

September 15, 2021

The Secretary
BSE Ltd.
Corporate Relationship Dept.,
14th floor, P. J. Tower,
Dalal Street, Fort
Mumbai - 400 001
Stock Code – 500331

The Secretary
National Stock Exchange of India Ltd.
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex,
Bandra (E),
Mumbai - 400 051
Stock Code - PIDILITIND

Dear Sirs,

Ref: Disclosure under Regulation 37(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR Regulations')

Sub: Scheme of Amalgamation of Pidilite Adhesives Private Limited with Pidilite Industries Limited and their respective shareholders and creditors

We refer to our letter dated September 6, 2021, submitted under Regulation 30 of the LODR Regulations, intimating that the Board of Directors of Pidilite Industries Limited ("the "Company") at its meeting held on September 6, 2021 have considered and approved the Scheme of Amalgamation of Pidilite Adhesives Private Limited with Pidilite Industries Limited and their respective shareholders and creditors under Sections 230 to 232 of the Companies Act, 2013 ("Scheme"), subject to requisite statutory and regulatory approvals.

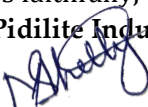
Pidilite Adhesives Private Limited is a wholly owned subsidiary of the Company. Thus, pursuant to Regulation 37(6) of the LODR Regulations, there is no requirement of obtaining any 'No-Objection Letter' or 'Observation Letter' to the Scheme from the Stock Exchanges on which the securities of the Company are listed.

In accordance with the proviso to Regulation 37(6) of the LODR Regulations and clause 7 of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, we hereby enclose the below mentioned documents for the purpose of disclosure:

- a. Certified copy of the Scheme of Amalgamation of Pidilite Adhesives Private Limited with Pidilite Industries Limited and their respective shareholders and creditors; and
- b. Certified true copy of the Resolution passed by the Board of Directors of Pidilite Industries Limited dated September 15, 2021, approving the Scheme.

You are requested to kindly take the same on your records and disseminate the same on your website.

Thanking you.
Yours faithfully,
For Pidilite Industries Limited


Manisha Shetty
Additional Company Secretary
Encl: As above

CIN : L24100MH1969PLC014336

Regd. Office
Regent Chambers, 7th Floor
Jannalal Bajaj Marg
208 Nariman Point

Pidilite Industries Limited
Ramkrishna Mandir Road
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SCHEME OF AMALGAMATION
UNDER SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013

BETWEEN

PIDILITE ADHESIVES PRIVATE LIMITED: AMALGAMATING
COMPANY

AND

PIDILITE INDUSTRIES LIMITED: AMALGAMATED COMPANY

AND

THEIR RESPECTIVE SHAREHOLDERS

AND

THEIR RESPECTIVE CREDITORS

CERTIFIED TRUE COPY.
For Pidilite Industries Limited



MANISHA SHETTY
ADDITIONAL COMPANY SECRETARY .



PREAMBLE

This Scheme of Amalgamation is presented under Sections 230 to 232, of the Companies Act, 2013 (the "Act") and other applicable provisions of the Act for amalgamation of Pidilite Adhesives Private Limited into Pidilite Industries Limited.

The Scheme is in the best interest of the Amalgamating Company, Amalgamated Company, their shareholders, their creditors and all other stakeholders.

PARTS OF THE SCHEME:

The Scheme is divided into five parts:

- i. **Part I** sets-forth the Introduction, Definitions and Interpretation;
- ii. **Part II** sets-forth the share capital structure of the Amalgamated Company and Amalgamating Company;
- iii. **Part III** deals with the amalgamation of the Amalgamating Company into and with the Amalgamated Company;
- iv. **Part IV** deals with consideration, accounting and tax treatments of the Amalgamated Company; and
- v. **Part V** deals with general/residuary terms and conditions.



PART I
INTRODUCTION, DEFINITIONS AND INTERPRETATION

1 INTRODUCTION

1.1 PIDILITE INDUSTRIES LIMITED

PIDILITE INDUSTRIES LIMITED (hereinafter referred to as “**Pidilite**” or “**Amalgamated Company**”) having CIN L24100MH1969PLC014336, is a company incorporated under the Companies Act 1956 and has its Registered Office situated at Regent Chambers, 7th Floor, Jamnalal Bajaj Marg, 208, Nariman Point, Mumbai – 400 021. The details about the capital structure of Amalgamated Company are set out in Part II.

Pidilite is primarily engaged in the business of adhesives. It is also engaged in the business of sealants, waterproofing solutions, construction chemicals, arts and crafts, industrial resins, polymers, etc.

1.2 PIDILITE ADHESIVES PRIVATE LIMITED

Pidilite Adhesives Private Limited (hereinafter referred to as “**Pidilite Adhesives**” or “**Amalgamating Company**”) having CIN - U24299MH2019PTC331068, is a company incorporated under the Companies Act, 2013 and has its Registered Office situated at Regent Chambers, 7th Floor, Jamnalal Bajaj Marg, 208, Nariman Point, Mumbai – 400 021. The details about the capital structure of Amalgamating Company are set out in Part II.

