businesses of Marpol, and Perma 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 Marpol, Perma and Nerolac in respect of the resolution for approving the Scheme of Amalgamation are as follows:

### **Directors of Marpol**

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

- Mr. Rohit Ramchandra Pai Panandiker
- Mr. Prashant Devidas Pai
- Mr. G.T. Govindarajan

### **Directors of Perma**

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

- Mr. Charles Jeyasingh Augustine
- Mr. Mohammad Abdul Waheed
- Mr. Anuj Jain
- Mr. Prashant Devidas Pai



## **Directors of Nerolac**

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

- Mr. Pradip Panalal Shah
- Mr. Harishchandra Meghraj Bharuka
- Mr. Noel Naval Tata
- Mr. Hidenori Furukawa
- Mr. Anuj Jain
- Mr. Hideshi Hasebe
- Mr. Hitoshi Nishibayashi
- Ms. Sonia Singh

All the Directors have unanimously approved the Scheme, subject to the approval of the members of Nerolac.

## **AMOUNT DUE TO CREDITORS**

- (a) As on 30<sup>th</sup> September 2019, Marpol has a Secured Creditor being HDFC Bank for an amount of Rs. 13,52,46,595 and Unsecured Creditors to the extent of Rs. 13,45,66,669.74.
- (b) As on 30<sup>th</sup> September 2019, Perma has a Secured Creditor being Bank of Baroda for an amount of Rs. (11,08,280) and Unsecured Creditors to the extent of Rs. 2,24,71,607.
- (c) As on 30<sup>th</sup> September 2019, Nerolac does not have any Secured Creditors and has Unsecured Creditors to the extent of Rs. 4,06,99,74,117.

## **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 **1st July, 2019** 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 Marpol, Perma and Nerolac with the Registrar of Companies, for Marpol, Perma and Nerolac.
- 1.4. **“NCLT”** means the National Company Law Tribunal.
- 1.5. **“Marpol”** means Marpol Private Limited.
- 1.6. **“Perma”** means Perma Construction Aids Private Limited.
- 1.7. **“Nerolac”** means Kansai Nerolac Paints Limited.
- 1.8. **“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.
- 1.9. **“Transferor Companies”** means Marpol Private Limited and Perma Construction Aids Private Limited.
- 1.10. **“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 Marpol and Perma including all their 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 Marpol and Perma 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 Marpol and Perma, 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 Marpol and Perma as on the close of business on the date immediately preceding the Appointed Date, whether or not provided for in the books of Marpol and Perma and all other liabilities of Marpol and Perma 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 Marpol and Perma, Provided however that any charges, mortgages and/or encumbrances shall be confined only to the relative assets of Marpol and Perma 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 Marpol and Perma are parties) to any assets of Marpol and Perma 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 Marpol, Perma 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 Marpol and Perma are 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 Marpol and Perma 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 Marpol and Perma, 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 Marpol and Perma are parties or to the benefit of which Marpol and Perma 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 Marpol and Perma, 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 Marpol and Perma are 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 Marpol and Perma.

**7. SAVING OF CONCLUDED TRANSACTIONS**

- 7.1. The transfer of the assets and liabilities of Marpol and Perma 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 Marpol and Perma on or before the Effective Date, to the end and intent that Nerolac accepts and adopts all acts, deeds and things done and executed by Marpol and Perma in respect thereto, as if done and executed on its behalf.

**8. EMPLOYEES**

- 8.1. All the employees of Marpol and Perma 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 Marpol and Perma, upon the Scheme becoming effective, Nerolac shall stand substituted for Marpol and Perma 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. Marpol and Perma shall be deemed to have been carrying on and shall carry on their respective business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all of their respective assets for and on account of, and in trust for Nerolac and all profits or dividends or other rights accruing to Marpol and Perma



and all taxes thereof, or losses arising or incurred by them, 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. Marpol and Perma shall carry on their 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 their 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 Marpol and Perma or expenditure or losses arising or incurred or suffered by Marpol and Perma 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. Marpol and Perma shall not vary the terms and conditions of service of their respective employees except in the ordinary course of their business.
- 9.5. On and after the Appointed Date and until the Effective Date, Marpol and Perma 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 of declaring or paying any dividend.
- 9.6. It is clarified that all taxes payable by Marpol and Perma, 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, fillings 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. Marpol and Perma, shall preserve and carry on their 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 by both as 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 a written consent of the Board of Directors of Nerolac; or
  - (d) If the same is pursuant to any pre-existing obligations undertaken by Marpol and Perma.
- 9.10. Marpol and Perma shall not, without prior written consent of Nerolac, undertake any new Business.



