



September 26, 2019

The General Manager  
Corporate Relations Department  
BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai - 400 001  
Scrip Code: 500770

The Manager, Listing Department  
The National Stock Exchange of India Limited  
Exchange Plaza  
Bandra-Kurla Complex  
Bandra (E)  
Mumbai - 400 051  
Symbol: TATACHEM

Dear Sir/Madam,

**Sub.: Notice of the Meeting of Equity Shareholders of Tata Chemicals Limited convened pursuant to the directions of the Hon'ble National Company Law Tribunal, Mumbai Bench**

In accordance with the Order of Hon'ble National Company Law Tribunal, Mumbai Bench ("Tribunal") dated September 11, 2019, passed in the Company Application No. 3029 of 2019, a Meeting of the Equity Shareholders of the Company has been convened on **Wednesday, October 30, 2019 at 3.00 p.m. (IST)** at Walchand Hirachand Hall, 4<sup>th</sup> Floor, Indian Merchants' Chamber Building, IMC Marg, Churchgate, Mumbai 400 020 to consider, and if thought fit, to approve, with or without modification(s), the Scheme of Arrangement between Tata Chemicals Limited and Tata Global Beverages Limited ("**Resulting Company**") and their respective shareholders and creditors ("**Scheme**") for the demerger of the Consumer Products Business (as defined in the Scheme) of the Company to the Resulting Company.

Pursuant to the first proviso to Section 230(3) of the Companies Act, 2013 and Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby enclose a copy of the:

- i. Notice convening the Meeting alongwith the Explanatory Statement and other Annexures being sent to the Shareholders; and
- ii. Notice to the unsecured creditors inviting representations, if any.

The above Notices are also being made available on the Company's website at [www.tatachemicals.com](http://www.tatachemicals.com).

Kindly acknowledge the same.

**Yours faithfully,  
For Tata Chemicals Limited**

  
**Rajiv Chandan**  
**General Counsel & Company Secretary**

Encl.: as above

**TATA CHEMICALS LIMITED**

Bombay House 24 Homi Mody Street Fort Mumbai 400 001  
Tel 91 22 6665 8282 Fax 91 22 6665 8143/44 [www.tatachemicals.com](http://www.tatachemicals.com)  
CIN : L24239MH1939PLC002893



# TATA CHEMICALS LIMITED

Corporate Identification Number: L24239MH1939PLC002893

Registered Office: Bombay House, 24 Homi Mody Street, Fort, Mumbai 400 001

Phone: +91 22 6665 8282 | Email: investors@tatachemicals.com | Website: www.tatachemicals.com

## NOTICE TO EQUITY SHAREHOLDERS

### **MEETING OF EQUITY SHAREHOLDERS OF TATA CHEMICALS LIMITED CONVENED PURSUANT TO ORDER DATED SEPTEMBER 11, 2019 OF THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH:**

<b>Day</b>	Wednesday
<b>Date</b>	October 30, 2019
<b>Time</b>	3.00 p.m. IST
<b>Venue</b>	Walchand Hirachand Hall, 4 <sup>th</sup> Floor, Indian Merchants' Chamber Building, IMC Marg, Churchgate, Mumbai 400 020

### **POSTAL BALLOT AND REMOTE E-VOTING:**

<b>Commencing on</b>	Monday, September 30, 2019 at 9.00 a.m. IST
<b>Ending on</b>	Tuesday, October 29, 2019 at 5.00 p.m. IST

## **INDEX**

<b>Sr. No.</b>	<b>Contents</b>	<b>Page No.</b>
1.	Notice of Meeting of Equity Shareholders of Tata Chemicals Limited convened pursuant to the Order of the Hon'ble National Company Law Tribunal, Mumbai Bench	2
2.	Explanatory Statement under Sections 230(3), 232(1), 232(2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016	8
3.	Scheme of Arrangement between Tata Chemicals Limited (" <b>Demerged Company</b> ") and Tata Global Beverages Limited (" <b>Resulting Company</b> ") and their respective shareholders and creditors under Sections 230-232 of the Companies Act, 2013 ( <b>Annexure "ES-1"</b> )	28
4.	Audited Standalone Financial Statements of the Demerged Company and Unaudited Standalone Financial Statements of the Resulting Company as on June 30, 2019 ( <b>Annexure "ES-2"</b> )	47
5.	Reports of the Board of Directors of the Demerged Company and the Resulting Company pursuant to Section 232(2)(c) of the Companies Act, 2013 ( <b>Annexure "ES-3"</b> )	68
6.	Joint Valuation Report dated May 15, 2019 by SRBC & Co. LLP, Chartered Accountants and Banshi Mehta & Co., Chartered Accountants on the Share Entitlement Ratio ( <b>Annexure "ES-4"</b> )	74
7.	Valuation Report dated May 15, 2019 by Mr. Vikrant Jain, Chartered Accountant and an independent valuer appointed under Section 248 of the Companies Act, 2013 on the Share Entitlement Ratio ( <b>Annexure "ES-5"</b> )	86
8.	Fairness Opinion dated May 15, 2019 by J. P. Morgan India Private Limited, Category-I Merchant Banker, on the Share Entitlement Ratio ( <b>Annexure "ES-6"</b> )	95
9.	Complaint Reports dated July 2, 2019 and July 19, 2019 submitted by the Demerged Company to BSE Limited and the National Stock Exchange of India Limited respectively ( <b>Annexure "ES-7"</b> )	100
10.	Observation letters dated August 26, 2019 from BSE Limited and the National Stock Exchange of India Limited on the Scheme ( <b>Annexure "ES-8"</b> )	104
11.	Route Map to the Venue of the Meeting	108
12.	Attendance Slip	109
13.	Proxy form	109
14.	Postal Ballot Form with instructions and self addressed postage prepaid Business Reply Envelope	Loose leaf insertion

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL  
MUMBAI BENCH  
COMPANY APPLICATION NO. 3029 OF 2019**

**FORM NO. CAA. 2  
[Pursuant to Section 230(3) and Rule 6 and 7]**

In the matter of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016;

And

In the matter of Scheme of Arrangement between Tata Chemicals Limited and Tata Global Beverages Limited and their respective shareholders and creditors

Tata Chemicals Limited, a company incorporated under the provisions )  
of the Companies Act, 1913 having Corporate Identification )  
Number: L24239MH1939PLC002893 and having its registered office at )  
Bombay House, 24 Homi Mody Street, Fort, Mumbai 400 001 ) . . . Applicant/Demerged Company

**NOTICE CONVENING MEETING OF THE EQUITY SHAREHOLDERS OF TATA CHEMICALS LIMITED**

To,  
**The Equity Shareholders of Tata Chemicals Limited**

**TAKE NOTICE** that by an Order dated September 11, 2019 in the above mentioned Company Application (the “**Order**”), the Hon’ble National Company Law Tribunal, Mumbai Bench (“**Tribunal**”) has directed, *inter alia*, that a Meeting of the Equity Shareholders of Tata Chemicals Limited (“**Demerged Company**”) be convened and held at Walchand Hirachand Hall, 4<sup>th</sup> Floor, Indian Merchants’ Chamber Building, IMC Marg, Churchgate, Mumbai 400 020 on Wednesday, October 30, 2019 at 3.00 p.m. (IST), to consider, and if thought fit, to approve, with or without modification(s), the proposed Scheme of Arrangement between Tata Chemicals Limited, Demerged Company and Tata Global Beverages Limited (“**Resulting Company**”) and their respective shareholders and creditors (“**Scheme**”).

**TAKE FURTHER NOTICE** that in pursuance of the Order, and as directed therein, a Meeting of the Equity Shareholders of the Demerged Company will be held at Walchand Hirachand Hall, 4<sup>th</sup> Floor, Indian Merchants’ Chamber Building, IMC Marg, Churchgate, Mumbai 400 020 on Wednesday, October 30, 2019 at 3.00 p.m. (IST) at which place, day, date and time you are requested to attend.

**TAKE FURTHER NOTICE** that you may attend and vote at the Meeting in person or by proxy, provided that a duly signed proxy in the prescribed form, is deposited at the registered office of the Demerged Company, not later than 48 (forty eight) hours before the scheduled time for holding the Meeting. In case of a Body Corporate, being an Equity Shareholder of the Demerged Company, opting to attend and vote at the venue of the Meeting, as aforesaid, through its authorised representative, such Body Corporate may do so provided a certified copy of the resolution of its Board of Directors or other governing body authorising such representative to attend and vote at the Meeting on its behalf is deposited at the registered office of the Demerged Company not later than 48 (forty eight) hours before the time for holding the Meeting.

**TAKE FURTHER NOTICE** that a copy of the Explanatory Statement, Scheme, Proxy Form, Attendance Slip, Postal Ballot Form, self-addressed postage pre-paid business reply envelope and other Annexures as stated in index are enclosed herewith. Copies of the Scheme, the Explanatory Statement and the Proxy Form can be obtained free of charge at the registered office of the Demerged Company and are also placed on the website of the Demerged Company viz. [www.tatachemicals.com](http://www.tatachemicals.com) and website of National Securities Depository Limited at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

The Tribunal has appointed Mr. Bhaskar Bhat (DIN: 00148778), Non-Executive Director of the Demerged Company failing him, Mr. R. Mukundan (DIN: 00778253), Managing Director & CEO of the Demerged Company to be the Chairperson of the Meeting of the Equity Shareholders of the Demerged Company.

**TAKE FURTHER NOTICE** that in terms of the Order of the Tribunal, the Equity Shareholders shall have the facility and option of voting on the resolution for approval of the Scheme by casting votes through postal ballot or remote electronic voting (“**remote e-voting**”) during the period commencing from **9:00 a.m. (IST) on Monday, September 30, 2019** and ending at **5:00 p.m. (IST) on Tuesday, October 29, 2019**; or by electronic voting system as arranged by the Demerged Company at the venue

of the Meeting on October 30, 2019. The Shareholders may refer to the Notes to this Notice for further details on postal ballot and remote e-voting.

The resolution for approval of the Scheme, if passed by a majority in number representing three-fourths in value of all Equity Shareholders of the Demerged Company casting their votes, as aforesaid, shall be deemed to have been duly passed on October 30, 2019 i.e. the date of the Meeting of the Equity Shareholders of the Demerged Company under Sections 230 to 232 of the Companies Act, 2013. In terms of the Securities and Exchange Board of India Circular dated March 10, 2017 bearing reference No.CFD/DIL3/CIR/2017/21, as amended from time to time, the Scheme shall be acted upon only if the votes cast by public shareholders in favour of the resolution set out below are more than the number of votes cast by the public shareholders against the resolution.

The Audit Committee and the Board of Directors of the Demerged Company at their respective Meetings held on May 15, 2019 approved the Scheme, subject to approval by the requisite majority of the Shareholders of the Demerged Company as may be required, and subject to the subsequent sanction of the Tribunal and of such other authorities as may be necessary.

The Equity Shareholders are requested to consider and if thought fit, to pass with requisite majority, the following resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and the provisions of the Memorandum and Articles of Association of Tata Chemicals Limited ("Demerged Company") and subject to the approval of the Mumbai and Kolkata Benches of the Hon'ble National Company Law Tribunal (hereinafter collectively referred to as "the Tribunal"), and subject to such other approvals, permissions and sanctions of regulatory and other authorities, 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, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Demerged Company (hereinafter referred to as the "Board", which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any other person authorised by it to exercise its powers including the powers conferred by this Resolution), the arrangement embodied in the Scheme of Arrangement between Tata Chemicals Limited and Tata Global Beverages Limited and their respective shareholders and creditors ("Scheme") presented in Company Application No. 3029 of 2019 filed by the Demerged Company before the Hon'ble National Company Law Tribunal, Mumbai Bench, placed before this Meeting, be and is hereby approved.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this Resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, at any time and for any reason whatsoever, which may be required and/or imposed by the Tribunal or its Appellate Authority(ies) while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise in giving effect to the Scheme, as the Board may deem fit and proper."

Dated this 20<sup>th</sup> day of September, 2019

**Bhaskar Bhat**  
DIN: 00148778  
Chairperson appointed for the Meeting

**Registered Office:**

Tata Chemicals Limited  
Bombay House, 24 Homi Mody Street, Fort, Mumbai 400 001  
CIN: L24239MH1939PLC002893  
Phone: + 91 22 6665 8282  
Email: investors@tatachemicals.com  
Website: www.tatachemicals.com

**Notes:**

- 1) The Explanatory Statement pursuant to Sections 102, 230(3), 232(1) and 232(2) of the Companies Act, 2013 ("Act") read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 in respect of the business set out in the Notice is annexed hereto.
- 2) The voting rights shall be reckoned in proportion to the paid-up value of the ordinary shares registered in the name(s) of Shareholders as on the close of the business hours of Friday, September 20, 2019 ("**cut-off date**") as per the Register of Members/list of Beneficial Owners as furnished by the Registrar and Share Transfer Agents ("**RTA**") /National Securities Depository Limited ("**NSDL**") /Central Depository Services (India) Limited ("**CDSL**") (collectively referred to as "**Depositories**").

- 3) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE DEMERGED COMPANY.** The instrument appointing Proxy duly completed should, however, be deposited at the registered office of the Demerged Company not less than 48 hours before the scheduled time of the Meeting i.e. the Proxy Forms should be deposited by **3.00 p.m. on October 28, 2019**. A Proxy Form is annexed to this Notice. All alterations made in the form of Proxy should be initialed.

As per Section 105 of the Act, a person can act as a proxy on behalf of Shareholders not exceeding 50 (fifty) and holding in aggregate not more than 10% of the total share capital of the Demerged Company carrying voting rights. A Shareholder holding more than 10% of the total share capital of the Demerged Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or Shareholder.

It is further clarified that voting by proxies shall be permitted provided a proxy in the prescribed form duly signed by the person entitled to attend and vote at the Meeting is filed with the Demerged Company at its registered office not later than 48 hours before the Meeting.

- 4) During the period beginning 24 (twenty four) hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the Meeting, an equity shareholder would be entitled to inspect the proxies lodged, at any time during the business hours of the Demerged Company, provided that not less than 3 (three) days of notice in writing is given to the Demerged Company prior to such intended inspection.
- 5) Only Equity Shareholders of the Demerged Company registered as on the cut-off date may attend and vote (either in person or by proxy or by Authorised Representative under Section 113 of the Act) at the Meeting. The Authorised Representative of a body corporate which is a registered Equity Shareholder of the Demerged Company may attend the Meeting provided that a certified true copy of the resolution of the Board of Directors or other governing body of the Body Corporate authorizing such representative to attend and vote at the Meeting is deposited at the registered office of the Demerged Company not later than 48 hours before the scheduled time of the Meeting (i.e. by **3.00 p.m. on October 28, 2019**).
- 6) A Shareholder or his/her Proxy is requested to bring copy of the Notice to the Meeting and produce the Attendance Slip, duly completed and signed, at the entrance of the Meeting venue.
- 7) Shareholders who hold shares in dematerialized form are requested to bring their Client ID and DP ID number for easy identification of attendance at the Meeting.
- 8) The Tribunal has directed that the quorum for the Meeting shall be as per Section 103 of the Act.
- 9) This Notice is being dispatched to all Equity Shareholders of the Demerged Company whose names appear in the Register of Members/Beneficial Owners as on Friday, September 20, 2019 as per the details furnished by the RTA/Depositories. Any person who acquires shares and becomes a Shareholder of the Demerged Company after such date shall not be eligible to vote either through postal ballot, remote e-voting or by electronic voting ("**e-voting**") at the venue of the Meeting. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.

The Notice of the Meeting of Equity Shareholders of the Demerged Company is displayed / posted on the website of the Demerged Company at [www.tatachemicals.com](http://www.tatachemicals.com) and website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

- 10) The Notice convening the Meeting shall be published through an advertisement in the "Free Press Journal" in English language and "Navshakti" in the Marathi language, both having circulation in Mumbai.
- 11) Shareholders are informed that in case of joint holders attending the Meeting, only such joint holder whose name stands first in the Register of Members of the Demerged Company / list of beneficial owners as received from the RTA/Depositories in respect of such joint holding will be entitled to vote.
- 12) Pursuant to directions of the Hon'ble National Company Law Tribunal, Mumbai Bench ("**Tribunal**") and Rule 6(2) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the Notice of the Meeting together with the Explanatory Statement and accompanying documents is being sent by electronic mode to those Equity Shareholders whose e-mail addresses are registered with the Depositories or the Demerged Company's RTA. For Equity Shareholders whose e-mail addresses are not so registered, physical copies are being sent by the permitted mode.
- 13) In terms of the Order dated September 11, 2019 of the Tribunal and in compliance with the provisions of (i) Section 230(4) read with Sections 108 and 110 of the Companies Act, 2013; (ii) Rule 6(3)(xi) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016; (iii) Rule 22 read with Rule 20 and other applicable provisions of the Companies (Management and Administration) Rules, 2014; (iv) Secretarial Standards – 2 on General Meetings issued by the Institute of Company Secretaries of India; (v) Regulation 44 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (vi) Securities and Exchange Board of India Circular dated March 10, 2017 bearing reference No.CFD/DIL3/CIR/2017/21, as amended from time to time, the Demerged Company is pleased to provide its Shareholders the facility to cast their votes on the Resolution proposed to be considered at the Meeting

either by (i) remote e-voting (by using the electronic voting platform provided by NSDL) or (ii) physical postal ballot or (iii) e-voting at the venue of the Meeting. The Demerged Company has engaged the services of NSDL as the authorized agency to provide the e-voting facility. Shareholders opting to cast their votes by postal ballot/remote e-voting are requested to read the instructions in the Notes below carefully.

- 14) Shareholder(s) can opt only for one mode of voting. If a Shareholder has opted for remote e-voting, then he/she should not vote by postal ballot and vice-versa. However, in case Shareholders cast their vote both through remote e-voting and postal ballot, then voting through remote e-voting shall prevail and voting done by postal ballot shall be treated as invalid.
- 15) It is clarified that votes may be cast by Shareholders either by postal ballot or e-voting and casting of votes by postal ballot or remote e-voting does not disentitle them from attending the Meeting. However, after exercising right to vote through postal ballot or remote e-voting, a Shareholder shall not be allowed to vote again at the Meeting.
- 16) The voting period for postal ballot and remote e-voting shall commence on and from **Monday, September 30, 2019 at 9:00 a.m. (IST)** and end on **Tuesday, October 29, 2019 at 5:00 p.m (IST)**. The remote e-voting module shall be disabled by NSDL for voting on Tuesday, October 29, 2019 at 5.00 p.m. (IST).
- 17) As directed by the Tribunal, Mr. P. N. Parikh (Membership No. FCS 327) and failing him, Ms. Jigyasa Ved (Membership No. FCS 6488) of M/s. Parikh & Associates, Practicing Company Secretaries, shall act as Scrutinizer to scrutinize votes cast either by remote e-voting or by postal ballot and by e-voting at the venue of the Meeting and submit a report on votes cast to the Chairperson of the Meeting or a person authorized by him in writing, within 48 hours from the conclusion of the Meeting.
- 18) The Scrutinizer will submit his combined report to the Chairperson of the Meeting after completion of the scrutiny of the votes cast by the equity shareholders through (i) remote e-voting process (ii) postal ballot and (iii) e-voting at the venue of the Meeting. The Scrutinizer's decision on the validity of the votes (including e-votes) shall be final.