Amalgamating Company is a wholly-owned subsidiary of Amalgamated Company and is primarily, engaged in the business of adhesives.

2 RATIONALE OF THE SCHEME

2.1 In November, 2020, Pidilite had bought 100% shares of the Amalgamating Company from its shareholders and consequently, the Amalgamating Company became the wholly-owned subsidiary of Amalgamated Company. In order to consolidate the business in one place and effectively manage the Amalgamating Company and Amalgamated Company as a single entity, which will provide several benefits including streamlined group structure by reducing the number of legal entities, reducing the multiplicity of legal and regulatory compliances, rationalizing costs, it is intended that the Amalgamating Company be amalgamated with the Amalgamated Company.

2.2 The amalgamation of the company would *inter alia* have the following benefits:

2.2.1 The merger will result in achieving greater integration and greater financial



strength and flexibility and to maximize overall shareholders' value.

- 2.2.2 The merger will result in achieving cost savings from more focused operational efforts, rationalization, standardization and simplification of business processes and productivity improvements.
 - 2.2.3 The merger will result in greater efficiency in cash management of the amalgamated entity, and unfettered access to cash flow generated by the combined businesses which can be deployed more efficiently to fund growth opportunities, to maximize shareholders value.
 - 2.2.4 The merger will assist in exploring sales synergies with increased distribution of products of the Amalgamating Company through distribution network of the Amalgamated Company.
 - 2.2.5 The merger will help in consolidating and improving the internal control systems and procedures which will bring greater management and operational efficiency due to integration of various similar functions being carried out by the entities such as human resources, finance, legal, management etc.
 - 2.2.6 The merger will result in a significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by both the Amalgamating Company and the Amalgamated Company.
 - 2.2.7 The merger will also enable unified accounting and auditing resulting in reduction of costs and time and efforts involved.
 - 2.2.8 The merger will result in simplification of group structure.
- 2.3 The proposed corporate restructuring mechanism by way of a scheme of merger by absorption under the provisions of the Companies Act, 2013 is beneficial, advantageous and not prejudicial to the interests of the shareholders, creditors and other stakeholders of both the companies involved.

3 DEFINITIONS

In this Scheme, the following words and expressions shall, unless the context requires otherwise, have the following meanings ascribed to them:

- 3.1 "Act" or "the Act" means the Companies Act, 2013 and the rules made thereunder, and includes any alterations, modifications and amendments made thereto and/or any re-enactment thereof;
- 3.2 "Amalgamated Company" or "Pidilite" shall mean Pidilite Industries Limited, as



defined in Clause 1.1 of Part I;

- 3.3 **“Amalgamating Company” or “Pidilite Adhesives”** means Pidilite Adhesives Private Limited, as defined in Clause 1.2 of Part I above;
- 3.4 **“Applicable Law(s)”** means any statute, law, regulation, ordinance, rule, judgment, order, decree, by-law, approval from the concerned authority, Governmental Authority resolution, order, directive, guideline, policy, requirement, or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or adjudication having the force of law of any of the foregoing, by any concerned authority having jurisdiction over the matter in question;
- 3.5 **“Appointed Date”** means April 1, 2022 or such other date as may be approved by NCLT;
- 3.6 **“Board of Directors”/ “Board”** in relation to the Amalgamating Company and/or the Amalgamated Company, as the case may be, shall, unless it be repugnant to the context or otherwise, include a committee of directors or any person authorized by the board of directors or such committee as may be constituted by the board of directors;
- 3.7 **“Clause” and “sub-Clause”** means the relevant clauses and sub-clauses set out in this Scheme;
- 3.8 **“Companies”** means Amalgamating Company and Amalgamated Company collectively;
- 3.9 **“Effective Date”** means the date on which the Scheme shall become effective pursuant to Clause 15 of Part V of this Scheme. Any references in this Scheme to “upon this Scheme becoming effective” or “effectiveness of this Scheme” or “after this Scheme becomes effective” means and refers to the Effective Date;
- 3.10 **“Governmental Authority”** means any government authority, statutory authority, government department, agency, commission, board, tribunal or court or other law, rule or regulation making entity having or purporting to have jurisdiction on behalf of the Republic of India or any state or other subdivision thereof or any municipality, district or other subdivision thereof;
- 3.11 **“Listing Regulations”** shall mean SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and includes any amendments, modifications or any enactment thereof;
- 3.12 **“NCLT”** means the National Company Law Tribunal, Mumbai Bench, to which this Scheme in its present form is submitted for its sanctioning under sections 230 to 232 of the Act;
- 3.13 **“RoC”** means the Registrar of Companies having respective jurisdiction over the Companies;



- 3.14 **“Scheme” or “the Scheme” or “this Scheme”** means this Scheme of Amalgamation in its present form (along with any annexures, schedules, etc., annexed/attached hereto), with such modifications and amendments as may be made from time to time, and with appropriate approvals and sanctions of the NCLT and other relevant regulatory authorities, as may be required under the Act, as applicable, and under all other applicable laws.