- 9.11. Marpol and Perma shall not, without prior written consent of Nerolac, take any major policy decisions in respect of the management of either Marpol or Perma and for the business of either companies and shall not change their present capital structure.
- 9.12. Marpol and Perma shall co-operate with Nerolac for smooth transfer of the businesses and undertakings from Marpol and Perma to Nerolac and any of respective Directors of Marpol and Perma 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. Marpol, Perma 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 Marpol and Perma 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 Marpol and Perma, 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 Marpol and/or Perma 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 Marpol and Perma is held by Nerolac, upon the Scheme becoming effective, the entire paid-up Equity Share Capital of Marpol and Perma shall stand automatically cancelled and there will not be any issue and allotment of shares of Nerolac.



## 12. DISSOLUTION OF MARPOL AND PERMA

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

## 13. FINANCIAL STATEMENT AND LIST OF SHAREHOLDERS OF MARPOL, PERMA AND NEROLAC AS ON 30<sup>TH</sup> SEPTEMBER, 2019 IS AS UNDER:

### 13.1. MARPOL

Financial Statement of Marpol as on 30<sup>th</sup> September, 2019 is as under:

Particulars	Amount (Rs. in Crores)	Amount (Rs. in Crores)
<b>Assets</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	6.39	
Capital Work-in-progress	3.43	
Other Intangible Assets	<u>0.07</u>	
		9.89
Current Tax Assets (Net)		<u>0.07</u>
<b>Total Non-current Assets</b>		9.96
<b>Current Assets</b>		
Inventories		13.60
Financial Assets		
Trade Receivables	16.14	
Cash and Cash Equivalents	0.05	
Bank Balances other than cash and cash Equivalents	-	
Loans	<u>0.09</u>	
		16.28
Other Current Assets		<u>0.34</u>
<b>Total current Assets</b>		<u>30.22</u>
<b>Total Assets</b>		<b>40.18</b>
<b>Equity and Liabilities</b>		
Equity Share Capital	3.00	
Reserves and surplus	<u>7.74</u>	
<b>Total Equity</b>		10.74
<b>Liabilities</b>		
<b>Non-current Liabilities</b>		
Deferred Tax Liabilities (Net)	<u>0.03</u>	
<b>Total Non-current Liabilities</b>		0.03
<b>Current Liabilities</b>		





Financial Liabilities		
Borrowings	12.59	
Trade Payables		
Total Outstanding dues of Micro Enterprises and small Enterprises	-	
Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	<u>15.96</u>	
	15.96	
Other Financial Liabilities	<u>0.32</u>	
	28.87	
Other Current Liabilities	0.19	
Provisions	<u>0.35</u>	
<b>Total Current Liabilities</b>		<b><u>29.41</u></b>
<b>Total Liabilities</b>		<b><u>29.44</u></b>
<b>Total Equity and Liabilities</b>		<b><u>40.18</u></b>

**Following are the Shareholders of Marpol as on 30<sup>th</sup> September, 2019:**

Sr. no	Names of shareholders	Address	Number of shares	Nominal Value per share (₹)	Amount in ₹	Percentage of holding (%)
1.	Kansai Nerolac Paints Limited	Nerolac House, Ganpatrao Kadam Marg, Lower Parel, Mumbai-400013	29,95,199	10	2,99,51,990	100 %
2.	Kansai Nerolac Paints Limited jointly held with Mr. Prashant Devidas Pai	Nerolac House, Ganpatrao Kadam Marg, Lower Parel, Mumbai-400013 & A/206, Vrindavan, V M Ghanekar Road Vile Parle East Mumbai 400057.	1	10	10	-
	<b>TOTAL</b>		<b>29,95,200</b>	<b>10</b>	<b>2,99,52,000</b>	<b>100%</b>



13.2. PERMA

Financial Statement of Perma as on 30<sup>th</sup> September, 2019 is as under:

Particulars	Amount (Rs. in Crores)
<b>Assets</b>	
<b>Non-Current Assets</b>	
Property, Plant and Equipment	<u>3.12</u>
	<b>3.12</b>
<b>Financial Assets</b>	
Loans	<u>0.12</u>
	<b>0.12</b>
<b>Total Non-current Assets</b>	<b>3.24</b>
<b>Current Assets</b>	
Inventories	2.76
<b>Financial Assets</b>	
Trade Receivables	6.13
Cash and Cash Equivalents	<u>2.27</u>
	<b>8.40</b>
Other Current Assets	<u>1.13</u>
<b>Total current Assets</b>	<b>12.29</b>
<b>Total Assets</b>	<b>15.53</b>
<b>Equity and Liabilities</b>	
<b>Equity</b>	
Equity Share Capital	0.99
Other Equity	<u>11.28</u>
<b>Equity attributable to Equity Holders of the Holding Company</b>	<b>12.27</b>
<b>Total Equity</b>	<b>12.27</b>
<b>Liabilities</b>	
<b>Non-current Liabilities</b>	
Deferred Tax Liabilities (Net)	<u>0.05</u>
<b>Total Non-current Liabilities</b>	<b>0.05</b>
<b>Current Liabilities</b>	
<b>Financial Liabilities:</b>	
<b>Trade Payables</b>	
Total Outstanding dues of Micro Enterprises and small Enterprises	-
Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	<u>2.38</u>
	<b>2.38</b>
Other Financial Liabilities	<u>0.17</u>
	<b>2.55</b>



Other Current Liabilities	0.28
Provisions	0.33
Current Tax Liabilities (Net)	0.05
<b>Total Current Liabilities</b>	<b>3.21</b>
<b>Total Liabilities</b>	<b>3.26</b>
<b>Total Equity and Liabilities</b>	<b>15.53</b>

Following are the Shareholders of Perma as on 30<sup>th</sup> September, 2019:

Names of shareholders	Address	Number of shares	Nominal Value per share (₹)	Amount in ₹	Percentage of holding (%)
Kansai Nerolac Paints Limited	Nerolac House, Ganpatrao Kadam Marg, Lower Parel, Mumbai-400013,	9,89,999	10	98,99,990	100 %
Kansai Nerolac Paints Limited jointly held with Mr. Prashant Devidas Pai	Nerolac House, Ganpatrao Kadam. Marg, Lower Parel, Mumbai-400013 and  A/206, Vrindavan, V M Ghanekar Road Vile Parle East Mumbai 400057.	1	10	10	-
<b>TOTAL</b>		<b>9,90,000</b>	<b>10</b>	<b>99,00,000</b>	<b>100%</b>

### 13.3. NEROLAC

Financial Statement of Nerolac as on 30<sup>th</sup> September, 2019 is as under

Particulars	Amount (Rs. Crores) in	Amount (Rs. Crores) in
<b>Assets</b>		
<b>Non-Current Assets</b>		



Property, Plant and Equipment	1513.24	
Capital Work-in-progress	184.78	
Right of Use Assets (ROU)	51.84	
Investment Property	0.18	
Other Intangible Assets	<u>2.69</u>	
		1752.73
<b>Financial Assets:</b>		
Investments	138.08	
Loans	<u>14.34</u>	
		152.42
Current Tax Assets (Net)		112.20
Other Non-current Assets		<u>217.67</u>
<b>Total Non-current Assets</b>		<b>2235.02</b>
<b>Current Assets</b>		
Inventories		928.92
Financial Assets		
Investments	153.27	
Trade Receivables	866.89	
Cash and Cash Equivalents	64.23	
Bank Balances other than cash and cash Equivalents	2.50	
Loans	4.84	
Other Financial Assets	<u>76.00</u>	
		1167.73
Other Current Assets		<u>114.06</u>
<b>Total current Assets</b>		<b>2210.71</b>
<b>Total Assets</b>		<b><u>4445.73</u></b>
<b>Equity and Liabilities</b>		
Equity Share Capital	53.89	
Other Equity	3539.02	
<b>Total Equity</b>		<b>3592.91</b>
<b>Liabilities</b>		
<b>Non-current Liabilities</b>		
Financial Liabilities :		
Borrowings	-	
Lease Liabilities	47.04	
Deferred Tax Liabilities (Net)	74.32	
<b>Total Non-current Liabilities</b>		<b>121.36</b>
<b>Current Liabilities</b>		
Financial Liabilities :		
Lease Liabilities	10.71	
Trade Payables		
Total Outstanding dues of Micro Enterprises and	2.54	



small Enterprises		
Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	<u>552.73</u>	
	555.27	
<b>Other Financial Liabilities</b>	<u>96.77</u>	
		662.75
<b>Other Current Liabilities</b>		29.15
<b>Provisions</b>		17.67
<b>Current Tax Liabilities (Net)</b>		<u>21.89</u>
<b>Total Current Liabilities</b>		731.46
<b>Total Liabilities</b>		<u>852.82</u>
<b>Total Equity and Liabilities</b>		<b>4445.73</b>