The result of the voting shall be announced by the Chairperson of the Meeting or a person authorized by him in writing, on or before November 1, 2019, upon receipt of Scrutinizer's report and same shall be immediately displayed on the website of the Demerged Company at [www.tatachemicals.com](http://www.tatachemicals.com) and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com). The results shall also be immediately forwarded to the Stock Exchanges where the Demerged Company's shares are listed viz. BSE Limited and the National Stock Exchange of India Limited. The results shall also be displayed on the notice board at the Registered Office of the Demerged Company.

- 19) Subject to the receipt of requisite number of votes, the resolution shall be deemed to be passed on the date of the Meeting i.e. October 30, 2019.

## 20) INSTRUCTIONS FOR REMOTE E-VOTING:

The process and manner for remote e-voting is as under:

**Step 1:** Log-in to NSDL e-voting system at <https://www.evoting.nsdl.com>

**Step 2:** Cast your vote electronically on NSDL e-voting system

**Details on Step 1 are mentioned below:**

How to Log-in to NSDL e-voting website?

- i. Visit the e-voting website of NSDL. Open web browser by typing the URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- ii. Once the home page of e-voting system is launched, click on the icon "Login" which is available under "Shareholders" section.
- iii. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL e-services i.e. IDeAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDeAS login. Once you log in to NSDL e-services after using your login credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.
- iv. Your **User ID** details will be as per details given below:
  - a. **For members who hold shares in demat account with NSDL:** 8 Character DP ID followed by 8 Digit Client ID (For example if your DP ID is IN300\*\*\* and Client ID is 12\*\*\*\*\* then your user ID is IN300\*\*\*12\*\*\*\*\*).
  - b. **For members who hold shares in demat account with CDSL:** 16 Digit Beneficiary ID (For example if your Beneficiary ID is 12\*\*\*\*\* then your user ID is 12\*\*\*\*\*).
  - c. **For members holding shares in Physical Form:** EVEN Number followed by Folio Number registered with the Demerged Company (for example, for members holding Ordinary Shares, if folio number is 001\*\*\* and EVEN is 112446 then user ID is 112446001\*\*\*).

- v. Your **password** details are given below:
- a. If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
  - b. If you are using NSDL “e-voting system” for the first time, you will need to retrieve the “initial password” which was communicated to you. Once you retrieve your “initial password”, you need to enter the “initial password” and the system will force you to change your password.
  - c. How to retrieve your “initial password”?
    - If your email ID is registered in your demat account or with the Demerged Company, your “initial password” is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of Client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your “User ID” and your “initial password”.
    - If your email ID is not registered, your “initial password” is communicated to you on your postal address.
    - If you are unable to retrieve or have not received the “initial password” or have forgotten your password:
      - o Click on “Forgot User Details/Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) (If you are holding shares in your demat account with NSDL or CDSL).
      - o Click on “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) (If you are holding shares in physical mode).
      - o If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
      - o Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
      - o After entering your password, tick on “I hereby agree to all Terms and Conditions”.
      - o Click on “Login” button.
      - o After you click on the “Login” button, home page of e-voting will open.

#### **Details on Step 2 are mentioned below:**

How to cast your vote electronically on NSDL e-voting system?

- i. After successful login at Step 1, you will be able to see the home page of e-voting. Click on e-voting.
- ii. Click on Active Voting Cycles. You will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
- iii. Select “EVEN” of the Demerged Company for casting your vote. The **EVEN** is **112446**.
- iv. Now you are ready for e-voting as the Voting page opens.
- v. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
- vi. Upon confirmation, the message “Vote cast successfully” will be displayed.
- vii. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- viii. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### **General Guidelines for shareholders**

- Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter, etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by email to [tcl.scrutinizer@gmail.com](mailto:tcl.scrutinizer@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- In case of any queries, Shareholders may refer the Frequently Asked Questions ('FAQs') and remote e-voting user manual available in the ‘downloads’ section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call on Toll free no.: 1800-222-990. In order to address any grievances relating to e-voting, you may also contact NSDL as under:
  - o Mr. Amit Vishal: +91 22 24994360
  - o Ms. Pallavi Mhatre: +91 22 24994545
  - o Mr. Pratik Bhatt: +91 22 24994738
  - o Ms. Sarita Mote: +91 22 24994890

## 21) INSTRUCTIONS FOR POSTAL BALLOT:

- i. A postal ballot form along with self-addressed postage pre-paid business reply envelope is also enclosed. Shareholders desirous of availing the postal ballot facility are requested to carefully read the instructions printed on the enclosed postal ballot form and return the form duly completed with assent (FOR) or dissent (AGAINST), in the enclosed postage pre-paid Business Reply Envelope so as to reach the Scrutinizer on or before Tuesday, October 29, 2019 at 5.00 p.m. (IST). Responses received after the said time will be treated as invalid.
- ii. Shareholders who have received the Notice by email and who wish to vote through postal ballot can download the postal ballot form from the Demerged Company’s website at [www.tatachemicals.com](http://www.tatachemicals.com). In case a Shareholder is desirous of obtaining a printed duplicate postal ballot form, he or she may send an email to TSR Darashaw Consultants Private Limited, Demerged Company’s RTA at [tclballot2019@tsrdarashaw.com](mailto:tclballot2019@tsrdarashaw.com). The RTA shall forward the same along with postage prepaid self-addressed Business Reply Envelope to the Shareholder.
- iii. No other form or photocopy of the postal ballot form is permitted.
- iv. Incomplete, unsigned, improperly or incorrectly tick marked postal ballot forms will be rejected by the Scrutinizer.
- v. Vote on postal ballot cannot be exercised through proxy. There will be only one postal ballot form for every registered folio/Client ID irrespective of the number of joint equity shareholders.
- vi. The postal ballot form should be completed and signed by the equity shareholders (as per specimen signature registered with the Demerged Company and/or its RTA and/or furnished by the Depositories). In case shares are jointly held, the form should be completed and signed by the first named equity shareholder and, in his/her absence, by the next named equity shareholder. Holder(s) of Power of Attorney (“PoA”) on behalf of an equity shareholder may vote on the postal ballot mentioning the registration number of the PoA with the Demerged Company/its RTA or enclosing a copy of the PoA authenticated by a notary.
- vii. In case of shares held by companies, societies etc., the duly completed postal ballot form should be accompanied by a certified copy of the Board Resolution/Authority letter along with the attested specimen signature(s) of the duly authorised signatory(ies) giving the requisite authority to the person voting on the postal ballot form. A scanned copy of such Board Resolution/Authority letter together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote is required to be sent to the Scrutinizer through e-mail to [tcl.scrutinizer@gmail.com](mailto:tcl.scrutinizer@gmail.com), with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

## 22) VOTING AT THE MEETING VENUE:

Shareholders who are present at the Meeting, but have not cast their votes by availing the remote e-voting facility/postal ballot, would be entitled to vote on the resolution electronically, as arranged at the venue of the Meeting.



**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL  
MUMBAI BENCH  
COMPANY APPLICATION NO. 3029 OF 2019**

In the matter of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016;

And

In the matter of Scheme of Arrangement between Tata Chemicals Limited and Tata Global Beverages Limited and their respective shareholders and creditors.

Tata Chemicals Limited, a company incorporated under the provisions )  
of the Companies Act, 1913 having Corporate Identification )  
Number: L24239MH1939PLC002893 and having its registered office at )  
Bombay House, 24 Homi Mody Street, Fort, Mumbai 400 001 ) . . . Applicant/Demerged Company

**EXPLANATORY STATEMENT UNDER SECTIONS 230(3), 232(1), 232(2) AND 102 OF THE COMPANIES ACT, 2013 READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016**

**1. Meeting for the Scheme of Arrangement**

This is a statement accompanying the Notice convening a Meeting of the Equity Shareholders of Tata Chemicals Limited (**“Demerged Company” or “TCL”**) for the purpose of considering and if thought fit, approving, with or without modification(s), the proposed Scheme of Arrangement between the Demerged Company and Tata Global Beverages Limited (**“Resulting Company”**) and their respective shareholders and creditors (**“Scheme”**) whereby and whereunder it is proposed to reorganize by way of demerger of the Consumer Products Business consisting of the business of sourcing, packaging, marketing, distribution and sales of (i) vacuum evaporated edible common salt for human consumption, (ii) spices, (iii) protein foods and (iv) certain other food and other products (**“Demerged Undertaking”**) from the Demerged Company to the Resulting Company, in the manner and on the terms and conditions stated in the Scheme.

The Demerged Company had entered into an Implementation Agreement on May 15, 2019 with the Resulting Company which sets out the terms and conditions for transfer of its Demerged Undertaking to the Resulting Company.

A copy of the Scheme setting out in detail the terms and conditions of the arrangement is enclosed as **Annexure “ES-1”**. The proposed Scheme is envisaged to be effective from April 1, 2019 i.e. the Appointed Date but shall be made operative from the Effective Date.

This statement is being furnished as required under Sections 230(3), 232(1), 232(2) and 102 of the Companies Act, 2013 (**“Act”**) read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (**“Rules”**) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and CFD/DIL3/CIR/2018/2 dated January 3, 2018 (**“SEBI Circulars”**).

**2. Date, time and venue of Meeting**

Pursuant to an Order dated September 11, 2019 passed by the Hon’ble National Company Law Tribunal, Mumbai Bench (**“Tribunal” or “NCLT”**) in Company Application No. 3029 of 2019, a Meeting of the Equity Shareholders of the Demerged Company will be held at Walchand Hirachand Hall, 4<sup>th</sup> Floor, Indian Merchants’ Chamber Building, IMC Marg, Churchgate, Mumbai 400 020 on Wednesday, October 30, 2019 at 3.00 p.m (IST) to consider and if thought fit, to approve, with or without modification(s), the Scheme.

**3. Rationale and Benefits of the Scheme**

The circumstances which justify and/or have necessitated the Scheme and the benefits of the same are, *inter alia*, as follows:-

- (i) The Demerged Company is engaged in diversified businesses dealing in (a) Basic Chemistry Products consisting of Soda Ash and Other Bulk Chemicals; (b) Specialty Products consisting of Nutritional Solutions, Agri Solutions and Advanced Materials; and (c) Consumer Products Business relating to the sourcing, packaging, marketing, distribution and sales of (i) vacuum evaporated edible common salt for human consumption, (ii) spices, (iii) protein foods and (iv) certain other food and other products. The Resulting Company is engaged, *inter alia*, in the business of manufacturing, marketing, distribution and/or sale of tea, coffee and water.

- (ii) The Demerged Company is one of the key participants in the foods category, selling products under iconic brands such as ‘Tata Salt’ and ‘Tata Sampann’ among others. The Resulting Company is one of the key participants in the beverages category, selling products globally under iconic brands such as ‘Tata Tea’ and ‘Tetley’ among others. The Resulting Company is expected to gain from the consumer market growth.
- (iii) With the view to enable the Demerged Company to focus on its Basic Chemistry and Specialty Products Business and to integrate the Consumer Products Business activities undertaken by both, the Demerged Company and the Resulting Company, under a single entity, it is proposed that the Consumer Products Business of the Demerged Company be demerged and transferred to the Resulting Company under the terms and conditions of the Scheme.
- (iv) The Scheme would *inter alia* have the following benefits:
  - a. The Scheme enables the Demerged Company to focus on its Basic Chemistry and Specialty Products Business;
  - b. The Scheme enables the Resulting Company to expand its presence in the fast moving consumer goods categories in India and abroad;
  - c. The Scheme enhances the financial profile with higher growth, margin expansion and increased cash flows which will provide further headroom for inorganic growth opportunities in India and abroad;
  - d. The Scheme results in revenue and cost synergies including from supply chain opportunities, operational improvements, logistics alignment leading to economies of scale, creation of efficiencies, optimization of overlapping infrastructure, capital and operational expenditure and leveraging distribution networks; and
  - e. The shareholders of the Demerged Company will continue to participate in the growth of a larger consumer focused company i.e. the Resulting Company, while continuing to own shares in the Demerged Company which will remain focused on its Basic Chemistry and Specialty Products Businesses.
- (v) The Scheme would be in the best interest of the shareholders of the Demerged Company and the Resulting Company and shall not in any manner be prejudicial to the interests of the concerned shareholders and creditors or general public at large.

#### 4. Background of the companies

##### A. Tata Chemicals Limited (“Demerged Company” or “TCL”)

- i. The Demerged Company is a publicly listed company incorporated on January 23, 1939 in Mumbai in the State of Maharashtra under the provisions of the Companies Act, 1913 as a public company limited by shares with Corporate Identification Number: L24239MH1939PLC002893 and Permanent Account Number AA ACT4059M having its registered office at Bombay House, 24 Homi Mody Street, Fort, Mumbai 400 001. The email address of TCL is investors@tatachemicals.com and its website is www.tatachemicals.com.
- ii. During the last five years, there has been no change in the name and registered office of the Demerged Company. The Equity Shares of the Demerged Company are listed and traded on BSE Limited (“BSE”) and the National Stock Exchange of India Limited (“NSE”).
- iii. The main objects of the Demerged Company as contained in Clause III of the Memorandum of Association are, *inter alia*, as follows:

*“(1) To carry on business of manufacturers of and dealers in chemical products of any nature and kind whatsoever and as wholesales and retail chemists and druggists, analytical chemists, drysalters, oil and colour men, importers, exporters and manufacturers of and dealers in heavy chemicals, alkalis, acids, drugs, tannins, essences, pharmaceutical, photographic, sizing, medicinal, chemical, industrial and other waters, cements, oils, paints, pigments and varnishes, compounds, drug, dyestuff organic or mineral intermediates, paints and colour grinders, makers of and dealers in proprietary articles of all kinds, and of electrical, chemical, photographic, surgical and scientific apparatus and materials.*

*(2) To manufacture, refine, manipulate, import, export and deal in salts and marine minerals and their derivatives, by-products and compounds of any nature and kind whatsoever.*

*(3) To carry on business as manufacturers of chemicals, distillers, dye makers, gas makers, metallurgists, engineers, ship owners, and charterers and carries by land, sea and air; wharfingers, warehousemen, planters, farmers, saw mill proprietors, timbers, merchants, sugar merchants and to buy sell grow prepare for the market manipulate import export and deal in timber wood and/or produce or products of the earth of all kind and to manufacture and deal in articles of all kinds in the manufacture of which timber wood or any such product is used.*

\* (14)(a) To carry on the business of buyers, sellers, traders, importers, exporters, manufacturers, dealers whether by self or any third party, processors, commission agents, distributors, dealers and representatives in any legal form and also to process, produce, mix, pack, preserve, freeze, extract, refine and deal in all types of food including but not limited to confectionary, nutrition, milk and milk products, processed foods, performance nutrition, fibres, all kind of flour whether single or multi grain, health and wellness foods, protein foods, food products, agro foods, fast foods, packed foods, food grains, edible commodities, pulses or lentils whether processed or otherwise, water purifiers, water filters, systems, appliances, devices, products, methods or apparatus in relation to water dispensation, purification and treatment, value added food additive and food products, baking and cooking soda and products that contain the same including edible and nonedible applications, staples, cereals, pseudo cereals and processed derivatives thereof, spices, seasonings, ready to eat processed food products, nutritional solutions, natural, novel and processed foods, ingredients and formulations thereof, inorganic and organic materials and compounds based on novel processing and synthesis knowhow, ready to cook foods and spices, spice mixes and pastes or semi processed food products, sugar, sugar products, vegetable, ghee, edible oil, cooking oil, mineral oil, pre and pro biotic foods, sugar substitutes, natural foods, cocoa based, and other food products in and outside India.

(18) To refine, treat and render merchantable and fit for use natural deposits of salts, brine, natron, soda kieselguhr nitrates and other chemical substances of all kinds obtained as aforesaid and to manufacture therefrom by any electrolytic, metallurgical or other forms of plant or process every kind of chemical and other products and by-products.

(20) To manufacture, prepare and treat quarriable and mineral substances or products of all kinds obtained as aforesaid for sale or use or for manufacturing, building or any other purposes or processes and to manufacture therefrom every kind of product.

(33) To carry on the business of electricians electrical, mechanical engineers, suppliers of electricity for the purposes of light, heat, motive power or otherwise, and manufacturers of and dealers in apparatus and things required for the capable of beings used in connection with the generation, distribution, supply, accumulation and employment of electricity, galvanism, magnetism, or otherwise.

(56) To sell and in any other manner deal with or dispose off the undertaking of the Company, or any part thereof, such consideration as the company may think fit, and in particular for shares, debentures and other securities of any other company having objects altogether or in part similar to those of the company.”

\* The Demerged Company has altered its Object Clause during the last five years by inserting the Clause III (14)(a) in the Memorandum of Association vide a Special Resolution dated February 12, 2015 passed by the Shareholders of the Demerged Company. Except such insertion, there has been no other change in the Objects of the Demerged Company during the last five years.

iv. The share capital of the Demerged Company as on June 30, 2019 is as follows:-

Particulars	Amount (₹)
<b>Authorized Capital</b>	
27,00,00,000 Ordinary Shares of ₹ 10 each	270,00,00,000
<b>Issued Capital</b>	
25,48,42,598 Ordinary Shares of ₹ 10 each	254,84,25,980
<b>Subscribed and Fully Paid up Capital (A)</b>	
25,47,56,278 Ordinary Shares of ₹ 10 each	254,75,62,780
<b>Forfeited Shares (B)</b>	
Amount originally paid up on 86,320 forfeited shares	6,41,172.50
<b>Total (A+B)</b>	<b>254,82,03,952.50</b>

As on the date of the Notice, there is no change in the capital structure of the Demerged Company.

The latest Audited Standalone and Consolidated Financial Statements of the Demerged Company pertain to the financial year ended March 31, 2019. The Demerged Company has also prepared its Audited Standalone Financial Statements as on June 30, 2019, a copy of the same is enclosed herewith as **Annexure “ES-2”**. A summary extracted from such Audited Standalone Financial Statements as on June 30, 2019 indicating the financial position of the Demerged Company as on the said date is as follows:-

Particulars	Amount (₹ in crores)
A. Share Capital	254.82
B. Other Equity	12,027.36
<b>Net Shareholders Fund (A+B)</b>	<b>12,282.18</b>

Particulars	Amount (₹ in crores)
C. Assets	
Non-Current Assets	9,939.70
Current Assets	4,575.36
<b>Total (C)</b>	<b>14,515.06</b>
D. Liabilities	
Non-Current Liabilities	373.24
Current Liabilities	1,859.64
<b>Total (D)</b>	<b>2,232.88</b>
<b>Excess of Assets over Liabilities (C – D)</b>	<b>12,282.18</b>

Subsequent to the date of the aforesaid financial statements i.e. June 30, 2019, there has been no material change in the financial position of the Demerged Company except those arising or resulting in the ordinary course of business.