4 INTERPRETATION

In this Scheme, unless the context otherwise requires:

- 4.1 words denoting singular shall include plural and vice versa and references to any gender includes the other gender;
- 4.2 headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;
- 4.3 References to the word “include” or “including” shall be construed without limitation;
- 4.4 References to Clauses are to the Clauses to this Scheme;
- 4.5 References to the words “hereof”, “herein” and “hereunder” and words of similar import shall refer to this Scheme as a whole and not to any particular provision of this Scheme;
- 4.6 Reference to any law or legislation or regulation shall include amendment(s), circulars, notifications, clarifications or supplement(s) to, or replacement or amendment of, that law or legislation or regulation;
- 4.7 Reference to a document includes an amendment or supplement to, or replacement or novation of, that document;
- 4.8 Word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed to them;
- 4.9 References to a person include any individual, firm, body corporate (whether incorporated or not), government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives' body (whether or not having separate legal personality); and
- 4.10 Where a wider construction is possible, the words “other” and “otherwise” shall not be construed ejusdem generis with any forgoing words.



5 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 deemed to be effective from the Appointed Date and shall be operative from the Effective Date.



PART II
SHARE CAPITAL STRUCTURE

6 CAPITAL STRUCTURE

6.1 The share capital of Amalgamated Company as on March 31, 2021 was as under:

Particulars	Amount (INR)
<u>Authorised Capital:</u>	
70,00,00,000 Equity Shares of Re. 1/- each	70,00,00,000
Total	70,00,00,000
<u>Issued, Subscribed and Paid-up Capital:</u>	
50,81,53,380 Equity Shares of Rs. 1/- each fully paid up	50,81,53,380
Total	50,81,53,380

Subsequent to the above date and till the date of filing of this Scheme as approved by the Board of Directors of Amalgamated Company, there is no change in authorized, issued, subscribed and paid-up equity capital of Amalgamated Company.

6.2 The share capital of Amalgamating Company as on March 31, 2021 was as under:

Particulars	Amount (INR)
<u>Authorised Capital:</u>	
2,80,00,000 Equity Shares of Rs.10/- each	28,00,00,000
Total	28,00,00,000
<u>Issued, Subscribed and Paid-up Capital:</u>	
2,74,85,798 Equity Shares of Rs. 10/- each, fully paid up	27,48,57,980
Total	27,48,57,980

Subsequent to the above date and till the date of filing of this Scheme as approved by the Board of Directors of Amalgamating Company, there is no change in authorized, issued, subscribed and paid-up equity capital of Amalgamating Company.



PART-III
AMALGAMATION OF THE AMALGAMATING COMPANY INTO AND
WITH THE AMALGAMATED COMPANY

7 TRANSFER AND VESTING

- 7.1 With effect from the Appointed Date and upon the Scheme becoming effective, all the undertakings, businesses, assets and properties of the Amalgamating Company, shall, pursuant to the provisions of section 230 to 232 of the Act and all other applicable provisions, if any, of the Act, and without any further act, instrument, deed, matter or thing, stand transferred to and vested into or be deemed to be transferred to and vested, as a going concern, into the Amalgamated Company, so as to vest in the Amalgamated Company all the rights, title, estate and interest pertaining to or belonging to or in possession of or granted in favour of the Amalgamating Company.
- 7.2 Subject to the provisions of the Scheme in relation to the modalities of transfer and vesting, on occurrence of the Effective Date, the whole of the business, personnel, property, assets, liabilities, investments, rights, benefits and interest therein of the Amalgamating Company shall, with effect from the Appointed Date, stand transferred to and be vested in the Amalgamated Company, without any further act or deed, and by virtue of the order passed by the NCLT. Without prejudice to the generality of the above, and in particular, the Amalgamating Company shall stand transferred to and be vested in the Amalgamated Company in the manner described in sub-clauses (7.2.1) to (Error! Reference source not found.) below:
- 7.2.1 all assets of the Amalgamating Company, as are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and delivery or by vesting and recordal pursuant to this Scheme, shall stand vested in the Amalgamated Company and shall become the property and an integral part of the Amalgamated Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by manual delivery or endorsement, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.
- 7.2.2 all movable properties of the Amalgamating Company, other than those specified in sub-clause (7.2.1) above, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, shall without any further act, instrument or deed, become the property of the Amalgamated Company;
- 7.2.3 all immovable properties (including rights relating to immovable properties) of the Amalgamating Company, if any, whether freehold or leasehold, and all documents of title, rights and easements in relation thereto, shall stand transferred to and be vested in and transferred to and/or be deemed to have been and stand transferred to and vested in the Amalgamated Company, without any further act or deed done by the Amalgamating Company and/or



the Amalgamated Company;