Following are the Shareholders of Nerolac as on 30<sup>th</sup> September, 2019:

Sr. no.	Names of shareholders	Number of shares	Nominal Value per share (₹)	Amount in ₹	Percentage of holding (%)
1.	Promoter & Promoter Group	40,41,35,898	1	40,41,35,898	74.99%
2.	Public	13,47,83,822	1	13,47,83,822	25.01%
	<b>TOTAL</b>	<b>53,89,19,720</b>	<b>1</b>	<b>53,89,19,720</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

14.1. Upon the Scheme becoming effective, the Transferee Company shall account for the amalgamation of the Transferor Companies in its books of accounts as under:

14.1.1. The Transferee Company shall, record all the assets and liabilities of the Transferor Companies vested in it pursuant to this Scheme, in accordance with the treatment provided for 'Pooling of Interest Method' as prescribed in the Indian Accounting Standard (IND



AS) 103 (Appendix C) : 'Accounting for Business Combinations under common control' and other applicable IND – AS prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standard) Rules, 2015 (as amended). In this case, since the Transferor Companies are wholly owned subsidiaries which are getting merged with the Transferee Company nothing has changed and the transaction only means that all the assets, liabilities and reserves of wholly owned subsidiaries which were appearing in the consolidated financial statements of Group immediately before the merger would now be a part of the separate financial statements of the Company. Accordingly, the value of all the assets, liabilities and reserves pertaining to the Transferor Companies as appearing in the consolidated financial statements of the Company would be recognised in the standalone financial statements of the Transferee Company.

- 14.1.2. The balance of the retained earnings appearing in the financial statements of the Transferor Companies determined as per Ind AS, shall be aggregated with the corresponding balance of the retained earnings appearing in the financial statements of the Transferee Company. The identity of the reserves standing in the books of the Transferor Companies determined as per Ind AS shall be preserved and shall appear in the financial statements of the Transferee Company in the same form and at the same values at which they appeared in the financial statements of the Transferor Companies.
- 14.1.3. Upon the Scheme becoming operative, comparative financial information in the financial statements of the Transferee Company shall be restated. Comparative financial information of Transferor Companies shall be incorporated in the financial statements of the Transferee Company from the date from which the Transferor Companies were under common control i.e. April 7, 2018 in case of Marpol and April 10, 2019 in case of Perma.
- 14.1.4. Upon the Scheme becoming operative, the difference, if any, between the carrying amount in the books of the Transferee Company of its investments in the equity share capital of the Transferor Companies which shall stand cancelled consequent to the Scheme and the aggregate face value of such equity share



capital shall, subject to the other provisions contained herein, be adjusted to the capital reserves of the Transferee Company.

14.1.5. Inter-company balances, if any, will stand cancelled.

14.1.6. All transactions entered between the Transferor Companies and the Transferee Company shall stand cancelled.

14.1.7. In case of any differences in accounting policy between the Transferor Companies and the Transferee Company, the accounting policies followed by the Transferee Company will prevail and the difference, if any, will be quantified and adjusted in the Capital Reserve Account to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

14.1.8. All costs and expenses incurred in connection with the Scheme and to put it into operation and any other expenses or charges attributable to the implementation of the Scheme shall be debited to the Statement of Profit and Loss of the Transferee Company.

**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 Marpol of Rs. 5,00,00,000 divided into 50,00,000 equity shares of Rs.10 each will stand subdivided into 5,00,00,000 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.

15.2. Upon the Scheme being finally effective, the Authorised Share Capital of Perma of Rs. 1,50,00,000 divided into 15,00,000 Equity shares of Rs. 10 each will stand subdivided into 1,50,00,000 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 Marpol, Perma and Nerolac, Marpol and Nerolac shall with reasonable dispatch, apply to the NCLT, Mumbai and Perma shall, with reasonable dispatch apply to the NCLT, Ahmedabad 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 both at Mumbai and Ahmedabad, Marpol, Perma 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 and/or Ahmedabad 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 Marpol, Perma 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 of Marpol and Perma, 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 Marpol and Perma for the purpose of depositing cheques, drafts, pay orders and or payment advances issued to or to be issued in favor of Marpol and Perma and for the purpose of transferring such deposits in such accounts of Marpol and Perma to the account of Nerolac.