- v. The details of Directors, Promoters and Promoter Group entities of the Demerged Company along with their addresses are mentioned herein below:

Sr. No.	Name	Category	Address
<b>Directors:</b>			
1.	Mr. Bhaskar Bhat (DIN: 00148778)	Non-Executive, Non-Independent Director	Plot No.884, Chaitanya, Indiranagar 1 <sup>st</sup> Stage Bengaluru 560 038
2.	Ms. Vibha Paul Rishi (DIN: 05180796)	Non-Executive, Independent Director	812, The Aralias, Golf Course Road, Chakarpur Gurgaon 122 002
3.	Mr. S. Padmanabhan (DIN: 00306299)	Non-Executive, Non-Independent Director	132, Apsara NCPA Complex, Dorabji Tata Road, Nariman Point, Mumbai 400 021
4.	Ms. Padmini Khare Kaicker (DIN: 00296388)	Non-Executive, Independent Director	107, 1 <sup>st</sup> Floor, Cumballa CHS, G. D. Marg, Peddar Road Mumbai 400 026
5.	Dr. C. V. Natraj (DIN: 07132764)	Non-Executive, Independent Director	No. 120, Adarsha Vista, Vibhuthipura Basavanagar, Bangalore North Marathahalli Colony, Bengaluru 560 037
6.	Mr. R. Mukundan (DIN: 00778253)	Managing Director & CEO	Flat No. 1301/1302, Snow Flama, Dosti Flamingoes, T J Road, Sewree West, Mumbai 400 015
7.	Mr. Zarir Langrana (DIN: 06362438)	Executive Director	B-19, Sangam Apartment Juhu Versova Link Road, Behind HDFC Bank, Four Bunglows, Andheri, Mumbai 400 053
<b>Promoter:</b>			
1.	Tata Sons Private Limited	Promoter	Bombay House, 24 Homi Mody Street, Fort, Mumbai 400 001
<b>Promoter Group:</b>			
2.	Tata Investment Corporation Limited	Body Corporate	Elphinstone Building, 10, Veer Nariman Road, Mumbai 400 001
3.	Tata Global Beverages Limited	Body Corporate	1, Bishop Lefroy Road, Kolkata, West Bengal 700 020
4.	Ewart Investments Limited	Body Corporate	Elphinstone Building, 10, Veer Nariman Road, Mumbai 400 001
5.	Simto Investment Company Limited	Body Corporate	Elphinstone Building, 10, Veer Nariman Road, Mumbai 400 001
6.	Voltas Limited	Body Corporate	Voltas House 'A', Dr. Babasaheb Ambedkar Road, Chinchpokli, Mumbai 400 033
7.	Tata Coffee Limited	Body Corporate	Pollibetta, Kodagu, Karnataka 571 215
8.	Tata Industries Limited	Body Corporate	Bombay House, 24 Homi Mody Street, Fort, Mumbai 400 001
9.	Tata Motors Finance Limited	Body Corporate	10 <sup>th</sup> Floor, 106 A & B, Makers Chambers III, Nariman Point, Mumbai 400 021
10.	Titan Company Limited	Body Corporate	3 SIPCOT Industrial Complex, Hosur, Tamil Nadu 635 126
11.	Tata Motors Limited*	Body Corporate	Bombay House, 24 Homi Mody Street, Fort, Mumbai 400 001
12.	Sir Dorabji Tata Trust*	Public Charitable Trust	Bombay House, 24 Homi Mody Street, Fort, Mumbai 400 001
13.	Sir Ratan Tata Trust*	Public Charitable Trust	Bombay House, 24 Homi Mody Street, Fort, Mumbai 400 001
14.	J R D Tata Trust*	Public Charitable Trust	Bombay House, 24 Homi Mody Street, Fort, Mumbai 400 001

\* Not holding any shares in the Demerged Company

## B. Tata Global Beverages Limited (“Resulting Company” or “TGBL”)

- i. The Resulting Company was incorporated on October 18, 1962 under the provisions of the Companies Act, 1956 as a private company limited by shares by the name and style of ‘Tata Finlay Private Limited’. Subsequently, the Resulting Company became a public company. The name of the Resulting Company also changed from time to time. With effect from July 2, 2010 the name of the Resulting Company changed to its present one. The Resulting Company is registered with the Registrar of Companies, West Bengal having Corporate Identification Number L15491WB1962PLC031425 and Permanent Account Number AABCT0602K. The email address of the Resulting Company is investor.relations@tgbl.com and website is www.tataglobalbeverages.com. During the last five years, there has been no change in the name and registered office of the Resulting Company. The Equity Shares of the Resulting Company are listed on NSE, BSE and the Calcutta Stock Exchange (“CSE”). The Global Depository Receipts of the Resulting Company are listed on the London Stock Exchange and the Luxembourg Stock Exchange.
- ii. The main objects of the Resulting Company are contained in Clause – III of its Memorandum of Association. They are, *inter alia*, as follows:-

*“(1) To carry on the business of manufacturers and exporters and importers of and dealers in all kinds of tea, coffee, cocoa and other food beverages and preparations.*

*(2) To plant, grow, import, export, blend and in any way deal in tea, coffee, and cocoa, and other food beverages and preparations and to carry on business as planters and merchants, both whole-sale and retail sugar merchants, sweetmeat merchants, refreshment room proprietors, refreshment contractors, farmers, dairymen, fruiterers, grocers, timber merchants; and as lead-rollers, printers, tobacconists, brokers, importers and exporters and dealers in all kinds of produce and wares, commission agents, shipowners, ship builders, charterers of vessels, dock owners, warehousemen, and wharfingers and to deal in all kinds commonly dealt in by persons carrying on any of the business aforesaid.*

*(3) To cultivate tea, coffee, cinchona, rubber and other produce and to carry on the business of tea planters in all its branches, to carry on and work the business of cultivators, winners and buyers of every kind of vegetable, mineral or other produce of the soil, to prepare, manufacture and render marketable and such produce; and to sell, dispose of and deal in any such produce, either in its prepared, manufactured or raw state, and either by wholesale or retail.*

*(6) To plant, grow, cultivate, produce and raise, purchase, sell, repurchase, resell, deal in or turn to account or otherwise dispose of or crush oil seeds, grains, food products, cotton, coconuts, tobacco, India-rubber, gutta-percha and other gums and all other plants, grass, trees, crops and natural products of any kind whatsoever or otherwise to cultivate any land of the Company and to transact or carry on such other work for business as may be proper or necessary in connection with above objects or any of them.*

*(7) To manufacture, produce, refine, prepare for market (whether on account of the Company or others), distill, treat, cure, submit to any process, trade, export, import, deal in, carry on the business of and for that purpose to purchase, sell, resell and repurchase and otherwise dispose of and turn to account sugar, sugarbeets, sugarcane gum, molasses, other sachharine substances, syrups, vegetable oils and other products, flour, melada, rum, alcohol, spirits, chemicals, manures, oil seeds, grains, coconuts, cotton, coffee, tea, tobacco, India-rubber, balta and other gums and residual and all other produce or products and by-products thereof and sugar candy, sweetmeats, peppermints, cubes, cardboards from Bagasse, spices and food products generally.*

*(10) To carry on the business as producers of, dealers in and preservers of food, food grains, vegetable, fruits, dairy farms and agricultural produce of all kinds and in particular, canned and preserved fruits and foodstuffs including spices and canned goods such as syrups, vinegar, assavas, sweets, condiments, baby food, fruit products, vegetables of all kind, milk, cream, butter, cheese, poultry and all allied and by-products thereof and for the purposes thereof to establish preservation centres at any place or places and to develop such and other allied businesses to give subsidies to farmers, fishermen and other persons doing such business or who can grow and/or procure necessary materials required by the Company.*

*(50) To amalgamate with any other Company whose objects are or include objects similar to those of this company whether by sale or purchase (for fully or partly paid-up shares or otherwise) of the undertaking, subject to the liabilities of this or any such other company as aforesaid any guarantee or security for the payment of any principal with or without winding or by sale or purchase (for fully or partly paid-up shares or otherwise) of all or a controlling interest in the shares or stock of this or any other company as aforesaid or in any other manner."*

During the last five years, there has been no change in the objects clause of the Resulting Company.

- iii. The Resulting Company is engaged, *inter alia*, in the business of marketing, distribution and/or sale of tea, coffee and water. The Resulting Company is one of the key participants in the beverages category, selling products globally under iconic brands such as ‘Tata Tea’ and ‘Tetley’ among others.
- iv. The share capital of the Resulting Company as on June 30, 2019 is as follows:-

Particulars	Amount (₹)
<b>Authorised:</b>	
110,00,00,000 Equity Shares of Re. 1 each	110,00,00,000
<b>Issued, Subscribed and Paid-up:</b>	
<b>Issued Capital</b>	
63,11,29,729 Equity Shares of Re. 1 each	63,11,29,729
<b>Subscribed and Paid-up (A)</b>	
63,11,29,729 Equity Shares of Re. 1 each	63,11,29,729
<b>Forfeited shares (B)</b>	
Amount originally paid up on forfeited shares	NIL
<b>Total (A+B)</b>	<b>63,11,29,729</b>

As on the date of the Notice, there is no change in the capital structure of the Resulting Company.

- v. The latest Audited Standalone and Consolidated Financial Statements of the Resulting Company pertain to the financial year ended March 31, 2019. The Resulting Company has also prepared its Unaudited Standalone Financial Statements as on June 30, 2019, a copy of the same is enclosed herewith as **Annexure “ES-2”**. Further, a summary extracted from such Unaudited Standalone Financial Statements as on June 30, 2019 indicating the financial position of the Resulting Company as on the said date is as follows:-

Particulars	Amount (₹ in crores)
A. Share Capital	63.11
B. Other Equity	4,281.60
<b>Net Shareholders Fund (A+B)</b>	<b>4,344.71</b>
C. Assets	
Non-Current Assets	2,887.71
Current Assets	2,212.34
<b>Total (C)</b>	<b>5,100.05</b>
D. Liabilities	
Non-Current Liabilities	198.19
Current Liabilities	557.15
<b>Total (D)</b>	<b>755.34</b>
<b>Excess of Assets over Liabilities (C – D)</b>	<b>4,344.71</b>

Subsequent to the date of the aforesaid financial statements i.e. June 30, 2019, there has been no material change in the financial position of the Resulting Company except those arising or resulting in the ordinary course of business.

- vi. The details of Directors, Promoters and Promoter Group entities of the Resulting Company along with their addresses are mentioned herein below:

Sr. No.	Name	Category	Address
<b>Directors:</b>			
1.	Mr. N. Chandrasekaran (DIN: 00121863)	Chairman & Non-Executive Director	Floor 21, 33 South Condominium, Peddar Road, Opposite Sterling Apartment, Mumbai 400 026
2.	Mr. Harish Bhat (DIN: 00478198)	Non-Executive Director	A-2303 Tower A, Ashok Towers, Dr. Babasaheb Ambedkar Marg, Opp. Bharatmata Cinema, Parel, Mumbai 400 012
3.	Mr. Sankaran Santhanakrishnan (DIN: 00032049)	Independent Director	Old No. 33/C, New No.24, Unnamalai Ammal Street, T Nagar, Chennai 600 017
4.	Mr. Siraj Azmat Chaudhry (DIN: 00161853)	Independent Director	S-12B, Windsor Court, DLF Phase-IV, Gurugram 122 009

Sr. No.	Name	Category	Address
5.	Mr. Bharat Puri (DIN: 02173566)	Independent Director	Flat No 3301, Planet Godrej Complex, Terra Simplex Mill Compound, Jacob Circle, Mahalaxmi, Mumbai 400 011
6.	Mrs. Shikha Sharma (DIN: 0043265)	Independent Director	44 <sup>th</sup> Floor, RM 4402, Imperial Tower 1 Pl South MP Mill Compound, Tardeo, Mumbai 400 034
7.	Mr. Ajoy Misra (DIN: 00050557)	Managing Director & CEO	501, Tower 3, Electra Planet Godrej, 30, Keshavrao Khadye Marg, Old Simplex Mills, Near Jacob Circle, Mahalaxmi, Mumbai 400 011
8.	Mr. Lakshmanan KrishnaKumar (DIN: 00423616)	Executive Director & Group CFO	B-1001, Dosti Elite Road No. 29, Next to Sion Telephone Exchange, Sion East, Mumbai 400 022
<b>Promoter:</b>			
1.	Tata Sons Private Limited	Body Corporate	Bombay House 24 Homi Mody Street, Fort, Mumbai 400 001
<b>Promoter Group:</b>			
2.	Tata Investment Corporation Limited	Body Corporate	Elphinstone Building, 10, Veer Nariman Road, Mumbai 400 001
3.	Ewart Investments Limited	Body Corporate	Elphinstone Building, 10, Veer Nariman Road, Mumbai 400 001
4.	Tata Industries Limited	Body Corporate	Bombay House, 24, Homi Mody Street, Fort, Mumbai 400 001
5.	Titan Company Limited	Body Corporate	3 SIPCOT Industrial Complex, Hosur, Tamil Nadu 635 126

## 5. SALIENT FEATURES OF THE SCHEME

The salient features of the Scheme are, *inter alia*, as stated below. The capitalized terms used herein shall have the same meaning as ascribed to them in Clause 1 of Part A of the Scheme:-

- (a) The Scheme shall be effective from the Appointed Date, i.e. 1<sup>st</sup> day of April, 2019.
- (b) The Scheme is conditional upon and subject to the following:
  - i. The requisite consents, no-objections and approvals of the Stock Exchanges and SEBI to the Scheme in terms of the SEBI Circular, on terms acceptable to the Demerged Company and the Resulting Company;
  - ii. The Scheme being approved by respective requisite majorities in numbers and value of such classes of members and creditors of the Demerged Company and the Resulting Company as may be directed by the Benches of the Hon'ble National Company Law Tribunal ("NCLT") at Mumbai and Kolkata having jurisdiction in relation to the Demerged Company and Resulting Company under Sections 230 and 232 of the Act;
  - iii. The Scheme being approved by the majority of public shareholders of the Demerged Company and the Resulting Company (by way of e-voting) as required under the SEBI Circular. The term 'public' shall carry the same meaning as defined under Rule 2 of Securities Contracts (Regulation) Rules, 1957;
  - iv. The Scheme being sanctioned by the NCLTs under Sections 230 to 232 of the Act, on terms acceptable to the Demerged Company and the Resulting Company; and
  - v. The certified copies of the NCLT Order(s) being filed with the Registrar of Companies by the Demerged Company and the Resulting Company.
- (c) The Scheme as approved or imposed or directed by the NCLT or by any Governmental Authority shall be effective from the Appointed Date but shall be operative from the Effective Date.
- (d) Upon the coming into effect of the Scheme and with effect from the Appointed Date, and subject to the provisions of the Scheme and pursuant to Sections 230 to 232 of the Act, all the properties/assets (tangible and intangible assets including goodwill) and liabilities of the Demerged Undertaking will be transferred to the Resulting Company at values appearing in the books of accounts of the Demerged Company immediately before the demerger, in accordance with Section 2(19AA) of the Income Tax Act, 1961 ("**IT Act**") and the Demerged Undertaking shall, without any further act, instrument or deed, be demerged from the Demerged Company and stand transferred to and vested in and/or deemed to have been demerged from the Demerged Company and stand transferred to and vested in the Resulting Company as a going concern, for a consideration provided in the Scheme, so as to become the undertaking of the Resulting Company by virtue of the Scheme and in the manner as stated in the Scheme.



- (e) Upon the Scheme coming into effect, all debts (secured and unsecured), liabilities, bonds, debentures (including contingent liabilities), duties and obligations of every kind, nature and description of the Demerged Company in relation to the Demerged Undertaking shall without any further act, instrument or deed, be and stand transferred to and vested in and/or be deemed to have been and stand transferred to, and vested in, the Resulting Company, so as to become on and from the Appointed Date, the debts, liabilities, bonds, debentures (including contingent liabilities), duties and obligations of the Resulting Company on the same terms and conditions as were applicable to the Demerged Company, and further that it shall not be necessary to obtain the consent/approval of any Person who is a party to contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of the Clause in the Scheme.
- (f) All Governmental Approvals and other consents, permissions, quotas, rights, authorizations, entitlements, no objection certificates and licenses, including those relating to tenancies, privileges, powers and facilities of every kind and description of whatsoever nature, to which the Demerged Company in relation to the Demerged Undertaking is a party or to the benefit of which the Demerged Company in relation to the Demerged Undertaking may be entitled to use or which may be required to carry on the operations of the Demerged Company in relation to the Demerged Undertaking, and which are subsisting or in effect immediately prior to the Effective Date, shall be, and remain, in full force and effect in favour of or against the Resulting Company and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party, a beneficiary or an obligee thereto and shall be appropriately mutated by the relevant Governmental Authorities in favour of the Resulting Company. In so far as the various incentives, service tax benefits, subsidies (including applications for subsidies), rehabilitation schemes, grants, special status, rights, and other benefits or privileges enjoyed, granted by any Governmental Authority or by any other Person, or availed of, by the Demerged Company in relation to the Demerged Undertaking are concerned, the same shall, without any further act or deed, vest with and be available to the Resulting Company on the same terms and conditions as are available to the Demerged Company in relation to the Demerged Undertaking.
- (g) All registrations, licenses, trademarks, patents, copyrights, domain names, applications for copyrights, patents, trade-names and trademarks, etc. pertaining to the Demerged Company in relation to the Demerged Undertaking, shall stand vested in the Resulting Company without any further act, instrument or deed, upon the sanction of the Scheme and upon the Scheme becoming effective.
- (h) Upon the coming into effect of the Scheme, all the employees of the Demerged Company engaged in or in relation to the Demerged Undertaking immediately prior to the Effective Date, shall become the employees of the Resulting Company without any break or interruption of service and with the benefit of continuity of service on terms and conditions which are not less favourable than the terms and conditions as were applicable to them immediately prior to the Effective Date. The Resulting Company agrees that the service of all employees engaged in or in relation to the Demerged Undertaking immediately prior to the Effective Date shall be taken into account for the purpose of all retirement benefits to which they may be eligible in the Demerged Company immediately prior to coming into effect of the Scheme. The Resulting Company further agrees that for the purpose of payment of any retrenchment compensation, gratuity or other terminal benefits, such past service with the Demerged Company, shall also be taken into account and agrees and undertakes to pay the same as and when payable. Upon the coming into effect of the Scheme, the Resulting Company shall make all the necessary contributions for such transferred employees engaged in or in relation to the Demerged Undertaking and deposit the same in provident fund, gratuity fund or superannuation fund or any other special fund or staff welfare scheme or any other special scheme. The Resulting Company will also file relevant intimations to the statutory authorities concerned who shall take the same on record and substitute the name of the Resulting Company for the Demerged Company. Subject to the Applicable Law, the existing provident fund, gratuity fund and pension and/or superannuation fund/trusts, retirement funds or employees state insurance schemes or pension scheme or employee deposit linked insurance scheme or any other benefits, if any, created by the Demerged Company for employees engaged in or in relation to the Demerged Undertaking, shall be continued on the same terms and conditions and will be transferred to the necessary funds, schemes or trusts of the Resulting Company without any separate act, deed or approval and till the time such necessary funds, schemes or trusts are created by the Resulting Company, all contribution shall continue to be made to the existing funds, schemes or trusts of the Demerged Company.
- (i) All legal proceedings pertaining to the Demerged Undertaking of whatsoever nature by or against the Demerged Company pending and/or arising before the Effective Date, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in the Scheme but shall be continued and enforced by or against the Resulting Company, as the case may be, in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company. It is hereby expressly clarified that



any legal proceedings by or against the Demerged Company in relation to cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Demerged Company and pertaining to the Demerged Undertaking shall be instituted, or as the case may be, continued, by or against, the Resulting Company after the coming into effect of the Scheme. All legal or other proceedings pertaining to the Demerged Undertaking shall stand transferred to the name of the Resulting Company and the same shall be continued, prosecuted, defended and enforced as the case may be by or against the Resulting Company, to the exclusion of the Demerged Company.