- 7.2.4 all investments including the investments made by Amalgamating Company in the capital of other companies whether as shares, scrips, stocks, bonds, debentures, debenture stocks, inter-corporate deposits, units, mutual funds or pass through certificates and including depository receipts and certificates and other accrued benefits thereto shall stand transferred to and be vested in and transferred to and/or be deemed to have been and stand transferred to and vested in the Amalgamated Company, without any further act or deed done by the Amalgamating Company and/or the Amalgamated Company;
- 7.2.5 all the intellectual property rights of any nature whatsoever, including but not limited to intangible assets, including trademarks, logos, service marks, copyrights, domain names, trade names and applications relating thereto, goodwill, knowhow and trade secrets, pertaining to the Amalgamating Company, whether or not registered and whether or not recorded in books of accounts of the Amalgamating Company, without any cost, further act, instrument or deed, shall be and shall stand transferred to and vested in the Amalgamated Company as a part of the transfer as a going concern, so as to become, as and from the Appointed Date, the intellectual property of the Amalgamated Company.
- 7.2.6 all debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not in the books of account or disclosed in the balance sheets of the Amalgamating Company, shall, be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Amalgamated Company and the Amalgamated Company undertakes to meet, discharge and satisfy the same. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause;
- 7.2.7 all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, registrations, licenses including those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Amalgamating Company or to the benefit of which, the Amalgamating Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on, against or in favour of the Amalgamated Company and may be enforced as fully and effectually as if, instead of the Amalgamating Company, the Amalgamated Company had been a party or beneficiary or obligee thereto;
- 7.2.8 any pending suit/appeal or other proceedings of whatsoever nature relating to the Amalgamating Company, whether by or against the Amalgamating Company, shall not abate or be discontinued or in any way prejudicially affected by reason of the amalgamation of the Amalgamating Company or of



anything contained in this Scheme, but the proceedings shall continue and any prosecution shall be enforced by or against the Amalgamated Company in the same manner and to the same extent as they would or might have been continued, prosecuted and/or enforced by or against the Amalgamating Company. The Amalgamated Company shall file necessary application for transfer of all pending suit/appeal or other proceedings of whatsoever nature relating to Amalgamating Company;

- 7.2.9 all employees of the Amalgamating Company, who are on its pay roll shall be engaged by the Amalgamated Company, on such terms and conditions as are no less favourable than those on which they are currently engaged by the Amalgamating Company, without any interruption of service as a result of this amalgamation and transfer. With regard to provident fund, gratuity, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees of the Amalgamating Company (if any), upon this Scheme becoming effective, the Amalgamated Company shall stand substituted for the Amalgamating Company for all purposes whatsoever, in accordance with the provisions of applicable laws and in terms of this Scheme. It is hereby clarified that upon this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred employees of the Amalgamating Company for such purpose, shall be treated as having been continuous;
- 7.2.10 all statutory licenses, permissions or approvals or consents held by the Amalgamating Company required to carry on its operations shall stand transferred to and be vested in the Amalgamated Company without any further act or deed, and shall, as may be required, be appropriately mutated by the statutory authorities concerned therewith in favor of the Amalgamated Company. The benefit of all statutory and regulatory permissions, approvals and consents of the Amalgamating Company shall vest in and become available to the Amalgamated Company pursuant to the Scheme;

7.3 Procedural Formalities Post Sanction of the Scheme

- 7.3.1 The Amalgamated Company shall, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds of confirmation or novation or other writings or arrangements with any party to any contract or arrangement in relation to which the Amalgamating Company have been a party, in order to give formal effect to the above provisions. The Amalgamated Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Amalgamating Company and to carry out or perform all such formalities or compliances referred to above on the part of the Amalgamating Company.
- 7.3.2 Upon the Scheme becoming effective, for statistical purposes only and without any separate deed, instrument or writing, the Amalgamating Company and/or the Amalgamated Company shall, if required, simultaneously with the amendment in



the register of charge file particulars of the modified charge with the concerned RoC. Any documentation subsequently entered into with the term lenders or the working capital lenders of the Amalgamating Company and the Amalgamated Company, shall be for the sake of convenience and record only and to reflect the changes in the security pursuant to the Scheme and there shall be no break in the continuity of such charge and the same shall relate back to the date of its creation thereof in the Amalgamating Company.

- 7.3.3 Upon the Scheme becoming effective, all statutory permissions, licenses, approvals, consents, privileges, benefits and benefits of filings and all other incorporeal rights emanating from such licenses (together the "Licenses", for the purpose of this Clause 7.3.3) relating to the Amalgamating Company, shall stand transferred to and vested in the Amalgamated Company without any further act, instrument or deed, as more particularly provided hereinabove. Notwithstanding such transfer/ vesting of the Licenses, if any application is required for the statistical record of the statutory authorities to implement the transfer and vesting of the Licenses, as provided hereinabove, the Amalgamated Company shall facilitate the statutory authorities by filing such applications, which shall be granted/ approved in favour of the Amalgamated Company based on the sanction order of the Scheme by the NCLT.
- 7.3.4 From the Effective Date, all bank accounts of the Amalgamating Company shall be permitted to be continued with the same balances as of the Effective Date in the name of the Amalgamated Company and for record the Amalgamated Company shall be permitted to file names and particulars of the new authorized signatories for withdrawals and/ or deposits/ credits in such bank accounts and the relevant bank accounts shall be reconstituted accordingly.