16.5. Disclosure about the effect of aforesaid Amalgamation on:

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



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

The directors of Marpol, Perma and Nerolac as on the Appointed Date are as under:

Particulars	Marpol	Perma	Nerolac
Name of Directors	Mr. Rohit Ramchandra Pai Panandiker	Mr. Charles Jeyasingh Augustine	Mr. Pradip Panalal Shah
	Mr. Prashant Devidas Pai	Mr. Mohammad Abdul Waheed	Mr. Harishchandra Meghraj Bharuka
	Mr. G.T. Govindarajan	Mr. Anuj Jain	Mr. Noel Naval Tata
		Mr. Prashant Devidas Pai	Mr. Masaru Tanaka
			Mr. Hidenori Furukawa
			Mrs. Brinda Anand Somaya
			Mr. Katsuhiko Kato
			Mr. Anuj Jain

Subsequent to the Appointed Date, the following directors resigned as directors of Nerolac:

Particulars	Nerolac
Name of Directors	Mr. Masaru Tanaka
	Mrs. Brinda Anand Somaya
	Mr. Katsuhiko Kato



Subsequent to the Appointed Date, the following directors were appointed as directors of Nerolac:

Particulars	Nerolac
Name of Directors	Mr. Hideshi Hasebe
	Mr. Hitoshi Nishibayashi
	Ms. Sonia Singh

**Inter-se relation of directors of Nerolac with the directors of Marpol and Perma :**

Name of Director	Inter-se Relations with Directors of Marpol	Inter-se Relations with Directors of Perma
Mr. Pradip Panalal Shah	Not Applicable	Not Applicable
Mr. Harishchandra Meghraj Bharuka	Not Applicable	Not Applicable
Mr. Noel Naval Tata	Not Applicable	Not Applicable
Mr. Masaru Tanaka (resigned subsequent to the Appointed Date)	Not Applicable	Not Applicable
Mr. Hidenori Furukawa	Not Applicable	Not Applicable
Mrs. Brinda Anand Somaya (resigned subsequent to the Appointed Date)	Not Applicable	Not Applicable
Mr. Katsuhiko Kato (resigned subsequent to the Appointed Date)	Not Applicable	Not Applicable



Mr. Anuj Jain	Not Applicable	Director in Perma
Mr. Hideshi Hasebe <i>(appointed as director subsequent to the Appointed Date)</i>	Not Applicable	Not Applicable
Mr. Hitoshi Nishibayashi <i>(appointed as director subsequent to the Appointed Date)</i>	Not Applicable	Not Applicable
Ms. Sonia Singh <i>(appointed as director subsequent to the Appointed Date)</i>	Not Applicable	Not Applicable
Save and except as provided herein, no Inter-se relationship between the Directors of Nerolac, Marpol and Perma		

**Inter-se relation of the directors of Perma with the directors of Marpol and Nerolac:**

<b>Name of Director</b>	<b>Inter-se Relations with Directors of Marpol</b>	<b>Inter-se Relations with Directors of Nerolac</b>
Mr. Charles Jeyasingh Augustine	Not Applicable	Not Applicable
Mr. Mohammad Abdul Waheed	Not Applicable	Not Applicable
Mr. Anuj Jain	Not Applicable	Director in Nerolac
Mr. Prashant Devidas Pai	Director in Marpol	Chief Financial Officer in Nerolac
Save and except as provided herein, no Inter-se relationship between the Directors of Nerolac, Marpol and Perma		



**Inter-se relation of the directors of Marpol with the directors of directors of Perma and Nerolac :**

<b>Name of Director</b>	<b>Inter-se Relations with Directors of Perma</b>	<b>Inter-se Relations with Nerolac</b>
Mr. Rohit Ramchandra Pai Panandiker	Not Applicable	Not Applicable
Mr. Prashant Devidas Pai	Director in Perma	Chief Financial Officer in Nerolac
Mr. G.T. Govindarajan	Not Applicable	Company Secretary in Nerolac
Save and except as provided herein, no Inter-se relationship between the Directors of Nerolac, Marpol and Perma.		

16.10. Marpol and Perma are 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 31<sup>st</sup> March, 2021 or such other date as may be mutually agreed upon by the respective Board of Directors of Marpol, Perma 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 Marpol, Perma 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 of 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 Marpol, Perma 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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