- (j) Upon the coming into effect of the Scheme, and in consideration of the transfer and vesting of the Demerged Undertaking of the Demerged Company in the Resulting Company, the Resulting Company shall, without any further application, act, instrument or deed, issue and allot to all the equity shareholders of the Demerged Company, whose names appear in the register of members as on the Record Date, 114 equity shares of the Resulting Company of Re. 1/- each fully paid-up for every 100 equity shares held in the Demerged Company of ₹ 10/- each fully paid-up. No shares shall be issued by the Resulting Company to the extent of shares, if any, held by it or its subsidiaries in the Demerged Company.
- (k) The shares issued pursuant to the provisions of the Scheme (“**New Shares**”), shall be issued to the shareholders of the Demerged Company in demat form, that is, dematerialized shares unless otherwise notified in writing by a shareholder of the Demerged Company to the Resulting Company on or before such date as may be determined by the Board of Resulting Company. In the event that such notice has not been received by the Resulting Company in respect of any of the shareholders of the Demerged Company, the equity shares, shall be issued to such shareholders in dematerialized form provided that the shareholders of the Demerged Company shall be required to have an account with a depository participant and shall be required to provide details thereof and such other confirmations as may be required. In the event that the Resulting Company has received notice from any shareholder that the equity shares are to be issued in physical form or if any shareholder has not provided the requisite details relating to his/ her/ its account with a depository participant or other confirmations as may be required or if the details furnished by any shareholder do not permit electronic credit of the shares of the Resulting Company, then the Resulting Company shall issue the equity shares in physical form to such shareholder or shareholders.
- (l) The New Shares to be issued by the Resulting Company in respect of the shares of the Demerged Company the allotment or transfer of which is held in abeyance under Applicable Law, shall, pending allotment or settlement of dispute by order of the appropriate court or otherwise, also be kept in abeyance in like manner by the Resulting Company.
- (m) In case any shareholder’s holding in the Demerged Company is such that such shareholder becomes entitled to a fraction of a New Share, the Resulting Company shall not issue fractional shares to such shareholders but shall consolidate such fractions and round up the aggregate of such fractions to the next whole number and issue and allot the consolidated shares directly to an authorised representative or an individual trustee or a board of trustees or a corporate trustee or a SEBI registered merchant banker, nominated by the Board of the Resulting Company in that behalf, who/which shall sell such shares in the market at such price or prices and on such time or times as he/she/it in its sole discretion decide and on such sale, shall, subject to withholding tax, distribute the net sale proceeds (after deduction of applicable taxes and other expenses incurred) to the concerned shareholders of the Demerged Company in proportion to their respective fractional entitlements.
- (n) The New Shares issued in terms of the Scheme shall be subject to the provisions of the memorandum and articles of association of the Resulting Company and shall rank pari passu in all respects with the then existing equity shares of the Resulting Company.
- (o) In the event that either of the Demerged Company and/or the Resulting Company restructure their equity share capital by way of share split/consolidation/issue of bonus shares and other corporate actions as may be undertaken in accordance with Applicable Law during the pendency of the Scheme, the issue of shares pursuant to the provisions of the Scheme, shall be adjusted accordingly to take into account the effect of any such corporate actions.
- (p) The New Shares allotted and issued in terms of the Scheme, shall be listed and/or admitted to trading on the Stock Exchanges after obtaining the requisite approvals. The Resulting Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with Applicable Laws for complying with the formalities of the Stock Exchanges.
- (q) It is clarified that upon the approval of the Scheme by the shareholders of the Demerged Company and the Resulting Company under Sections 230 and 232 of the Act, the shareholders shall be deemed to have approved the Scheme under Sections 13, 14, 62 and any other applicable provisions under the Act and that no separate approval from the shareholders to that extent shall be required to be sought for the matters specified in the Scheme.

- (r) With effect from the Appointed Date, the main object clause of the memorandum of association of the Resulting Company shall be deemed to be altered and amended, without any further act or deed, to include the objects as required for carrying on the business activities of the Demerged Company pursuant to the applicable provisions of the Act. Accordingly, the memorandum of association of the Resulting Company shall be altered and amended.
- (s) It is clarified that the approval of the members of the Resulting Company to the Scheme shall be deemed to be their consent/ approval also to the consequential alteration of the memorandum of association of the Resulting Company and the Resulting Company in terms of the Scheme, as mentioned above, shall not be required to seek separate consent/ approval of its shareholders for such alteration of the memorandum of association as required under Sections 13, 14, 61, 62 and 64 of the Act and other applicable provisions of the Act.
- (t) Upon the Scheme becoming effective, the authorised share capital of the Resulting Company will automatically stand increased to ₹ 125,00,00,000 (Rupees One Hundred and Twenty-Five crores) by simply filing the requisite forms with the Governmental Authority and no separate procedure or instrument or deed shall be required to be executed and/or process shall be required to be followed under the Act.
- (u) Consequently, the memorandum of association of the Resulting Company shall without any act, instrument or deed be and stand altered, modified and amended pursuant to Sections 13 and 61 of the Act and other applicable provisions of the Act, as the case may be, and be replaced by the following clause:
- “V. The Authorised Share Capital of the Company is ₹ 125,00,00,000 (Rupees One Hundred and Twenty-Five Crores) divided into 125,00,00,000 (Rupees One Hundred and Twenty-Five Crores) Equity Shares of Re. 1 (Rupee One) each with power to increase and reduce the capital of the Company or to divide the shares in the capital for the time being into several classes and to attach thereto respectively any preferential, deferred, qualified or special rights, privileges or condition as may be determined by or in accordance with the Articles of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of the Company and the legislative provisions for the time being in force.”*
- (v) Further, the articles of association of the Resulting Company shall also without any act, instrument or deed be and stand altered, modified and amended pursuant to Sections 14 and 61 of the Act and other applicable provisions of the Act, as the case may be, and the existing Clause 3A of the articles of association of the Resulting Company be replaced by the following clause:
- “3A The Authorised Share Capital of the Company shall be such as may be authorized by Clause V of the Memorandum of Association of the Company from time to time.”*
- (w) It is clarified that the approval of the members of the Resulting Company to the Scheme shall be deemed to be their consent/approval also to the consequential alteration of the memorandum of association and articles of association of the Resulting Company and the Resulting Company shall not be required to seek separate consent/approval of its shareholders for such alteration of the memorandum of association and articles of association, as required under Sections 13, 14, 61, 62 and 64 of the Act and other applicable provisions of the Act.
- (x) Upon the Scheme becoming effective, the name of the Resulting Company shall stand changed to ‘Tata Consumer Products Limited’ or such other name which is available and approved by the Registrar of Companies, by simply filing the requisite forms with the relevant Governmental Authority and no separate act, procedure, instrument, or deed and registration fees shall be required to be followed under the Act.
- (y) Consequently, Clause I of the memorandum of association of the Resulting Company shall without any act, procedure, instrument or deed be and stand altered, modified and amended pursuant to Sections 13, 232 and other applicable provisions of the Act, and be replaced by the following clause:
- “The name of the Company is Tata Consumer Products Limited.”*
- (z) It is clarified that in the event any name other than ‘Tata Consumer Products Limited’ is made available by the Registrar of Companies and is acceptable to the Board of the Resulting Company, the name of the Resulting Company shall be changed to such other name and the relevant clause in the Scheme shall be read and applied accordingly. It is hereby further clarified that, for the purposes of acts and events as mentioned in the Scheme, the consent of the shareholders of the Resulting Company to the Scheme shall be deemed to be sufficient for the purposes of effecting the aforementioned amendment and that no further resolution under Sections 13 and 14 or any other applicable provisions of the Act, would be required to be separately passed, nor any additional fees (including fees and charges to the relevant Registrar of Companies) or stamp duty, shall be payable by the Resulting Company.

- (aa) The Scheme has been drawn up to comply with the conditions relating to “Demerger” as specified under Section 2(19AA) of the IT Act. If any of the terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section at a later date including resulting from an amendment of Applicable Law or for any other reason whatsoever, the provisions of the said section shall prevail and the Scheme shall stand modified to the extent necessary to comply with the Section 2(19AA) of the IT Act. Such modification will however not affect other parts of the Scheme.
- (bb) The Remaining Business and all the assets, liabilities and obligations relating or pertaining thereto shall continue to belong solely to and continue to be vested solely in and be managed by the Demerged Company. All legal, tax and other proceedings by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, whether or not in respect of any matter arising before the Effective Date, which does not specifically pertain or relate to the Demerged Undertaking (including those relating to any right, power, liability, obligation or duty, of the Demerged Company in respect of the Remaining Business) shall be continued and enforced solely by or against the Demerged Company only, without any liability arising on the Resulting Company or its shareholders. The Demerged Company shall carry on all business and activities pertaining or relating to the Remaining Business in its own name and on its own account and its own behalf in all respects.
- (cc) Notwithstanding anything to the contrary herein, upon the Scheme becoming effective, the Demerged Company and the Resulting Company shall give effect to the accounting treatment in its books of account in accordance with the accounting standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015.
- (dd) Accounting treatment in the books of the Demerged Company:

Pursuant to the Scheme coming into effect, with effect from the Appointed Date, the Demerged Company shall account for the demerger of the Demerged Undertaking in its books of account in the following manner:

- a. The Demerged Company shall transfer all the assets and liabilities pertaining to the Demerged Undertaking as on the Appointed date at the values appearing in its books of account (i.e. the book value) at the Appointed Date to the Resulting Company. Accordingly, the Demerged Company shall reduce from its books of account, the book values appearing on such date in accordance with the provisions of Section 2(19AA) of the IT Act.
- b. Having recorded the transfer of the assets and liabilities, as aforesaid, the Demerged Company shall make necessary adjustments for the sake of compliance with Indian Accounting Standards (“**Ind AS**”) notified under Section 133 of the Companies Act, 2013, specifically Ind AS 10 Appendix A ‘Distribution of Non cash assets to Owners’, and shall debit the fair value of the Demerged Undertaking to the Retained Earnings/General Reserve and create a corresponding liability.
- c. The book value of net assets derecognised at (a) above will be adjusted against the liability recognised at (b) above. The difference, if any, shall be recognised in the Statement of Profit and Loss in accordance with Ind AS 10 Appendix A.

- (ee) Accounting treatment in the books of the Resulting Company:

Pursuant to the Scheme coming into effect, with effect from the Appointed Date, the Resulting Company shall account for the demerger, in its books of accounts such that:

- a. The Resulting Company shall record the assets and liabilities of the Demerged Undertaking, transferred to and vested in it pursuant to the Scheme, at their respective book values as appearing in the books of account of the Demerged Company immediately before the Appointed Date in accordance with the provisions of Section 2(19AA) of the IT Act;
- b. The Resulting Company shall credit its equity share capital account with the face value of New Shares issued in accordance the provision of the Scheme;
- c. The difference between the value of new equity shares issued under the provision of the Scheme and the face value of New Shares Issued by the Resulting Company will be credited to securities premium account of the Resulting Company;
- d. The difference between the value of new equity shares issued under the provision of the Scheme and the aggregate values of Net Assets [refer sub-clause (a) above] shall be debited to goodwill or as the case may be credited to capital reserve; and

- e. Having recorded the transfer of the assets and the liabilities as aforesaid and after receiving the relevant information on the fair values of assets acquired and liabilities assumed, the Resulting Company shall, to comply with the provisions of Indian Accounting Standards and more specifically Ind AS 103, 'Business Combinations', notified under Section 133 of the Act, read with the rules made there under and other Generally Accepted Accounting Principles, make necessary accounting adjustments, such that all identifiable assets acquired and liabilities assumed (including assets and liabilities not specifically recognized by the Demerged Company in its financial statements) ("**Identifiable Net Assets**") are reflected at their Appointed Date fair values within the measurement period specified in the said Ind AS 103 and corresponding adjustment shall be made to goodwill and/or capital reserve as computed in sub-clause (d) above. Further, acquisition related costs will also be accounted in accordance with the requirements of the said Ind AS.
- (ff) With effect from the Appointed Date and up to and including the Effective Date:
- i. the Demerged Company (with respect to the Demerged Undertaking) shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of the assets for and on account of, and in trust for the Resulting Company;
  - ii. all profits or income arising or accruing to the Demerged Company with respect to the Demerged Undertaking and all taxes paid thereon (including but not limited to tax deducted at source, taxes withheld/ paid in a foreign country, etc.) or losses arising or incurred by the Demerged Company with respect to the Demerged Undertaking shall, for all purposes, be treated as and deemed to be the profits or income, taxes or losses, as the case may be, of the Resulting Company;
  - iii. all loans raised and all liabilities and obligations incurred by the Demerged Company with respect to the Demerged Undertaking after the Appointed Date and prior to the Effective Date, shall, subject to the terms of the Scheme, be deemed to have been raised, used or incurred for and on behalf of the Resulting Company and to the extent they are outstanding on the Effective Date, shall also, without any further act or deed be and be deemed to become the debts, liabilities, duties and obligations of the Resulting Company;
- (gg) Except as provided under the Scheme, from the date of the Scheme being approved by the Board of Directors of the Demerged Company and the Resulting Company and up to the Effective Date, the Demerged Company shall carry on the business of the Demerged Undertaking with diligence and prudence in the ordinary course, consistent with past practice in good faith and in accordance with Applicable Law.
- (hh) The Resulting Company shall be entitled, pending the sanction of the Scheme, to apply to the Governmental Authorities concerned as are necessary under any Applicable Law for such consents, approvals and sanctions which the Resulting Company may require to carry on the business undertaken by the Demerged Company with respect to the Demerged Undertaking and to give effect to the Scheme.
- (ii) The Demerged Company and the Resulting Company shall enter into shared services agreements and long term supply agreement, as may be necessary, on such terms and conditions that may be agreed between the Demerged Company and the Resulting Company and on payment of consideration on an arm's length basis and which is in the ordinary course of business.
- (jj) It is clarified that in respect of the arrangements contemplated above, approval of the Scheme by the shareholders of the Demerged Company and the Resulting Company under Sections 230 to 232 of the Act shall be deemed to have their approval under applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, if and to the extent required and that no separate approval of the of the Board or Audit Committee or shareholders shall be required to be sought by either of the Demerged Company and/or the Resulting Company.
- (kk) Notwithstanding anything contained in the Scheme, until any property, asset, license, approval, permission, contract, agreement and rights and benefits arising therefrom are transferred, vested, recorded, effected and/or perfected, in the records of the Governmental Authority(ies), regulatory bodies or otherwise, in favour of the Resulting Company, the Resulting Company is deemed to be authorized to enjoy the property, asset or the rights and benefits arising from the license, approval, permission, contract or agreement as if it were the owner of the property or asset or as if it were the original party to the license, approval, permission, contract or agreement. It is clarified that till entry is made in the records of the Governmental Authority(ies) and till such time as may be mutually agreed by the Demerged Company and the Resulting Company, the Demerged Company will continue to hold the property and/or the asset, license, permission, approval as the case may be in trust on behalf of the Resulting Company.

- (ll) The Demerged Company and the Resulting Company, 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):
- (a) may, collectively, make and/or consent to any modifications/amendments to the Scheme or to any conditions or limitations that the NCLT or any other Governmental Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them.
- (b) shall be authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions, whether by reason of any directive or orders of any other authorities or otherwise, arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.
- (mm) In case, post approval of the Scheme by the NCLT, there is any confusion in interpreting any clause of the Scheme, or otherwise, the Board of Directors of the Demerged Company and the Resulting Company shall have complete power to take the most sensible interpretation so as to render the Scheme operational.

**Note: The above details are the salient features of the Scheme. The shareholders are requested to read the entire text of the Scheme annexed hereto to get fully acquainted with the provisions thereof.**

## 6. Relationship subsisting between the Demerged Company and the Resulting Company

Apart from having common promoter i.e. Tata Sons Private Limited, there is no other relationship between the Resulting and the Demerged Company. The Resulting Company and the Demerged Company do not have any common director. The Resulting Company and the Demerged Company are not holding, subsidiary and/or associate companies in terms of the Act.

## 7. Approvals of the Board of Directors

- i. The Board of Directors of the Demerged Company at its meeting held on May 15, 2019 by a resolution passed unanimously approved the Scheme, as detailed below:

Name of Director	Voted in favour / against / did not participate or vote
Mr. Bhaskar Bhat	Voted in favour
Mr. Nasser Munjee*	Leave of absence granted
Dr. Y. S. P. Thorat*	Voted in favour
Ms. Vibha Paul Rishi	Voted in favour
Mr. S. Padmanabhan	Voted in favour
Ms. Padmini Khare Kaicker	Voted in favour
Mr. R. Mukundan	Voted in favour
Mr. Zarir Langrana	Voted in favour

\*Ceased to be Directors with effect from August 20, 2019 due to completion of term as Independent Director.

Dr. C. V. Natraj was appointed as an Independent Director w.e.f. August 8, 2019.

- ii. The Board of Directors of the Resulting Company at its meeting held on May 15, 2019 by a resolution passed unanimously approved the Scheme, as detailed below:

Name of Director	Voted in favour / against / did not participate or vote
Mr. N. Chandrasekaran	Voted in favour
Mr. Harish Bhat	Voted in favour
Mrs. Mallika Srinivasan*	Leave of absence granted
Mr. Vittaldas Leeladhar*	Voted in favour
Ms. Ranjana Kumar*	Voted in favour
Mr. Sankaran Santhanakrishnan	Voted in favour
Mr. Siraj Azmat Chaudhry	Voted in favour
Mr. Bharat Puri	Voted in favour
Mrs. Shikha Sharma	Leave of absence granted
Mr. Ajoy Misra	Voted in favour
Mr. Lakshmanan KrishnaKumar	Voted in favour

\*Ceased to be Directors with effect from August 25, 2019 due to completion of term as Independent Director.