7.4 Conduct of Business

- 7.4.1 With effect from the Appointed Date and until occurrence of the Effective Date:
- 7.4.1.1 the Amalgamating Company undertake to carry on and shall be deemed to have carried on all their business activities and stand possessed of their properties and assets, for and on account of and in trust for the Amalgamated Company; and
- 7.4.1.2 all profits accruing to the Amalgamating Company and all taxes thereon or losses accumulated or otherwise arising or incurred by it shall, for all purposes, be treated as and deemed to be the profits, taxes or losses, as the case may be, of the Amalgamated Company; and
- 7.4.2 Notwithstanding anything contained in this Scheme, subject to the Applicable Laws, the Board of Directors of the Amalgamated Company shall be entitled to consider, pursue, manage, undertake and conduct business of



Amalgamated Company inter-alia including, any corporate actions, issue of securities and bonus shares, buy back of securities, reorganization, restructuring of its businesses, strategic acquisition or sale of any business, joint ventures, business combinations etc., as it may deem prudent and necessary in the interest of the Amalgamated Company.

- 7.4.3 With effect from the Appointed Date, all debts, liabilities, duties and obligations of the Amalgamating Company as on the Appointed Date, whether or not provided in their books, and all liabilities which arise or accrue on or after the Appointed Date shall be deemed to be the debts, liabilities, duties and obligations of the Amalgamated Company.
- 7.4.4 With effect from the Appointed Date, the Amalgamated Company shall be deemed to have commenced and shall carry on and shall be authorized to carry on the business of the Amalgamating Company.
- 7.4.5 For the purpose of giving effect to the amalgamation order passed under sections 230 to 232 and other applicable provisions of the Act in respect of the Scheme by NCLT, the Amalgamated Company shall, at any time pursuant to the order on the Scheme, be entitled to get the recordal of the change in the legal right(s).



PART-IV
CONSIDERATION, ACCOUNTING TREATMENT AND TAX TREATMENT
OF AMALGAMATED COMPANY

8 CONSIDERATION / CANCELLATION OF SHARES OF THE AMALGAMATING COMPANY

- 8.1 As stated in Clause **Error! Reference source not found.**, Amalgamating Company is the wholly-owned subsidiary of Amalgamated Company. Since Amalgamated Company cannot issue shares to itself, upon the scheme become effective, no shares of the Amalgamated Company shall be allotted to the shareholder of the Amalgamating Company (i.e., Amalgamated Company) in lieu or exchange of its holding in the Amalgamating Company and the entire issued, subscribed and paid-up capital of the Amalgamating Company shall stand cancelled without any further act or deed.

9 CHANGE IN AUTHORISED SHARE CAPITAL

- 9.1 Upon this Scheme becoming effective and upon the vesting and transfer of the Amalgamating Company in the Amalgamated Company pursuant to the terms of this Scheme, the entire authorized share capital of the Amalgamating Company shall stand transferred from the authorized share capital of the Amalgamating Company to the authorized share capital of the Amalgamated Company.
- 9.2 By virtue of Clause 9.1 above, the authorized share capital of the Amalgamated Company shall stand increased by an amount of Rs. 28,00,00,000 (Rupees Twenty Eight Crores).
- 9.3 The stamp duty or filing fees paid on the authorized share capital of the Amalgamating Company are permitted to be utilized and applied towards the increase in the authorized share capital of the Amalgamated Company in accordance with Clause 9.1, and no further demand of additional stamp duty or fee shall be raised or made upon the Amalgamated Company by any regulatory authorities in relation to such increase in the authorized share capital of the Amalgamated Company, including by the Registrar of Companies Mumbai.
- 9.4 It is hereby clarified that for the purposes of increasing the authorized share capital of the Amalgamated Company in accordance with Clause 9.1, the consent of the shareholders of the Amalgamated Company to this Scheme shall be deemed to be sufficient for the purposes of effecting this amendment and that no further resolution under section 13, section 61 or any other applicable provisions of the Act, would be required to be separately passed.

10 ACCOUNTING TREATMENT ON AMALGAMATION OF AMALGAMATING COMPANY WITH AMALGAMATED COMPANY

- (a) Upon the effectiveness of this Scheme and with effect from the Appointed Date, the



Amalgamated Company shall account for the amalgamation in its books as per applicable accounting principles prescribed under Appendix C to Indian Accounting Standard (Ind AS) 103 "Business Combinations" prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS 103 Business Combinations") relevant clarifications issued by the Ind AS Transition Facilitation Group (ITFG) of the Institute of Chartered Accountants of India and other generally accepted accounting principles in India;