## 8. Effect of the Scheme on Directors, Key Managerial Personnel and their relatives

The Directors of TCL and TGBL holding shares in TCL and TGBL do not have any other interest in the Scheme otherwise than that as shareholders in general. Further, none of the Directors or Key Managerial Personnel (“KMP”) of TCL and TGBL and their respective relatives is concerned or interested, financially or otherwise, in the proposed Scheme. Save as aforesaid, none of the Directors and KMPs of TCL and TGBL have any material interest in the proposed Scheme.

Details of shares held by the present Directors and KMPs of the Demerged Company and the Resulting Company, either individually or jointly, as a first holder or second holder or as a nominee, in the respective companies are under:

### Demerged Company

Sr No	Name of the Director/ KMPs	Designation	Number of equity shares held as on June 30, 2019	
			TCL	TGBL
1.	Mr. Bhaskar Bhat	Non-Executive, Non-Independent Director	Nil	Nil
2.	Ms. Vibha Paul Rishi	Non-Executive, Independent Director	Nil	Nil
3.	Mr. S. Padmanabhan	Non-Executive, Non-Independent Director	Nil	Nil
4.	Ms. Padmini Khare Kaicker	Non-Executive, Independent Director	Nil	Nil
5.	Dr. C. V. Natraj	Non-Executive, Independent Director	Nil	Nil
6.	Mr. R. Mukundan	Managing Director & CEO	500	Nil
7.	Mr. Zarir Langrana	Executive Director	3,666	2,260
8.	Mr. John Mulhall	Chief Financial Officer	Nil	Nil
9.	Mr. Rajiv Chandan	General Counsel & Company Secretary	Nil	1,600

Further, Mr. Nasser Munjee and Dr. Y. S. P. Thorat, Independent Directors of the Demerged Company who ceased as Directors on August 20, 2019, did not hold any shares in the Demerged and/or the Resulting Company as on May 15, 2019 i.e. the date of approval of the Scheme by the Board of Directors of the Demerged Company.

### Resulting Company

Sr No	Name of the Director/ KMPs	Designation	Number of equity shares held as on June 30, 2019	
			TCL	TGBL
1.	Mr. N. Chandrasekaran	Chairman, Non-Executive Director	Nil	Nil
2.	Mr. Harish Bhat	Non-Executive Director	363	Nil
3.	Mr. Sankaran Santhanakrishnan	Independent Director	Nil	Nil
4.	Mr. Siraj Azmat Chaudhry	Independent Director	Nil	Nil
5.	Mr. Bharat Puri	Independent Director	Nil	Nil
6.	Mrs. Shikha Sharma	Independent Director	Nil	50,000
7.	Mr. Ajoy Misra	Managing Director	Nil	Nil
8.	Mr. Lakshmanan KrishnaKumar	Executive Director	200	Nil
9.	Mr. John Jacob	Chief Financial Officer	Nil	Nil
10.	Mr. Neelabja Chakrabarty	Company Secretary	Nil	Nil

Further, Mrs. Mallika Srinivasan, Mr. Vittaldas Leeladhar and Ms. Ranjana Kumar, Independent Directors of the Resulting Company who ceased as Directors on August 25, 2019, did not hold any shares in the Demerged and/or the Resulting Company as on May 15, 2019 i.e. the date of approval of the Scheme by the Board of Directors of the Resulting Company.

## 9. Effect of Scheme on stakeholders

The effect of the Scheme on various stakeholders is summarized below:-

### A. Shareholders, Key Managerial Personnel, Promoter and Non-Promoter Shareholders

The effect of the Scheme on the Shareholders, Key Managerial Personnel, Promoter and Non-Promoter Shareholders of the Demerged Company and the Resulting Company is given in the attached reports (**Annexure “ES-3”**) adopted by the respective Board of Directors of the said companies at their respective meetings held on May 15, 2019 pursuant to the provisions of Section 232(2)(c) of the Act. Save and except to the extent that the shareholding of the Directors and KMPs of the said companies will change upon issue and exchange of shares in terms of the Scheme, the Scheme will have no effect on the material interest of the Directors and KMPs of the said companies.

## B. Directors

The Scheme will have no effect on the office of existing Directors of the Demerged Company and the Resulting Company. The Directors of the Demerged Company and the Resulting Company will continue to be Directors of such companies as before. It is clarified that following the Scheme, the composition of the Board of Directors of such companies may change by appointments, retirements or resignations in accordance with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Memorandum and Articles of Association of such companies but the Scheme itself does not affect the office of Directors of such companies.

## C. Employees

- i. Upon the Scheme becoming effective, Employees engaged in the Demerged Undertaking of the Demerged Company will cease to be employees of the Demerged Company and become employees of the Resulting Company on the same terms and conditions, as before. Other employees of the Demerged Company will continue to be employees of the Demerged Company, on the same terms and conditions, as before.
- ii. The Scheme will have no effect on the existing employees of the Resulting Company.

## D. Creditors

- i. Creditors relating to the Demerged Undertaking of the Demerged Company will cease to be creditors of Demerged Company and become creditors of the Resulting Company on the same terms and conditions, as before. Other creditors of Demerged Company and the Resulting Company will continue to be creditors of the Demerged Company and the Resulting Company respectively, on the same terms and conditions, as before.
- ii. The effect of the Scheme on creditors generally is further discussed in paragraph 11(ii) below.

## E. Debenture holders and Debenture Trustees

As on the date of the Notice, there are no Debenture holders or Debenture Trustees in case of the Demerged Company and the Resulting Company.

## F. Depositors and Deposit Trustees

The Demerged Company or the Resulting Company have not taken term deposits from depositors. No deposit trustees have been appointed.

There will be no adverse effect on account of the Scheme on the aforesaid stakeholders. The Scheme is proposed to the advantage of all concerned, including the said stakeholders.

## 10. No investigation proceedings

There are no proceedings pending under Sections 210 to 227 of the Act against the Demerged Company and/or the Resulting Company.

## 11. Amounts due to unsecured creditors

- i. The respective amounts due to unsecured creditors as on June 30, 2019 are as follows:-

Sr. No.	Name of Company	Amount (₹ in crores)
1.	Tata Chemicals Limited	1,239.13
2.	Tata Global Beverages Limited	214.82

- ii. The Scheme embodies the arrangement between the Demerged Company and the Resulting Company and their respective shareholders and creditors. No change in value or terms or any compromise or arrangement is proposed under the Scheme with any of the creditors of the Demerged Company and the Resulting Company. The Scheme does not involve any debt restructuring and therefore the requirement to disclose details of debt restructuring is not applicable.

## 12. Summary of Valuation Report and Fairness Opinion

- i. The entitlement ratio in consideration for the demerger has been fixed on a fair and reasonable basis and on the basis of the Joint Valuation Report of SRBC & Co. LLP, Chartered Accountants (“SRBC”) and Bansil Mehta & Co., Chartered Accountants (“BSMC”) and Valuation Report of Mr. Vikrant Jain, Chartered Accountant and Registered Valuer as per the Act.

ii. The valuation methods used by the valuers and the share values determined by them are summarised in the tables below:-

A. The computation of share entitlement ratio for demerger of Consumer Products Business into TGBL by SRBC is tabulated below:

Valuation Approach	Consumer Products Business (A)		TGBL (B)	
	Value per Share of TCL for Consumer Products Business (₹)	Weight	Value per Share of TGBL (₹)	Weight
<b>Market Approach</b>				
-Market Price Method	NA	-	208.2	33.33%
-Comparable Companies' Multiples Method	267.8	50%	232.1	33.33%
<b>Income Approach – Discounted Cashflows Method</b>	226.7	50%	211.4	33.33%
Asset Approach	3.1	-	116.2	-
Relative Value per Share	247.3		217.2	
<b>Share Entitlement Ratio (A/B) (Rounded)</b>			<b>1.14</b>	

B. The computation of share entitlement ratio for demerger of Consumer Products Business into TGBL by BSMC is tabulated below:

Valuation Approach	Consumer Products Business (A)		TGBL (B)	
	Value per Share of TCL for Consumer Products Business (₹)	Weight	Value per Share of TGBL (₹)	Weight
Market Price Method	NA	NA	204	50%
Earnings based Method	240	100%	217	50%
Cost based approach	NA	NA	NA	NA
Relative Value per Share	240		210	
<b>Share Entitlement Ratio (A/B) (Rounded)</b>			<b>1.14</b>	

iii. Based, *inter alia*, on the aforesaid, the valuers have recommended the share entitlement ratio as follows:-

*"114 (One Hundred and Fourteen) equity shares of TGBL of INR 1/- each fully paid up for every 100 (Hundred) equity shares of TCL of INR 10/- each fully paid up."*

iv. Further details of the valuation will appear from the Joint Valuation Report of SRBC and BSMC and Valuation Report of Mr. Vikrant Jain, Chartered Accountant and Registered Valuer on the fair equity share entitlement ratio, copies whereof are attached to this Explanatory Statement as **Annexure "ES-4"** and **Annexure "ES-5"** respectively.

v. J. P. Morgan India Private Limited, independent SEBI registered Merchant Bankers, have also confirmed that the entitlement ratio is fair and proper by their fairness opinion which is annexed to this Explanatory Statement as **Annexure "ES-6"**. The said merchant banker concluded as follows:

*"On the basis of and subject to the foregoing, it is our opinion as of the date hereof that the Share Entitlement Ratio proposed by the Board of the Company based on the recommendations set out in the Share Entitlement Ratio Report is fair, for a financial point of view, to the equity shareholders of the Company."*

vi. The proposal for the Scheme was placed before the Audit Committee of the Company at its meeting held on May 15, 2019. The Audit Committee of the Company took into account the recommendations on the fair valuation mentioned in the Joint Valuation Report provided by SRBC and BSMC and Valuation Report of Mr. Vikrant Jain, Chartered Accountant and the Fairness Opinion provided by J. P. Morgan. The Audit Committee has recommended the proposed Scheme, including the share entitlement ratio to the Board of Directors of the Company.



The Board of Directors of the Company have taken into account the independent recommendations of the Audit Committee, the recommendations of the share entitlement ratio provided in the Valuation Report dated May 15, 2019 provided by the Valuers and the Fairness Opinion dated May 15, 2019 provided by J. P. Morgan.

Based on the aforesaid advice/opinions, the Board of Directors of the Company have come to conclusion that the share entitlement ratio provided in the Valuation Report is fair and reasonable and has approved the same at its meeting held on May 15, 2019.

Upon the coming into effect of this Scheme, and in consideration of the transfer and vesting of the Demerged Undertaking of the Demerged Company in the Resulting Company, the Resulting Company shall, without any further application, act, instrument or deed, issue and allot to all the equity shareholders of the Demerged Company, whose names appear in the register of members /list of Beneficial Owners as furnished by the RTA and Depositories as on the Record Date, 114 equity shares of the Resulting Company of ₹ 1/- each fully paid-up for every 100 equity shares held in the Demerged Company of ₹ 10/- each fully paid-up. No shares shall be issued by the Resulting Company to the extent of shares, if any, held by it or its subsidiaries in the Demerged Company.

### 13. Pre/post arrangement shareholding pattern of the Demerged Company and the Resulting Company as on June 30, 2019

A. As there is no issue of shares of TCL pursuant to the Scheme, there will be no change in the Pre and Post arrangement shareholding pattern of the Demerged Company consequent to the Scheme. The pre-arrangement shareholding pattern of the Demerged Company and the pre/post-arrangement shareholding pattern of the Resulting Company is given in the table below:

Sr. No.	Description	Demerged Company		Resulting Company			
		Pre-arrangement		Pre-arrangement		Post-arrangement*	
		No. of Shares	%	No. of Shares	%	No. of Shares	%
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>						
<b>(1)</b>	<b>Indian</b>						
(a)	Individuals / Hindu Undivided Family	0	0.00	0	0.00	0	0.00
(b)	Central Government /State Government(s)	0	0.00	0	0.00	0	0.00
(c)	Financial Institutions / Banks	0	0.00	0	0.00	0	0.00
(d)	Any Other						
	- Bodies Corporate	7,80,27,943	30.63	21,74,45,190	34.45	30,54,10,518	33.18
	<b>Sub-Total (A) (1)</b>	<b>7,80,27,943</b>	<b>30.63</b>	<b>21,74,45,190</b>	<b>34.45</b>	<b>30,54,10,518</b>	<b>33.18</b>
<b>(2)</b>	<b>Foreign</b>						
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0.00	0	0.00	0	0.00
(b)	Bodies Corporate	0	0.00	0	0.00	0	0.00
(c)	Institutions	0	0.00	0	0.00	0	0.00
(d)	Any Other	0	0.00	0	0.00	0	0.00
	<b>Sub-Total (A) (2)</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)</b>	<b>7,80,27,943</b>	<b>30.63</b>	<b>21,74,45,190</b>	<b>34.45</b>	<b>30,54,10,518</b>	<b>33.18</b>
<b>(B)</b>	<b>Public Shareholding</b>						
<b>(1)</b>	<b>Institutions</b>						
(a)	Mutual Funds/UTI	5,83,53,222	22.91	6,70,98,745	10.63	13,36,21,378	14.52
(b)	Financial Institutions /Banks	7,75,078	0.30	1,44,95,314	2.30	4,61,36,022	5.01
(c)	Venture Capital Funds	0	0.00	0	0.00	0	0.00
(d)	Insurance Companies	3,66,53,353	14.39	9,47,650	0.15	1,21,50,430	1.32
(e)	Foreign Institutional Investors / Foreign Portfolio Investors (Corporate)	2,73,60,874	10.74	16,79,21,734	26.61	19,91,13,064	21.63
(f)	Foreign Venture Capital Investors	0	0.00	0	0.00	0	0.00
(g)	Alternative Investment Fund	1,02,000	0.04	2,86,610	0.05	4,02,890	0.04
(h)	Any Other	0	0.00	0	0.00	0	0.00
	<b>Sub-Total (B)(1)</b>	<b>12,32,44,527</b>	<b>48.38</b>	<b>25,07,50,053</b>	<b>39.73</b>	<b>39,14,23,784</b>	<b>42.52</b>

Sr. No.	Description	Demerged Company		Resulting Company			
		Pre-arrangement		Pre-arrangement		Post-arrangement*	
		No. of Shares	%	No. of Shares	%	No. of Shares	%
(2)	Central Government /State Government(s)	71,948	0.03	5,850	0.00	87,870	0.01
	<b>Sub-Total (B)(2)</b>	<b>71,948</b>	<b>0.03</b>	<b>5,850</b>	<b>0.00</b>	<b>87,870</b>	<b>0.01</b>
(3)	<b>Non-Institutions</b>						
(a)	<b>Individuals -</b>						
i	Individual shareholders holding nominal share capital upto ₹ 2 lakhs	4,07,51,735	16.00	12,07,66,898	19.14	16,94,18,569	18.40
ii	Individual shareholders holding nominal share capital in excess of ₹ 2 lakhs	30,99,714	1.22	62,36,568	0.99	75,00,125	0.81
(b)	NBFCs registered with RBI	12,080	0.00	1,45,056	0.02	1,58,825	0.02
(c)	Overseas Depositories (holding DRs) (balancing figure)	0	0.00	0	0.00	0	0.00
(d)	Any Other						
	- Bodies Corporate	27,56,716	1.08	72,13,795	1.14	1,01,80,158	1.11
	- Clearing Members	9,96,827	0.39	52,20,994	0.83	63,58,077	0.69
	- Directors and their Relatives	4,166	0.00	50,000	0.01	50,641	0.01
	- Foreign Nationals	906	0.00	0	0.00	1,032	0.00
	- Foreign Portfolio Investors (Individual)	77	0.00	2,400	0.00	2,487	0.00
	- HUF	12,82,884	0.50	36,33,590	0.58	50,95,440	0.55
	- IEPF	10,99,044	0.43	18,47,433	0.29	31,00,343	0.34
	- LLP	1,48,863	0.06	3,06,875	0.05	4,76,574	0.05
	- Non-Resident Indian	18,96,360	0.74	65,72,259	1.04	87,59,439	0.95
	- OCBs/Foreign Companies	0	0.00	51,075	0.01	51,075	0.01
	- Trusts	13,62,488	0.53	1,08,58,800	1.72	1,24,67,512	1.35
	<b>Sub-total (B)(3)</b>	<b>5,34,11,860</b>	<b>20.97</b>	<b>16,29,05,743</b>	<b>25.81</b>	<b>22,36,20,297</b>	<b>24.29</b>
	<b>Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)</b>	<b>17,67,28,335</b>	<b>69.37</b>	<b>41,36,61,646</b>	<b>65.55</b>	<b>61,51,31,951</b>	<b>66.82</b>
	<b>TOTAL (A)+(B)</b>	<b>25,47,56,278</b>	<b>100.00</b>	<b>63,11,06,836</b>	<b>100.00</b>	<b>92,05,42,469</b>	<b>100.00</b>
(C)	Shares held by Custodians and against which DRs have been issued	0	0.00	22,893	0.00	22,893	0.00
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>25,47,56,278</b>	<b>100.00</b>	<b>63,11,29,729</b>	<b>100.00</b>	<b>92,05,65,362</b>	<b>100.00</b>

\* Assuming the continuing shareholding pattern as on June 30, 2019

## B. Pre/post Arrangement capital structure of the Demerged Company and the Resulting Company

The pre-arrangement capital structure of the Demerged Company and the Resulting Company is given in paragraphs 4.A(iv) and 4.B(iv) above.

There will be no change in the capital structure of the Demerged Company pursuant to the Scheme. The post arrangement capital structure of the Resulting Company will be as follows:

Particulars	Amount (₹)
<b>Authorised:</b>	
125,00,00,000 Equity Shares of Re. 1 each	125,00,00,000
<b>Issued, Subscribed and Paid-up:</b>	
<b>Issued Capital</b>	
92,05,65,362 Equity Shares of Re. 1 each	92,05,65,362
<b>Subscribed and Paid-up (A)</b>	
92,05,65,362 Equity Shares of Re. 1 each	92,05,65,362
<b>Forfeited shares (B)</b>	
Amount originally paid up on forfeited shares	NIL
<b>Total (A+B)</b>	<b>92,05,65,362</b>

#### **14. Auditors Certificate of conformity of accounting treatment in the Scheme with Accounting Standards**

The Auditors of the Demerged Company and the Resulting Company have confirmed that the accounting treatment in the said Scheme is in conformity with the accounting standards prescribed under Section 133 of the Act.