- (b) The Amalgamated Company shall upon the Scheme coming into effect and with effect from the Appointed Date, record all the assets, liabilities and reserves, if any, of the Amalgamating Company vested in it pursuant to this Scheme at the respective books values thereof and in the same form as appearing in the consolidated financial statements of the Amalgamated Company;
- (c) The identity of the reserves of the Amalgamating Company shall be preserved and the Amalgamated Company shall record the reserves of the Amalgamating Company in the same form and at the same values as they appear in the consolidated financial statements of the Amalgamated Company;
- (d) Pursuant to the Amalgamation, the inter-company transactions and balances between the Amalgamated Company and the Amalgamating Company shall stand cancelled and there shall be no further obligation in that behalf;
- (e) No adjustments are being made to reflect fair values, or recognize any new assets or liabilities. The only adjustments that are made are to harmonize accounting policies;
- (f) The value of investments held by the Amalgamated Company in the Amalgamating Company shall stand cancelled pursuant to the Amalgamation;
- (g) The difference between the carrying amount of the investments cancelled pursuant to Clause 10(f) on one hand and the net of assets, liabilities and reserves of the Amalgamating Company acquired and recorded by the Amalgamated Company in terms of Clause of 10(b) shall be adjusted in Capital Reserve;
- (h) While recording the assets of the Amalgamating Company, the Amalgamated Company would record in its books, the amount of Goodwill as reflecting in its consolidated financial statements to the extent to which it pertains to the investment held in the Amalgamating Company, if any; and
- (i) In addition, the Amalgamated Company shall pass such accounting entries, as may be necessary, in connection with the Scheme, to comply with any of the applicable accounting standards and generally accepted accounting principles adopted in India.

II TAX

11.1 Any tax liabilities under the Income Tax Act, 1961 or other applicable laws/regulations



dealing with taxes/ duties/ levies allocable or related to the business of Amalgamating Company whether or not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to the Amalgamated Company.

- 11.2 Any surplus in the provision for taxation/ duties/ levies account and any entitlement to credit, refund or set off including but not limited to the advance tax, tax deducted at source and MAT credit (credit of tax paid under section 115JB of the Income Tax Act, 1962), GST credit, as on the date immediately preceding the Appointed Date will also be transferred to Amalgamated Company. Any refund under the Income Tax Act, 1961 or other applicable laws/ regulations dealing with taxes/ duties/ levies allocable or related to the business of Amalgamating Company or due to Amalgamating Company, consequent to the assessment made in respect of Amalgamating Company, shall also belong to and be received by Amalgamated Company.
- 11.3 The tax payments (including without limitation income tax, GST or any other taxes as may be applicable from time to time) whether by way of tax deducted at source, advance tax or otherwise howsoever, by Amalgamating Company whether before or after the Appointed Date, shall be deemed to be paid by Amalgamated Company and shall, in all proceedings, be dealt with accordingly. Notwithstanding the above, any tax deducted at source by either the Amalgamating Company or the Amalgamated Company on account of intercompany transactions, if any, between Amalgamated Company and Amalgamating Company post the Appointed Date, shall be deemed to be advance tax paid by the Amalgamated Company and shall, in all proceedings, be dealt with accordingly.
- 11.4 Any withholding tax certificate or any other tax related certificate issued in the name of the Amalgamating Company shall be deemed to be issued in the name of the Amalgamated Company.
- 11.5 Upon the Scheme becoming Effective, with effect from the Appointed Date, Amalgamating Company and Amalgamated Company are expressly permitted to prepare and/or revise, as the case may be, their financial statements and returns along with the prescribed forms, filings and annexure under the Income Tax Act, 1961, GST laws and other tax laws, if required, to give effects to provisions of the Scheme.
- 11.6 All tax assessments proceedings/appeals of whatsoever nature by or against the Amalgamating Company pending at and/or arising after the Appointed Date and relating to Amalgamating Company shall be continued and/or enforced until the Effective Date as desired by Amalgamated Company. As and from the Effective Date, the tax proceedings/ appeals shall be continued and enforced by or against Amalgamated Company in the same manner and to the same extent as would or might have been continued and enforced by or against Amalgamating Company. Further, subject to the provisions of the relevant statutes the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of Amalgamating Company with Amalgamated Company or anything contained in the Scheme.



11.7 Upon the Scheme coming into effect, any obligation for deduction of tax at source on any payment made by or to be made by Amalgamating Company shall be made or deemed to have been made and duly complied with by the Amalgamated Company.

12 SAVING OF CONCLUDED TRANSACTIONS

The transfer of assets, properties and liabilities under Clause 7 above and also the continuance of proceedings by or against the Amalgamating Company under the same Clause shall not affect any transaction or proceedings already concluded by the Amalgamating Company on and after the Appointed Date till the Effective Date, to the end and intent that the Amalgamated Company accepts and adopts all acts, deeds and things done and executed by the Amalgamating Company.

13 DISSOLUTION OF THE AMALGAMATING COMPANY

13.1 On the Scheme becoming effective, the Amalgamating Company shall stand dissolved automatically without winding up in accordance with the provisions of Section 230 and 232 of the Act.