#### **15. Approvals to the Scheme**

The Scheme is conditional and subject to necessary sanctions and approvals as set out in the Scheme.

The Scheme along with related documents was hosted on the website of the Demerged Company, BSE and NSE and was open for complaints/comments. The Demerged Company has not received any complaint/comment and accordingly a Nil Complaint report was filed with BSE and NSE on July 2, 2019 and July 19, 2019 respectively. The said Complaint Reports are enclosed herewith as **Annexure “ES-7”**.

The Demerged Company has obtained the approval of the Scheme/no objection to the Scheme in terms of the SEBI Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017 and Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from BSE and the NSE vide their observation letters dated August 26, 2019. The said observation letters are enclosed as **Annexure “ES-8”** to this Statement.

Notice of the Meeting along with a copy of the Scheme, in the prescribed form, will be served to all the authorities in terms of the Order of the Tribunal dated September 11, 2019.

The Demerged Company will file a Petition under Section 232 and other applicable provisions of the Act to the Tribunal for sanctioning of the Scheme.

No specific valuation difficulties were reported. No winding up order has been passed against the Demerged Company.

A copy of the Scheme has been filed by the Demerged Company with the Registrar of Companies, Maharashtra in Form GNL-1.

In the event that this Scheme is terminated or withdrawn in the manner set out herein, this Scheme shall stand revoked, cancelled and be of no effect and null and void and in such event each party hereto shall bear and pay respective costs, charges and expenses for and or in connection with the Scheme.

16. As far as the Equity Shareholders are concerned (promoter shareholders as well as non-promoter shareholders), there will be no dilution in their shareholding in the Demerged Company. The Scheme is not expected to have any adverse effect on the Key Managerial Personnel, Directors, Creditors and employees of the Demerged Company, wherever relevant. Further, no change in the Board of Directors of the Demerged Company is envisaged on account of the Scheme.

#### **17. Long Term Supply Agreement**

The Demerged Company and the Resulting Company have in pursuance of the Scheme agreed in principle to the manner in which the demerger would be implemented upon the Scheme becoming effective, including arrangement for long term supply of vacuum evaporated edible salt (for human consumption) on arm's length basis from the salt manufacturing facility of the Demerged Company to the Resulting Company, subject to further definitive agreements to be entered into between them. Such Long Term Supply Agreement (“**LTSA**”) for supply of vacuum evaporated edible salt will be structured as a take or pay arrangement for an initial period of 25 years, with an option to extend as mutually agreed and will be effective on and from the Appointed Date and operative on and from the Effective Date. The LTSA will provide a Minimum Offtake volume, which factors the expected salt business volumes. In case of shortfall in offtake, the Resulting Company shall suitably compensate the Demerged Company and in case of shortfall in supply, the Demerged Company shall suitably compensate the Resulting Company.

In addition to the Minimum Offtake volume, the Demerged Company will have the opportunity to supply and/or construct new capacity on an arm's length basis for providing additional volumes to the Resulting Company and as a reciprocal arrangement, the Resulting Company will have the right of first offer to acquire additional capacity created by the Demerged Company. The LTSA will have usual force majeure provisions.

Pricing for salt supply will be based on an arms-length transfer price established by the Demerged Company and currently reported in its audited financial statements. The purchase price is based on a mixture of fixed, variable and pass through costs and benchmarked margins for different activities based on transfer pricing principles. Annual price revisions will be applicable to the LTSA based on the above framework. The LTSA will also contain all such provisions in line with long term commercial contracts of this nature.

## 18. Inspection of Documents

The following documents will be available for inspection or for obtaining extract or copies by the Shareholders at the Registered Office of the Demerged Company at Bombay House, 24, Homi Mody Street, Fort, Mumbai 400 001 on any working day between 10.00 a.m. to 1:00 p.m. (except Saturdays, Sundays and Public Holidays) up to the date of the Meeting and shall also be available for inspection at the venue of the Meeting:

- a. Certified copies of the Order dated September 11, 2019 of the Demerged Company passed by the Tribunal in Company Application No. 3029 of 2019 and the Order dated September 20, 2019 of the Resulting Company passed by the Hon'ble National Company Law Tribunal, Kolkata Bench, in Company Application No. 1147/KB/2019;
- b. Copy of the Scheme entered into between TCL and TGBL and their respective shareholders and creditors;
- c. Implementation Agreement dated May 15, 2019 entered into between the Demerged Company and the Resulting Company setting out the terms and conditions for transfer of Consumer Products Business of the Demerged Company to the Resulting Company;
- d. Joint Valuation Report dated May 15, 2019 of SRBC & Co LLP Chartered Accountants and Bansi Mehta & Co, Chartered Accountants and Valuation Report of Mr. Vikrant Jain, Chartered Accountant and Registered Valuer;
- e. Observation letters received from BSE and NSE dated August 26, 2019;
- f. Fairness Opinion dated May 15, 2019 of J. P. Morgan;
- g. Copy of Company Application No. 3029 of 2019 and Affidavit in Support thereof;
- h. Copies of the Resolutions dated May 15, 2019 passed by the respective Board of Directors of the Demerged Company and the Resulting Company approving the Scheme;
- i. Complaint Reports dated July 2, 2019 and July 19, 2019 submitted by the Demerged Company to BSE and NSE respectively;
- j. Copies of Reports dated May 15, 2019 adopted by the Audit Committee of the Demerged Company and the Resulting Company;
- k. Copies of Reports dated May 15, 2019 adopted by the Board of Directors of the Demerged Company and the Resulting Company pursuant to Section 232(2)(c) of the Act;
- l. Memorandum and Articles of Association of the Demerged Company and the Resulting Company;
- m. Annual Reports containing Audited Standalone and Consolidated Financial Statements of the Demerged Company and the Resulting Company for the financial year ended March 31, 2019;
- n. Signed copies of Audited Standalone Financial Statements of the Demerged Company and Unaudited Standalone Financial Results the Resulting Company for the period ended June 30, 2019;
- o. Certificates issued by the Auditors of the Demerged Company and the Resulting Company to the effect that the accounting treatment, if any, proposed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Act;
- p. Copy of the Scheme filed by the Demerged Company with the Registrar of Companies, Maharashtra, in Form GNL-1 alongwith challan evidencing proof of submission;
- q. Register of Shareholding of Directors and Key Managerial Personnel of the Demerged Company; and
- r. All other documents displayed on the Demerged Company's website at [www.tatachemicals.com](http://www.tatachemicals.com) in terms of the SEBI Circular dated March 10, 2017.

**Bhaskar Bhat**  
DIN: 00148778

Chairperson appointed for the Meeting

Dated this the 20<sup>th</sup> day of September, 2019

**SCHEME OF ARRANGEMENT  
AMONGST  
TATA CHEMICALS LIMITED  
AND  
TATA GLOBAL BEVERAGES LIMITED  
AND  
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS  
(UNDER SECTIONS 230 TO 232 AND OTHER RELEVANT PROVISIONS OF THE COMPANIES ACT, 2013)**

**SCHEME OF ARRANGEMENT**

**I. PREAMBLE**

1. This Scheme of Arrangement (“**Scheme**”, *more particularly defined hereinafter*) is presented pursuant to the provisions of Sections 230 to 232 and other relevant provisions of the Act (*defined hereinafter*), as may be applicable, and also read with Section 2(19AA) and other relevant provisions of the IT Act (*defined hereinafter*), as may be applicable, for the demerger of the Demerged Undertaking (*defined hereinafter*) of Tata Chemicals Limited into Tata Global Beverages Limited on a going concern basis.

**II. BACKGROUND AND DESCRIPTION OF THE COMPANIES**

1. **Tata Chemicals Limited** (hereinafter referred to as the “**Demerged Company**”) is a public limited company incorporated on 23 January 1939 under the Companies Act, 1913 with CIN L24239MH1939PLC002893 and having its registered office at Bombay House, 24 Homi Mody Street, Fort, Mumbai 400001. The equity shares of the Demerged Company are listed on NSE and BSE.
2. **Tata Global Beverages Limited** (hereinafter referred to as the “**Resulting Company**”) is a public limited company incorporated on 18 October 1962 under the Companies Act, 1956 with CIN L15491WB1962PLC031425 and having its registered office at 1, Bishop Lefroy Road, Kolkata 700020. The equity shares of the Resulting Company are listed on NSE, BSE and CSE. The Global Depository Receipts of the Resulting Company are listed on the London Stock Exchange and the Luxembourg Stock Exchange.

**III. RATIONALE AND PURPOSE OF THE SCHEME**

1. The Demerged Company is engaged in diversified businesses dealing in basic chemistry products and specialty products and in the Consumer Products Business (*more particularly defined hereinafter*). The Resulting Company is engaged, *inter alia*, in the business of marketing, distribution and/or sales of tea, coffee and water.
2. The Demerged Company is one of the key participants in the foods category, selling products under iconic brands such as ‘Tata Salt’ and ‘Tata Sampann’ among others. The Resulting Company is one of the key participants in the beverages category, selling products globally under iconic brands such as ‘Tata Tea’ and ‘Tetley’ among others. The Resulting Company is expected to gain from the consumer market growth.
3. With the view to enable the Demerged Company to focus on its basic chemistry and specialty products business and to integrate the consumer products business activities undertaken by both, the Demerged Company and the Resulting Company, under a single entity, it is proposed that the Consumer Products Business of the Demerged Company be demerged and transferred to the Resulting Company under the terms and conditions of this Scheme.
4. The Scheme would *inter alia* have the following benefits:
  - 4.1. enable the Resulting Company to expand its presence in the fast moving consumer goods categories in India and abroad;
  - 4.2. result in revenue and cost synergies including from supply chain opportunities, operational improvements, logistics alignment leading to economies of scale, creation of efficiencies and optimization of capital and operational expenditure, leveraging distribution networks and optimization of overlapping infrastructure;

- 4.3. enhance the financial profile with higher growth, margin expansion and increased cash flows which will provide further headroom for inorganic growth opportunities in India and abroad; and
  - 4.4. the shareholders of the Demerged Company will continue to participate in the growth of a larger consumer focused company i.e. the Resulting Company, while continuing to own shares in the Demerged Company which will remain focused on its basic chemistry and specialty products businesses.
5. The Scheme would be in the best interest of the shareholders of the Demerged Company and the Resulting Company and shall not in any manner be prejudicial to the interests of the concerned shareholders and creditors or general public at large.

#### **IV. PARTS OF THE SCHEME**

1. The Scheme is divided into the following parts:

**PART A** deals with definitions, interpretation, effective date and share capital;

**PART B** deals with the transfer of Demerged Undertaking from the Demerged Company and its vesting in the Resulting Company for consideration and matters incidental thereto; and

**PART C** deals with the general terms and conditions.

2. This Scheme also provides for various other matters consequential, incidental or otherwise integrally connected therewith.

## PART A

### 1. DEFINITIONS

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

- 1.1. “**Act**” means the Companies Act, 2013 and the rules and/or regulations framed under such a statute and includes any alterations, modifications and amendments made to such a statute or any re-enactment of such a statute, and/or other guidelines or notifications under Applicable Laws, made thereunder from time to time.
- 1.2. “**Applicable Law**” means (a) all applicable statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, listing agreements, notifications, guidelines or policies of any applicable country and/or jurisdiction; (b) writ, injunction, directions, directives, judgment, arbitral award, decree, orders or approvals of, or agreements with, any Governmental Authority or recognized stock exchange.
- 1.3. “**Appointed Date**” means 1 April 2019.
- 1.4. “**Board of Directors**” means the Board of Directors of the Demerged Company and/or the Resulting Company, as the context may require, and includes committees of the Board of Directors (if any) constituted for the implementation of this Scheme.
- 1.5. “**BSE**” means BSE Limited.
- 1.6. “**CIN**” means Corporate Identity Number.
- 1.7. “**Consumer Products Business**” means the business of the Demerged Company relating to the sourcing, packaging, marketing, distribution and sales of (i) vacuum evaporated edible common salt for human consumption, (ii) spices, (iii) protein foods and (iv) certain other food and other products.
- 1.8. “**CSE**” means The Calcutta Stock Exchange Limited.
- 1.9. “**Demerged Company**” means Tata Chemicals Limited, a public listed company incorporated under the provisions of the Companies Act, 1913 with CIN L24239MH1939PLC002893 and having its registered office at Bombay House, 24 Homi Mody Street, Fort, Mumbai – 400001, India.
- 1.10. “**Demerged Undertaking**” means the entire Consumer Products Business, as a going concern as of the Appointed Date, including all its assets, investments, rights, approvals, licenses and powers, leasehold rights and all its debts, outstandings, liabilities, duties, obligations and employees in each case pertaining exclusively and solely (other than in relation to items set out in (g) and (i) below and unless otherwise mutually determined by the Board of Directors of the Demerged Company and the Resulting Company) to the Consumer Products Business and including, but not in any way limited to, the following:
  - (a) all immovable properties i.e. land together with the buildings and structures standing thereon (whether freehold, leasehold, leave and licensed, right of way, tenancies or otherwise) including offices, structures, workshop, benefits of any rental agreement for use of premises, marketing offices, share of any joint assets, etc., which immovable properties are currently being used exclusively and solely for the purpose of and in relation to the Consumer Products Business and all documents (including panchnamas, declarations, receipts) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties;
  - (b) all assets, as are movable in nature and exclusively and solely pertaining to and in relation to the Consumer Products Business, whether present or future or contingent, tangible or intangible including goodwill, whether recorded in the books or not, in possession or reversion, including electrical fittings, furniture, fixtures, appliances, accessories, power lines, office equipments, computers, communication facilities, installations, tools, plants, vehicles, inventory and stock in trade and merchandise (including, raw materials, supplies, finished goods, and wrapping, supply, advertisement, promotional and packaging material), wherever lying, actionable claims, current assets, earnest monies and sundry debtors, financial assets, investment (including in subsidiaries, associates, joint venture, whether in India or abroad), outstanding loans and advances recoverable in cash or in kind or for value to be received, provisions, receivables, funds, cash and bank balances and deposits including accrued interest thereto with Government, semi-Government, local and other authorities and bodies, banks, customers and other Persons, insurances, the benefits of any bank guarantees, performance guarantees and letters of credit;

- (c) all permits, licenses, permissions, approvals, clearances, consents, benefits, registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, subsidies, liberties and advantages including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto that pertain exclusively and solely to the Consumer Products Business;
- (d) all contracts, agreements, purchase orders/service orders, operation and maintenance contracts, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes of meetings, bids, tenders, expression of interest, letter of intent, hire and purchase arrangements, lease/license agreements, tenancy rights, agreements/panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/manufacturer of goods/service providers, other arrangements, undertakings, deeds, bonds, schemes, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder exclusively and solely pertaining to the Consumer Products Business;
- (e) all applications (including hardware, software, licenses, source codes, parameterization and scripts), registrations, licenses, trade names, service marks, trademarks, copyrights, patents, domain names, designs, intellectual property rights (whether owned, licensed or otherwise, and whether registered or unregistered), trade secrets, research and studies, technical knowhow, confidential information and all such rights of whatsoever description and nature that in each case pertain exclusively and solely to the Consumer Products Business including, without limitation, the intellectual properties of the Demerged Company;
- (f) all rights to use and avail telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by the Demerged Company and exclusively and solely pertaining to or in connection with the Consumer Products Business and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Demerged Company and exclusively and solely pertaining to the Consumer Products Business;
- (g) all tax related assets, all the credits for taxes such as sales tax, service tax, CENVAT, GST, tax deduction at source, accumulated losses and unabsorbed depreciation as per books if any as well as per the IT Act enjoyed by the Demerged Company pertaining to the Consumer Products Business;
- (h) all books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), test reports, computer programmes, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer/supplier pricing information, and all other books and records, whether in physical or electronic form that pertain to the Consumer Products Business;
- (i) all debts, liabilities, duties, taxes and obligations of the Demerged Company pertaining to the Consumer Products Business, namely:
  - (i) the debts of the Demerged Company which arises out of the activities or operations of the Consumer Products Business;
  - (ii) specific loans and borrowings raised, incurred and utilized for the activities or operations of or pertaining to Consumer Products Business;
  - (iii) general and multipurpose borrowings of the Demerged Company shall be allocated to Consumer Products Business in the same proportion which the value of the assets transferred under this Scheme bears to the total value of assets of Demerged Company immediately before the demerger;
- (j) all employees of the Demerged Company employed/engaged exclusively and solely in the Consumer Products Business as on the Effective Date; and



- (k) all legal or other proceedings of whatsoever nature relating to the Consumer Products Business.

In case of any question that may arise as to whether any particular asset or liability and/or employee pertains or does not pertain exclusively and solely to the Consumer Products Business or whether it arises out of the activities or operations of the Consumer Products Business, the same shall be decided by mutual agreement between the Board of Directors of the Demerged Company and the Resulting Company.

- 1.11. “**Effective Date**” means the means the date on which the last of conditions referred to in Clause 8 of Part C hereof have been fulfilled.
- 1.12. “**Governmental Approvals**” means any consent, approval, authorization, waiver, permit, permission, clearance, license, exemption, no objection certificate, registration, with, of or from any Governmental Authority.
- 1.13. “**Governmental Authority**” means any government authority, statutory authority, regulatory authority, agency, government department, board, commission, SEBI, Stock Exchanges, administrative authority, tribunal or court or any authority (including authorities administering Taxes) or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, having or purporting to have jurisdiction on behalf of the Republic of India or any state or province or other political subdivision thereof or any municipality, district or other subdivision thereof or in any other nation over the Demerged Company and/or the Resulting Company, as the context may require.
- 1.14. “**GST**” means the goods and services tax.
- 1.15. “**IT Act**” means the Income-tax Act, 1961 and shall include any statutory modifications, re-enactments or amendments thereof for the time being in force.
- 1.16. “**NCLT**” means, the National Company Law Tribunal, Mumbai Bench having jurisdiction in relation to the Demerged Company and the National Company Law Tribunal, Kolkata Bench having jurisdiction in relation to the Resulting Company, or such other forum or authority as may be vested with any of the powers for approving any scheme of arrangement, compromise or reconstruction of a company under Sections 230 to 232 of the Act of the above mentioned tribunal under the Act.
- 1.17. “**NCLT Order**” means all order(s) passed by the NCLT sanctioning the Scheme and includes any orders passed by NCLT or any other Governmental Authority’s order(s) for extension of time or condonation of delay in filing of the requisite forms with the Registrar of Companies in relation to this Scheme, if applicable.
- 1.18. “**NSE**” means National Stock Exchange of India Limited.
- 1.19. “**Parties**” shall mean collectively the Demerged Company and the Resulting Company, and “**Party**” shall mean each of them, individually.
- 1.20. “**Person**” means any individual or other entity, whether a corporation, firm, company, joint venture, trust, association, organization, partnership or proprietorship, including any governmental agency or regulatory body.
- 1.21. “**Record Date**” means the date to be fixed by the Board of Directors of the Resulting Company in consultation with the Board of Directors of the Demerged Company, for the purpose of determining the shareholders of the Demerged Company to whom fully paid up equity shares of the Resulting Company shall be issued in consideration for the demerger of the Demerged Undertaking of the Demerged Company into the Resulting Company on a going concern basis pursuant to and as contemplated under this Scheme.
- 1.22. “**Registrar of Companies**” means the Registrar of Companies, Mumbai having jurisdiction over the Demerged Company and the Registrar of Companies, Kolkata having jurisdiction over the Resulting Company.
- 1.23. “**Remaining Business**” with respect to the Demerged Company means the business, employees, assets and liabilities of the Demerged Company other than the Demerged Undertaking.
- 1.24. “**Resulting Company**” means Tata Global Beverages Limited, a public listed company incorporated under the Companies Act, 1956 with CIN L15491WB1962PLC031425 and having its registered office at 1, Bishop Lefroy Road, Kolkata – 700020, India.
- 1.25. “**Rupees**” or “**Rs.**” or “**INR**” means the lawful currency of India.