13.2 On and from the Effective Date, name of the Amalgamating Company shall be removed from the records of the RoC and records relating to the Amalgamating Company shall be transferred and merged with the records of the Amalgamated Company.



PART-V
GENERAL / RESIDUARY TERMS AND CONDITIONS

14 APPLICATION TO NCLT

The Amalgamated Company and the Amalgamating Company shall make an application to the NCLT and or applicable authority, under sections 230 to 232 of the Act, seeking order for dispensing with or for convening, holding and/or conducting of the meetings of the classes of their respective members and creditors (secured and unsecured) as per the requirements of the Act.

15 CONDITIONALITY OF THE SCHEME

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

- 15.1 The approval by the requisite majorities of the classes of persons, including shareholders, creditors of the Amalgamating Company and Amalgamated Company as may be directed by the NCLT under Section 230- 232 of the Act;
- 15.2 The sanctioning of this Scheme by the NCLT, whether with any modifications or amendments as NCLT may deem fit or otherwise;
- 15.3 The filing of the certified copies of the orders of the NCLT with the Registrar of Companies, Mumbai by the Amalgamating Company and Amalgamated Company;
- 15.4 Any other sanctions and orders as may be directed by the NCLT in respect of the Scheme.

Upon this Scheme becoming effective, in accordance with sub-section 6 of Section 232 of the Act, the Scheme shall be deemed to be effective from the Appointed Date.

16 LISTING AGREEMENT AND SEBI COMPLIANCES

- 16.1 Since the Amalgamated Company is a listed company, this Scheme is subject to compliances of all the requirements under the Listing Regulations and all statutory directives of the Securities Exchange Board of India ('SEBI') insofar as they relate to sanction and implementation of this Scheme.
- 16.2 Regulation 37(1) of the Listing Regulations provide that a listed entity desirous of undertaking a scheme of arrangement under Section 230-234 and Section 66 of the Act shall file the draft scheme of arrangement with the stock exchange(s) on which the listed entity is listed in order to obtain the No Objection Certificate. Only after the No Objection Certificate is obtained, the scheme of arrangement can be filed with NCLT. However, the requirement to obtain No Objection Certificate from the stock exchange(s) before filing the scheme of arrangement with the NCLT has been



relaxed in case of merger of a wholly-owned subsidiary with its holding company – Regulation 37(6) of the Listing Regulations. Proviso to Regulation 37(6) provides that the draft scheme shall be filed with the stock exchange(s) for disclosure purpose. Accordingly, this scheme of amalgamation shall be filed with the stock exchange(s) for disclosure purpose.

17 MODIFICATION OR AMENDMENTS TO THE SCHEME

- 17.1 The Amalgamating Company and the Amalgamated Company may assent to any modifications or amendments to this Scheme, which the NCLT and/or any other authorities may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/or carrying out this Scheme. The Amalgamating Company and the Amalgamated Company (acting through its respective Boards of Directors) be and is hereby authorized to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions, whether by reason of any order of the NCLT or of any directive or order of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith.
- 17.2 In the event of any of the conditions that may be imposed by the NCLT or other authorities which the Amalgamating Company and/or Amalgamated Company may find unacceptable for any reason, then the Amalgamating Company and/or Amalgamated Company are at liberty to withdraw the Scheme.
- 17.3 The Board of Directors of Amalgamating Company and Amalgamated Company shall be entitled, in a mutually agreeable manner, to revoke, cancel and declare the Scheme of no effect if they are of view that the coming into effect of the Scheme could have adverse implications on Amalgamating Company and/or Amalgamated Company.
- 17.4 If any issue arises as whether any asset, liability, employee pertains to the Amalgamating Company and/or Amalgamated Company, or not under this Scheme, the same shall be decided by the Board of Directors of the Amalgamating Company and/or Amalgamated Company, as relevant, on the basis of relevant books of account and other evidence that they may deem relevant for said purposes. Their decision will be final and conclusive.
- 17.5 The provisions of this Scheme as they relate to the amalgamation of Amalgamating Company into and with Amalgamated Company have been drawn up to comply with the conditions relating to “amalgamation” as defined under section 2(1B) of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section of the Income-tax Act, 1961, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said section of the Income-tax Act, 1961, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with section 2(1B) of the Income-tax Act, 1961. Such modification will, however, not affect the other parts of the Scheme.



18 EFFECT OF NON-RECEIPT OF APPROVALS

18.1 In the event that the Scheme is not sanctioned by the NCLT or in the event any of the consents, approvals, permissions, resolutions, agreements, sanctions or conditions enumerated in the Scheme are not obtained or complied with or for any other reason, the Scheme cannot be implemented, the Scheme shall become null and void.

18.2 The non – receipt of any sanctions or approvals for a particular asset or liability forming part of the Amalgamating Company getting transferred pursuant to this Scheme, shall not affect the effectiveness of the respective section of the Scheme, if the Boards of Directors of the Amalgamating Company and/or Amalgamated Company so decide. In the event of non – receipt of approval of any lender / creditor for the transfer of any liability of the Amalgamating Company, then at the option of the Boards of Directors of the Amalgamating Company, it may discharge such liability by issuing a security / recognizing a liability in favour of Amalgamated Company on the same terms.