- 1.26. “**Scheme**” or “**the Scheme**” or “**this Scheme**” means this Scheme of Arrangement in its present form or with any modification(s) approved or imposed or directed by the NCLT or any other Governmental Authorities.
- 1.27. “**SEBI**” means the Securities and Exchange Board of India.
- 1.28. “**SEBI Circular**” means (i) circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, (ii) circular No. CFD/DIL3/CIR/2017/26 dated March 23, 2017, (iii) circular No. CFD/ DIL3/CIR/2017/105 dated September 21, 2017, (iv) circular No. CFD/DIL3/CIR/2018/2 dated January 3, 2018 issued by SEBI or any other circulars issued by SEBI applicable to schemes of arrangement from time to time.
- 1.29. “**Stock Exchanges**” means BSE, NSE and CSE collectively.
- 1.30. “**Tax**” or “**Taxes**” means and include any tax, whether direct or indirect, including income tax (including withholding tax, dividend distribution tax), GST, excise duty, VAT, CST, service tax, octroi, local body tax and customs duty, duties, charges, fees, levies or other similar assessments by or payable to Governmental Authority, including in relation to (i) income, services, gross receipts, premium, immovable property, movable property, assets, profession, entry, capital gains, municipal, interest, expenditure, imports, wealth, gift, sales, use, transfer, licensing, withholding, employment, payroll and franchise taxes, and (ii) any interest, fines, penalties, assessments, or additions to Tax resulting from, attributable to or incurred in connection with any proceedings or late payments in respect thereof.

## 2. INTERPRETATION

- 2.1. In addition to the above terms, certain terms may be defined elsewhere in this Scheme and wherever such terms are used in this Scheme, they shall have the meaning so assigned to them.
- 2.2. The terms referred to in this Scheme shall, unless defined otherwise in this Scheme or inconsistent with the context or meaning thereof, bear the meaning ascribed to them under the relevant statute/legislation.
- 2.3. All references in this Scheme to statutory provisions shall be construed as meaning and including references to:
- (a) any statutory modification, consolidation or re-enactment made after the date of approval this Scheme by the Board of Directors of the Demerged Company and the Resulting Company and for the time being in force;
  - (b) all subordinate legislation made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated);
  - (c) all statutory instruments or orders made pursuant to a statutory provision;
  - (d) any statutory provisions of which these statutory provisions are a consolidation, re-enactment or modification.
- 2.4. Words denoting the singular shall include the plural and words denoting any gender shall include all genders.
- 2.5. Headings, subheadings, titles, subtitles to clauses, sub-clauses, sections and paragraphs are for information only and shall not form part of the operative provisions of this Scheme or the schedules hereto and shall be ignored in construing the same.
- 2.6. References to clauses, and schedules are, unless the context otherwise requires, references to clauses, and schedules to this Scheme.
- 2.7. Reference to days, months and years are to calendar days, calendar months and calendar years, respectively.
- 2.8. Any reference to “writing” shall include printing, typing, lithography and other means of reproducing words in visible form.
- 2.9. The words “include” and “including” are to be construed without limitation.
- 2.10. Where a wider construction is possible, the words “other” and “otherwise” shall not be construed *ejusdem generis* with any foregoing words.

## 3. DATE OF TAKING EFFECT

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

#### 4. SHARE CAPITAL

4.1. The share capital of the Demerged Company as on March 31, 2019 is as follows:

Particulars	Amount in INR
<b>Authorised:</b>	
27,00,00,000 Ordinary Shares of ₹ 10 each	270,00,00,000
<b>Total</b>	<b>270,00,00,000</b>
<b>Issued, Subscribed and Paid-up:</b>	
<b>Issued Capital</b>	
25,48,42,598 Ordinary Shares of ₹ 10 each	254,84,25,980
<b>Subscribed and Paid-up</b>	
25,47,56,278 Ordinary Shares of ₹ 10 each	254,75,62,780
<b>Forfeited shares</b>	
Amount originally paid up on 86,320 forfeited shares	6,41,172.50
<b>Total</b>	<b>254,82,03,952.50</b>

Subsequent to the above date and till the date of the Scheme being approved by the Board of Directors of the Demerged Company, there has been no change in the authorized, issued, subscribed and paid-up capital of the Demerged Company.

4.2. The share capital of the Resulting Company as on March 31, 2019 is as follows:

Particulars	Amount in INR
<b>Authorised:</b>	
110,00,00,000 Equity Shares of Re. 1 each	110,00,00,000
<b>Total</b>	<b>110,00,00,000</b>
<b>Issued, Subscribed and Paid-up:</b>	
<b>Issued Capital</b>	
63,11,29,729 Equity Shares of Re. 1 each	63,11,29,729
<b>Subscribed and Paid-up</b>	
63,11,29,729 Equity Shares of Re. 1 each	63,11,29,729
<b>Forfeited shares</b>	
Amount originally paid up on forfeited shares	NIL
<b>Total</b>	<b>63,11,29,729</b>

Subsequent to the above date and till the date of the Scheme being approved by the Board of Directors of the Resulting Company, there has been no change in the authorized, issued, subscribed and paid-up capital of the Resulting Company.

## **PART B**

### **TRANSFER AND VESTING OF DEMERGED UNDERTAKING OF THE DEMERGED COMPANY INTO THE RESULTING COMPANY**

#### **1. TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING**

Upon the coming into effect of this Scheme and with effect from the Appointed Date, and subject to the provisions of this Scheme and pursuant to Sections 230 to 232 of the Act, all the properties / assets (tangible and intangible assets including goodwill) and liabilities of the Demerged Undertaking will be transferred to the Resulting Company at values appearing in the books of accounts of the Demerged Company immediately before the demerger, in accordance with Section 2(19AA) of the IT Act, and the Demerged Undertaking shall, without any further act, instrument or deed, be demerged from the Demerged Company and stand transferred to and vested in and/or deemed to have been demerged from the Demerged Company and stand transferred to and vested in the Resulting Company as a going concern, for a consideration provided in Clause 2.1 of Part B, so as to become the undertaking of the Resulting Company by virtue of this Scheme and in the following manner:

- 1.1. All assets of the Demerged Company in relation to the Demerged Undertaking that are movable in nature and/or otherwise capable of transfer by physical or constructive delivery, novation and/or endorsement and delivery or by operation of law, pursuant to the NCLT Order, shall be vested in the Resulting Company. Upon this Scheme becoming effective, the title of such property shall be deemed to have been mutated and recognised as that of the Resulting Company, absolutely and forever.
- 1.2. In respect of such of the assets of the Demerged Company in relation to the Demerged Undertaking other than those referred to in Clause 1.1 of Part B above, outstanding loans and advances, if any, all kind of banking accounts including but not limited to current and saving accounts, term deposits, recoverable in cash or in kind or for value to be received, deposits, if any, with Governmental Authorities and other authorities and bodies, shall, without any further act, instrument or deed, be and stand transferred to and vested in the Resulting Company and/or be deemed to be transferred to and vested in the Resulting Company on the Appointed Date upon effectiveness of the Scheme. The Resulting Company shall upon sanction of the Scheme be entitled to the delivery and possession of all documents of title of such movable property in this regard.
- 1.3. All immovable properties of the Demerged Company in relation to the Demerged Undertaking, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Demerged Company in relation to the Demerged Undertaking, whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto shall stand vested in and/or be deemed to have been vested in the Resulting Company, by operation of Applicable Law pursuant to the sanctioning of the Scheme and upon the Scheme becoming effective. Such assets shall stand vested in the Resulting Company and shall be deemed to be and become the property as an integral part of the Resulting Company by operation of Applicable Law. The Resulting Company shall upon the NCLT Orders sanctioning the Scheme and upon this Scheme becoming effective, be always entitled to all the rights and privileges attached in relation to such immovable properties and shall be liable to pay appropriate rent, rates and taxes and fulfill all obligations in relation thereto or as applicable to such immovable properties. Upon this Scheme becoming effective, the title to such properties shall be deemed to have been mutated and recognised as that of the Resulting Company and the mere filing thereof with the appropriate registrar or sub-registrar or with the relevant Government Authority, if and as may be required, shall suffice as record of continuing title with the Resulting Company and shall be constituted as a deemed mutation and substitution thereof. The Resulting Company shall subsequent to Scheme becoming effective be entitled to the delivery and possession of all documents of title to such immovable property in this regard. It is hereby clarified that all the rights, title and interest of the Demerged Company in relation to the Demerged Undertaking in any leasehold properties shall without any further act, instrument or deed, be vested in or be deemed to have been vested in the Resulting Company.
- 1.4. All the other assets, rights, title, interests and investments of the Demerged Company in relation to the Demerged Undertaking shall also without any further act, instrument or deed stand transferred to and vested in and be deemed to have been transferred to and vested in the Resulting Company upon the coming into effect of this Scheme.
- 1.5. Upon the Scheme coming into effect, all debts (secured and unsecured), liabilities, bonds, debentures (including contingent liabilities), duties and obligations of every kind, nature and description of the Demerged Company in relation to the Demerged Undertaking shall without any further act, instrument or deed, be and stand transferred to and vested in and/or be deemed to have been and stand transferred to, and vested in, the Resulting Company, so as

to become on and from the Appointed Date, the debts, liabilities, bonds, debentures (including contingent liabilities), duties and obligations of the Resulting Company on the same terms and conditions as were applicable to the Demerged Company, and further that it shall not be necessary to obtain the consent / approval of any Person who is a party to contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this Clause. Necessary modification as may be required would be carried out to the debt instrument issued by the Demerged Company in relation to the Demerged Undertaking.

- 1.6. Upon this Scheme becoming effective, the secured creditors (including any general purpose borrowings) of the Demerged Company in relation to the Demerged Undertaking and/or other holders of security over the properties of the Demerged Company in relation to the Demerged Undertaking shall be entitled to security only in respect of the properties, assets, rights, benefits and interest of the Demerged Company in relation to the Demerged Undertaking, as existing immediately prior to the effectiveness of this Scheme and the secured creditors of the Resulting Company and/or other holders of security over the properties of the Resulting Company shall be entitled to security only in respect of the properties, assets, rights, benefits and interest of the Resulting Company, as existing immediately prior to the effectiveness of this Scheme. It is hereby clarified that pursuant to this Scheme, (a) the secured creditors of the Demerged Company in relation to the Demerged Undertaking and/or other holders of security over the properties of the Demerged Company in relation to the Demerged Undertaking shall not be entitled to any additional security over the properties, assets, rights, benefits and interest of the Resulting Company and therefore, such assets which are not currently encumbered shall remain free and available for creation of any security thereon in future in relation to any current or future indebtedness of the Resulting Company; and (b) the secured creditors of the Resulting Company and/or other holders of security over the properties of the Resulting Company shall not be entitled to any additional security over the properties, assets, rights, benefits and interest of the Demerged Undertaking and therefore, such assets which are not currently encumbered shall remain free and available for creation of any security thereon in future in relation to any current or future indebtedness of the Resulting Company.
- 1.7. All Governmental Approvals and other consents, permissions, quotas, rights, authorizations, entitlements, no objection certificates and licenses, including those relating to tenancies, privileges, powers and facilities of every kind and description of whatsoever nature, to which the Demerged Company in relation to the Demerged Undertaking is a party or to the benefit of which the Demerged Company in relation to the Demerged Undertaking may be entitled to use or which may be required to carry on the operations of the Demerged Company in relation to the Demerged Undertaking, and which are subsisting or in effect immediately prior to the Effective Date, shall be, and remain, in full force and effect in favour of or against the Resulting Company and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party, a beneficiary or an obligee thereto and shall be appropriately mutated by the relevant Governmental Authorities in favour of the Resulting Company. In so far as the various incentives, service tax benefits, subsidies (including applications for subsidies), rehabilitation schemes, grants, special status, rights, and other benefits or privileges enjoyed, granted by any Governmental Authority or by any other Person, or availed of, by the Demerged Company in relation to the Demerged Undertaking are concerned, the same shall, without any further act or deed, vest with and be available to the Resulting Company on the same terms and conditions as are available to the Demerged Company in relation to the Demerged Undertaking.
- 1.8. All registrations, licenses, trademarks, patents, copyrights, domain names, applications for copyrights, patents, trade-names and trademarks, etc. pertaining to the Demerged Company in relation to the Demerged Undertaking, shall stand vested in the Resulting Company without any further act, instrument or deed, upon the sanction of the Scheme and upon this Scheme becoming effective.
- 1.9. Any third party or Governmental Authority required to give effect to any provisions of this Scheme, shall take on record the NCLT Orders sanctioning the Scheme on its file and duly record the necessary substitution or endorsement in the name of the Resulting Company as successor in interest, pursuant to the sanction of this Scheme by the NCLT, and upon this Scheme becoming effective. For this purpose, the Resulting Company shall file certified copies of such NCLT Order and if required file appropriate applications or forms with relevant authorities concerned for statistical and information purposes only and there shall be no break in the validity and enforceability of Governmental Approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Governmental Authorities for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description of whatsoever nature.
- 1.10. For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, certificates, clearances, authorities, power of attorneys given by, issued to or in favour of the Demerged Company in relation to the Demerged Undertaking shall stand transferred to the

Resulting Company, as if the same were originally given by, issued to or executed in favour of the Resulting Company, and the Resulting Company shall be bound by the terms thereof, the obligations and duties there under, and the rights and benefits under the same shall be available to the Resulting Company.

- 1.11. The Resulting Company shall, at any time after this Scheme coming into effect, in accordance with the provisions hereof, if so required under any Applicable Law or otherwise, execute appropriate deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to which the Demerged Company in relation to the Demerged Undertaking have been a party, including any filings with the regulatory authorities, in order to give formal effect to the above provisions. The Resulting Company shall for this purpose, under the provisions hereof, be deemed to have been authorized to execute any such writings on behalf of the Demerged Company in relation to the Demerged Undertaking and to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Company in relation to the Demerged Undertaking.
- 1.12. For avoidance of doubt and without prejudice to the generality of any applicable provisions of this Scheme, it is clarified that in order to ensure (i) implementation of the provisions of the Scheme; (ii) uninterrupted transfer of the relevant consents, approvals, patents, permissions, licenses, registrations, certificates etc.; and (iii) continued vesting of the benefits, exemptions available to the Demerged Company in relation to the Demerged Undertaking in favour of the Resulting Company, the Board of Directors of the Demerged Company and the Resulting Company shall be deemed to be authorized to execute or enter into necessary documentations with any regulatory authorities or third parties, if applicable and the same shall be considered as giving effect to the NCLT Order(s) and shall be considered as an integral part of this Scheme.

## 2. CONSIDERATION

- 2.1. Upon the coming into effect of this Scheme, and in consideration of the transfer and vesting of the Demerged Undertaking of the Demerged Company in the Resulting Company, the Resulting Company shall, without any further application, act, instrument or deed, issue and allot to all the equity shareholders of the Demerged Company, whose names appear in the register of members as on the Record Date, 114 equity shares of the Resulting Company of INR 1/- each fully paid-up for every 100 equity shares held in the Demerged Company of INR 10/- each fully paid-up. No shares shall be issued by the Resulting Company to the extent of shares, if any, held by it or its subsidiaries in the Demerged Company.
- 2.2. The shares issued pursuant to Clause 2.1 of Part B above (“**New Shares**”), shall be issued to the shareholders of the Demerged Company in demat form, that is, dematerialized shares unless otherwise notified in writing by a shareholder of the Demerged Company to the Resulting Company on or before such date as may be determined by the Board of Resulting Company. In the event that such notice has not been received by Resulting Company in respect of any of the shareholders of Demerged Company, the equity shares, shall be issued to such shareholders in dematerialized form provided that the shareholders of Demerged Company shall be required to have an account with a depository participant and shall be required to provide details thereof and such other confirmations as may be required. In the event that Resulting Company has received notice from any shareholder that the equity shares are to be issued in physical form or if any shareholder has not provided the requisite details relating to his/ her/ its account with a depository participant or other confirmations as may be required or if the details furnished by any shareholder do not permit electronic credit of the shares of Resulting Company, then the Resulting Company shall issue the equity shares in physical form to such shareholder or shareholders.
- 2.3. The New Shares to be issued by the Resulting Company in respect of the shares of the Demerged Company the allotment or transfer of which is held in abeyance under Applicable Law, shall, pending allotment or settlement of dispute by order of the appropriate court or otherwise, also be kept in abeyance in like manner by the Resulting Company.
- 2.4. In case any shareholder’s holding in the Demerged Company is such that such shareholder becomes entitled to a fraction of a New Share, the Resulting Company shall not issue fractional shares to such shareholders but shall consolidate such fractions and round up the aggregate of such fractions to the next whole number and issue and allot the consolidated shares directly to an authorised representative or an individual trustee or a board of trustees or a corporate trustee or a SEBI registered merchant banker, nominated by the Board of the Resulting Company in that behalf, who/which shall sell such shares in the market at such price or prices and on such time or times as he/she/it in its sole discretion decide and on such sale, shall, subject to withholding tax, distribute the net sale proceeds (after deduction of applicable taxes and other expenses incurred) to the concerned shareholders of the Demerged Company in proportion to their respective fractional entitlements.
- 2.5. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholders of the Demerged Company, the Board of Directors of the Demerged Company, shall be empowered prior to the Record

Date, to effectuate such transfers in the Demerged Company as if such changes in registered holders were operative as on the Record Date, in order to remove any difficulties arising to the transferors of the shares in relation to the New Shares after the Scheme is effected. The Board of Directors of the Demerged Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new members in the Resulting Company on account of difficulties faced in the transition period.