19 COSTS, CHARGES & EXPENSES

All costs, charges, taxes including duties, levies and other expenses, if any (save as expressly otherwise agreed) arising out of, in connection to or in relation to or incurred in carrying out and implementing this Scheme and to put it into operation shall be borne by the Amalgamated Company.

20 MISCELLANEOUS

If any part of this Scheme hereof is invalid, ruled illegal by any NCLT of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Amalgamating Company and Amalgamated Company that such Part shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such Part shall cause this Scheme to become materially adverse to Amalgamating Company and/or Amalgamated Company, in which case the Amalgamating Company and Amalgamated Company shall attempt to bring about a modification in the Scheme, as will best preserve for the Amalgamating Company and Amalgamated Company the benefits and obligations of the Scheme, including but not limited to such Part.



TEXT OF THE RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS OF PIDILITE INDUSTRIES LIMITED HELD ON 6TH SEPTEMBER, 2021

Approval of Scheme of Amalgamation of Pidilite Adhesives Private Limited with Pidilite Industries Limited and their respective shareholders and creditors:

“RESOLVED THAT pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013, and any other applicable provisions of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other Rules, Circulars and Notifications made thereunder as may be applicable, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India from time to time, and relevant provisions of other applicable laws, the provisions of the Memorandum of Association and Articles of Association of the Company, and subject to the approval of the Mumbai Bench of the Hon'ble National Company Law Tribunal (‘the Tribunal’) and such other approvals, permissions and sanctions of regulatory or Governmental and other authorities or Tribunals, as may be necessary, and subject to such conditions and modifications as may be prescribed or imposed by the Tribunal, or by any regulatory or other authorities or tribunals, while granting such consents, approvals and permissions, the Scheme of Amalgamation which provides for Amalgamation of Pidilite Adhesives Private Limited (‘Amalgamating Company’) into Pidilite Industries Limited (‘Amalgamated Company’) with effect from 1st April 2022 (‘Appointed Date’), as per the terms and conditions mentioned in the draft Scheme as presented before the meeting be and is hereby approved.

RESOLVED FURTHER THAT Mr. Ajay Parekh, Vice Chairman and Whole Time Director, Mr. Apurva Parekh, Whole Time Director, Mr. Pradip Menon, Chief Financial Officer, Mr. Sunil Burde, Vice President - Domestic Accounts and Ms. Manisha Shetty, Additional Company Secretary of the Company (‘Authorised Persons’) be and are hereby severally authorized to do all such acts, deeds, matters and things, as may be considered requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangements embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Tribunal, while sanctioning the amalgamation embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, or as may be deemed fit and proper.

RESOLVED FURTHER THAT the Authorised Persons be and are hereby severally authorized to take all necessary steps including but not limited to the following:

- a) To prepare and sign the Scheme, applications, petitions, affidavits, undertakings, vakalatnamas, declarations, letters, notice, documents, and the like on behalf of the Company for the purpose of giving effect to the Scheme;
- b) To file and submit the Scheme, necessary petitions, affidavits, letters, documents, and the like with the Tribunal, Registrar of Companies, Regional Director, Income Tax Authorities, other Governmental Authorities and/or any other authority as may be required pursuant to the relevant provisions of applicable laws, rules and regulations;

- c) To make such modifications/ alterations/ changes in the Scheme as may be suggested, prescribed, expedient or necessary for satisfying the requirement or conditions imposed by the Tribunal, Registrar of Companies, Regional Director, Income Tax Authorities, other Governmental Authorities and/or any other authority;
- d) To withdraw the Scheme at any stage in case the changes or modifications required in this Scheme or the conditions imposed by the Tribunal, and/or any other authority, are not acceptable and if the Scheme cannot be implemented otherwise and to do all such acts, deeds and things considered necessary in connection therewith or incidental thereto;
- e) To settle any question or difficulty that may arise with regard to the implementation of the above Scheme, and to give effect to the above resolution;
- f) To do all such acts, matters, deeds and things as may be considered necessary and expedient to obtain necessary orders from the Tribunal and to do or perform such incidental, consequential and supplemental acts as are necessary or considered appropriate to implement the Scheme.

RESOLVED FURTHER THAT any one of Mr. Ajay Parekh, Vice Chairman and Whole Time Director, Mr. Apurva Parekh, Whole Time Director, Mr. Pradip Menon, Chief Financial Officer, Mr. Sunil Burde, Vice President - Domestic Accounts and Ms. Manisha Shetty, Additional Company Secretary (“Authorised Persons”) of the Company be and are hereby severally authorised to sign the certified true copy of the resolution and furnish the same to whomsoever concerned.”

**CERTIFIED TRUE COPY
For PIDILITE INDUSTRIES LIMITED**



**MANISHA SHETTY
ADDITIONAL COMPANY SECRETARY**

Date: 15th September, 2021