- 2.6. The New Shares issued under this Clause 2 of Part B shall be subject to the provisions of the memorandum and articles of association of the Resulting Company and shall rank *pari passu* in all respects with the then existing equity shares of the Resulting Company.
- 2.7. In the event that either of the Demerged Company and/or the Resulting Company restructure their equity share capital by way of share split / consolidation / issue of bonus shares or other corporate actions as may be undertaken in accordance with Applicable Law during the pendency of the Scheme, the issue of shares pursuant to Clauses 2.1 of Part B above, shall be adjusted accordingly to take into account the effect of any such corporate actions.
- 2.8. The New Shares allotted and issued in terms of Clause 2.1 of Part B above, shall be listed and/or admitted to trading on the Stock Exchanges after obtaining the requisite approvals. The Resulting Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with Applicable Laws for complying with the formalities of the Stock Exchanges.
- 2.9. It is clarified that upon the approval of this Scheme by the shareholders of the Demerged Company and the Resulting Company under Sections 230 and 232 of the Act, the shareholders shall be deemed to have approved this Scheme under Sections 13, 14, 62 and any other applicable provisions under the Act and that no separate approval from the shareholders to that extent shall be required to be sought for the matters specified in this Scheme.

### 3. ACCOUNTING TREATMENT

- 3.1. Notwithstanding anything to the contrary herein, upon this Scheme becoming effective, the Demerged Company and the Resulting Company shall give effect to the accounting treatment in its books of account in accordance with the accounting standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015.
- 3.2. Accounting treatment in the books of the Demerged Company:
  - 3.2.1 Pursuant to the Scheme coming into effect, with effect from the Appointed Date, the Demerged Company shall account for the demerger of the Demerged Undertaking in its books of account in the following manner:
    - (i) The Demerged Company shall transfer all the assets and liabilities pertaining to the Demerged Undertaking as on the Appointed date at the values appearing in its books of account (i.e., the book value) at the Appointed Date to the Resulting Company. Accordingly, the Demerged Company shall reduce from its books of account, the book values appearing on such date in accordance with the provisions of Section 2(19AA) of the IT Act.
    - (ii) Having recorded the transfer of the assets and liabilities, as aforesaid, the Demerged Company shall make necessary adjustments for the sake of compliance with Indian Accounting Standards (“**Ind AS**”) notified under Section 133 of the Companies Act, 2013, specifically Ind AS 10 Appendix A ‘Distribution of Non cash assets to Owners’, and shall debit the fair value of the Demerged Undertaking to the Retained Earnings/General Reserve and create a corresponding liability.
    - (iii) The book value of net assets derecognised at (i) above will be adjusted against the liability recognised at (ii) above. The difference, if any, shall be recognised in the Statement of Profit and Loss in accordance with Ind AS 10 Appendix A.
- 3.3. Accounting treatment in the books of the Resulting Company:
  - 3.3.1. Pursuant to the Scheme coming into effect, with effect from the Appointed Date, the Resulting Company shall account for the demerger, in its books of accounts such that:
    - (i) The Resulting Company shall record the assets and liabilities of the Demerged Undertaking, transferred to and vested in it pursuant to this Scheme, at their respective book values as appearing in the books of account of the Demerged Company immediately before the Appointed Date in accordance with the provisions of section 2(19AA) of the IT Act;

- (ii) The Resulting Company shall credit its equity share capital account with the face value of New Shares issued in accordance with Clause 2.1 of Part B.
- (iii) The difference between the value of new equity shares issued under Clause 2.1 of Part B and the face value of New Shares Issued by the Resulting Company will be credited to securities premium account of the Resulting Company.
- (iv) The difference between the value of new equity shares issued under Clause 2.1 of Part B and the aggregate values of Net Assets (refer sub-clause (i) above) shall be debited to goodwill or as the case may be credited to capital reserve.
- (v) Having recorded the transfer of the assets and the liabilities as aforesaid and after receiving the relevant information on the fair values of assets acquired and liabilities assumed, the Resulting Company shall, to comply with the provisions of Indian Accounting Standards and more specifically Ind AS 103, 'Business Combinations', notified under Section 133 of the Act, read with the rules made there under and other Generally Accepted Accounting Principles, make necessary accounting adjustments, such that all identifiable assets acquired and liabilities assumed (including assets and liabilities not specifically recognized by the Demerged company in its financial statements) ("**Identifiable Net Assets**") are reflected at their Appointed Date fair values within the measurement period specified in the said Ind AS 103 and corresponding adjustment shall be made to goodwill and / or capital reserve as computed in sub-clause (iv) above. Further, acquisition related costs will also be accounted in accordance with the requirements of the said Ind AS 103.

#### 4. TAXATION MATTERS

- 4.1. Notwithstanding anything to the contrary contained in this Scheme, upon effectiveness of this Scheme:
  - 4.1.1. the Demerged Company shall be liable for any Tax payable to Governmental Authorities under Applicable Laws relating to Tax ("**Tax Laws**") and shall be entitled to any refunds of Tax from Governmental Authorities under Tax Laws, which, in each case, arise from the operation or activities of the Demerged Undertaking prior to the Appointed Date, regardless of whether such payments or receipts are provided or recorded in the books of the Demerged Company and whether such payments or receipts are due or realised on, before or after the Appointed Date; and
  - 4.1.2. the Resulting Company shall be liable for any Tax payable to Governmental Authorities under Tax Laws and shall be entitled to refunds of any Tax from Governmental Authorities under Tax Laws, which, in each case, arise from the operation or activities of the Demerged Undertaking on or after the Appointed Date, regardless of whether such payments or receipts are provided or recorded in the books of the Demerged Company and whether such payments or receipts are due or realised on, before or after the Appointed Date.
- 4.2. Upon effectiveness of this Scheme, all applicable Taxes paid or payable by the Demerged Company in respect of the operations and/ or the profits of the Demerged Undertaking on and from the Appointed Date, shall be on account of the Resulting Company. Upon effectiveness of this Scheme, the payment of any Tax, whether by way of deduction at source (including foreign tax credit), or otherwise howsoever, by the Demerged Company in respect of the activities or operations of the Demerged Undertaking on and from the Appointed Date, shall be deemed to have been paid by the Resulting Company, and, shall, in all proceedings, be dealt with accordingly.
- 4.3. Any refund of Tax paid under Tax Laws including income tax, sales tax, value added tax, service tax, GST, CENVAT or any other Tax, in relation to the operation and activities of the Demerged Undertaking prior to the Appointed Date shall belong to and be received by the Demerged Company, even if the prescribed time limits for claiming such refunds or credits have lapsed. Any refund of Tax paid under Tax Laws including income tax, sales tax, value added tax, service tax, GST, CENVAT or any other Tax, in relation to the operation and activities of the Demerged Undertaking on or after the Appointed Date shall belong to and be received by the Resulting Company, even if the prescribed time limits for claiming such refunds or credits have lapsed.
- 4.4. Any Tax incentives, subsidies, exemptions, special status, tax benefits (including but not limited to export incentives, credits/ incentives in respect of income tax, sales tax, value added tax, GST, turnover tax, excise duty, service tax etc.), duty drawbacks, and other benefits, credits, exemptions or privileges enjoyed, granted by a Governmental Authority or availed of by the Demerged Company shall, without any further act or deed, in so far as they relate to or are available for the operation and activities of the Demerged Undertaking on or after the Appointed Date, vest with and be available to Resulting Company on the same terms and conditions, as if the same had been allotted and / or granted and / or sanctioned and / or allowed to the Resulting Company.



- 4.5. Each of the Resulting Company and the Demerged Company shall be entitled to, amongst others, file/ revise its income-tax returns, TDS certificates, TDS / TCS returns, GST returns, wealth tax returns, service tax, excise duty, sales tax, value added tax, entry tax, cess, professional tax and other statutory returns, if required, claim credit for tax deducted at source, claim for sum prescribed under section 43B of the IT Act on payment basis, claim for deduction of provisions written back by the Demerged Company and the Resulting Company previously disallowed in the hands of the Demerged Company and the Resulting Company (relating to the Demerged Undertaking) respectively under the IT Act, credit of foreign taxes paid/withheld, if any, pertaining to the Demerged Company and the Resulting Company (relating to the Demerged Undertaking) as may be required consequent to implementation of this Scheme and wherever necessary to give effect to this Scheme, even if the prescribed time limits for filing or revising such returns have lapsed without incurring any liability on the Demerged Company or Resulting Company. The Demerged Company and the Resulting Company shall also be entitled to, amongst others, obtain TDS certificates, including TDS certificates relating to transactions between or amongst the Demerged Company and the Resulting Company and shall have the right to claim refunds, advance Tax credits, input Tax credit, CENVAT credits, credits of all Taxes paid/ withheld, if any, as may be required consequent to implementation of this Scheme.
- 4.6. Any actions taken by the Demerged Company to comply with Tax Laws (including payment of Taxes, maintenance of records, payments, returns, Tax filings, etc.) in respect of the Demerged Undertaking on and from the Appointed Date up to the Effective Date shall be considered as adequate compliance by the Demerged Company with such requirements under Tax Laws and such actions shall be deemed to constitute adequate compliance by the Resulting Company with the relevant obligations under such Tax Laws.
- 4.7. Any unutilized GST credits pertaining to the Demerged Undertaking and available in the electronic input GST credit ledger of Demerged Company maintained by GSTN or as per Demerged Company's books of accounts, whichever is lower, shall, notwithstanding anything contained in this Clause, be transferred by the Demerged Company to the Resulting Company in accordance with Applicable Laws. The Demerged Company and Resulting Company shall take such actions as may be necessary under Applicable Law to effect such transfer. GST credits and GST Liability pertaining to the activities or operations of the Demerged Undertaking between the Appointed Date and the Effective Date shall, notwithstanding anything contained in this Clause be dealt with in accordance with Applicable Laws.
- 4.8. All liabilities under Tax Laws which relate exclusively or predominantly to the activities or operations of the Demerged Business prior to the Appointed Date shall remain the liabilities of the Demerged Company after the Effective Date, regardless of whether such liabilities arise on or after the Appointed Date. All liabilities under Tax Laws which relate exclusively or predominantly to the activities or operations of the Consumer Products Business on or after the Appointed Date shall become the liabilities of the Resulting Company upon effectiveness of the Scheme.
- 4.9. If the Demerged Company makes any payment to discharge any liabilities under Tax Laws that relate exclusively or predominantly to the activities or operations of the Consumer Products Business on or after the Appointed Date, the Resulting Company shall promptly pay or reimburse the Demerged Company for such payment. If the Resulting Company makes any payment to discharge any liabilities under Tax Laws that relate exclusively or predominantly to the activities or operations of the Consumer Products Business prior to the Appointed Date, the Demerged Company shall promptly pay or reimburse the Resulting Company for such payment.

## **5. SAVING OF CONCLUDED TRANSACTIONS**

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

## **6. CONTRACTS, DEEDS AND OTHER INSTRUMENTS**

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

- 6.2. Without prejudice to other provisions of this Scheme and notwithstanding the fact that the vesting of the Demerged Undertaking occurs by virtue of this Scheme itself, the Resulting Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any Applicable Law or otherwise, execute deeds of confirmation in favour of any party to any contract or arrangement, to which the Demerged Company is a party in relation to the Demerged Undertaking, as may be necessary to be executed in order to give formal effect to the above provisions. The Resulting Company shall be deemed to be authorised to execute any such writings on behalf of the Demerged Company and to carry out or perform all formalities or compliances required for the purposes referred to above on the part of the Demerged Company.

## 7. LEGAL PROCEEDINGS

- 7.1. All legal proceedings pertaining to the Demerged Undertaking of whatsoever nature by or against the Demerged Company pending and/or arising before the Effective Date, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against the Resulting Company, as the case may be, in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company. It is hereby expressly clarified that any legal proceedings by or against the Demerged Company in relation to cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Demerged Company and pertaining to the Demerged Undertaking shall be instituted, or as the case may be, continued, by or against, the Resulting Company after the coming into effect of the Scheme.
- 7.2. All legal or other proceedings pertaining to the Demerged Undertaking referred in Clause 7.1 of Part B above shall stand transferred to the name of the Resulting Company and the same shall be continued, prosecuted, defended and enforced as the case may be by or against the Resulting Company, to the exclusion of the Demerged Company.

## 8. ALTERATION TO MEMORANDUM OF ASSOCIATION OF THE RESULTING COMPANY

- 8.1. With effect from the Appointed Date, the main object clause of the memorandum of association of the Resulting Company shall be deemed to be altered and amended, without any further act or deed, to include the objects as required for carrying on the business activities of the Demerged Company pursuant to the applicable provisions of the Act. Accordingly, the memorandum of association of the Resulting Company shall be altered and amended.
- 8.2. The following clauses shall replace Clause III (7) and III (10) of the main object clause of the memorandum of association of the Resulting Company and the new Clause III(10A) shall be added to the main object clause of the memorandum of association of the Resulting Company. The revised Clause III (7) and III (10) of main object clause of the Resulting Company shall read as under:

*“(7) To manufacture, produce, refine, prepare for market (whether on account of the Company or others), distill, treat, cure, submit to any process, trade, export, import, deal in, carry on the business of and for that purpose to purchase, sell, resell and repurchase and otherwise dispose of and turn to account sugar, sugarbeets, sugarcane gum, molasses, other sachharine substances, syrups, salts, vegetable oils and other products, flour, melada, chemicals, detergents, manures, oil seeds, grains, coconuts, cotton, coffee, tea, tobacco, India-rubber, balta and other gums and residual and all other produce or products and by-products and derivatives thereof and sugar candy, sweetmeats, peppermints, cubes, cardboards from Bagasse, spices and food and consumer products generally.*

*(10) To carry on the business as producers of, dealers in and preservers of food, foodgrains, vegetable, fruits, dairyfarms, salts and agricultural produce of all kinds and in particular, canned and preserved fruits and foodstuffs including pulses, spices and canned goods such as syrups, vinegar, assavas, sweets, condiments, baby food, fruit products, vegetables of all kind, milk, cream, butter, cheese, poultry and all allied and by-products thereof and for the purposes thereof to establish preservation centres at any place or places and to develop such and other allied businesses to give subsidies to farmers, fishermen and other persons doing such business or who can grow and/or procure necessary materials required by the Company.*

*(10A) To carry on the business of buyers, sellers, traders, importers, exporters, manufacturers, dealers whether by self or any third party, processors, commission agents, distributors, dealers and representatives in any legal form and also to process, produce, mix, pack, preserve, freeze, extract, refine and deal in all types of food including but not limited to confectionary, nutrition, milk and milk products, processed foods, performance nutrition, fibres, all kind of flour whether single or multi grain, health and wellness foods, protein foods, food products, agro foods, fast foods, packed foods, food grains, edible commodities, pulses or lentils whether processed or otherwise, water purifiers, water filters, systems, appliances, devices, products, methods or apparatus in relation to water dispensation, purification*

*and treatment, value added food additive and food products, baking and cooking soda and products that contain the same including edible and nonedible applications, staples, cereals, pseudo cereals and processed derivatives thereof, spices, seasonings, ready to eat processed food products, nutritional solutions, natural, novel and processed foods, ingredients and formulations thereof, inorganic and organic materials and compounds based on novel processing and synthesis knowhow, ready to cook foods and spices, spice mixes and pastes or semi processed food products, sugar, sugar products, vegetable, ghee, edible oil, cooking oil, mineral oil, pre and pro biotic foods, sugar substitutes, natural foods, cocoa based, and other food products in and outside India.”*

- 8.3. It is clarified that the approval of the members of the Resulting Company to this Scheme shall be deemed to be their consent/ approval also to the consequential alteration of the memorandum of association of the Resulting Company and the Resulting Company in terms of Clause 8.2 of Part B above shall not be required to seek separate consent/ approval of its shareholders for such alteration of the memorandum of association as required under Sections 13, 14, 61, 62 and 64 of the Act and other applicable provisions of the Act.

## **9. INCREASE IN AUTHORISED CAPITAL OF THE RESULTING COMPANY**

- 9.1. Upon this Scheme becoming effective, the authorised share capital of the Resulting Company will automatically stand increased to INR 125,00,00,000 (Rupees One Hundred and Twenty-Five Crores) by simply filing the requisite forms with the Governmental Authority and no separate procedure or instrument or deed shall be required to be executed and/ or process shall be required to be followed under the Act.

- 9.2. Consequently, the memorandum of association of the Resulting Company shall without any act, instrument or deed be and stand altered, modified and amended pursuant to Sections 13 and 61 of the Act and other applicable provisions of the Act, as the case may be, and be replaced by the following clause:

*“V. The Authorised Share Capital of the Company is Rs 125,00,00,000 (Rupees One Hundred and Twenty-Five Crores) divided into 125,00,00,000 (Rupees One Hundred and Twenty-Five Crores) Equity Shares of Re. 1 (Rupee One) each with power to increase and reduce the capital of the Company or to divide the shares in the capital for the time being into several classes and to attach thereto respectively any preferential, deferred, qualified or special rights, privileges or condition as may be determined by or in accordance with the Articles of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of the Company and the legislative provisions for the time being in force.”*

- 9.3. Further, the articles of association of the Resulting Company shall also without any act, instrument or deed be and stand altered, modified and amended pursuant to Sections 14 and 61 of the Act and other applicable provisions of the Act, as the case may be, and the existing Clause 3A of the articles of association of the Resulting Company be replaced by the following clause:

*“3A The Authorised Share Capital of the Company shall be such as may be authorized by Clause V of the Memorandum of Association of the Company from time to time.”*

- 9.4. It is clarified that the approval of the members of the Resulting Company to this Scheme shall be deemed to be their consent/approval also to the consequential alteration of the memorandum of association and articles of association of the Resulting Company and the Resulting Company shall not be required to seek separate consent/approval of its shareholders for such alteration of the memorandum of association and articles of association, as required under Sections 13, 14, 61, 62 and 64 of the Act and other applicable provisions of the Act.

## **10. STAFF, EMPLOYEES & WORKMEN**

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

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

- 10.3. Upon the coming into effect of this Scheme, the Resulting Company shall make all the necessary contributions for such transferred employees engaged in or in relation to the Demerged Undertaking and deposit the same in provident fund, gratuity fund or superannuation fund or any other special fund or staff welfare scheme or any other special scheme. the Resulting Company will also file relevant intimations to the statutory authorities concerned who shall take the same on record and substitute the name of the Resulting Company for the Demerged Company.
- 10.4. Subject to the Applicable Law, the existing provident fund, gratuity fund and pension and/or superannuation fund/ trusts, retirement funds or employees state insurance schemes or pension scheme or employee deposit linked insurance scheme or any other benefits, if any, created by the Demerged Company for employees engaged in or in relation to the Demerged Undertaking, shall be continued on the same terms and conditions and will be transferred to the necessary funds, schemes or trusts of the Resulting Company without any separate act, deed or approval and till the time such necessary funds, schemes or trusts are created by the Resulting Company, all contribution shall continue to be made to the existing funds, schemes or trusts of the Demerged Company.

## **11. CHANGE OF NAME OF THE RESULTING COMPANY**

11.1. Upon this Scheme becoming effective, the name of the Resulting Company shall stand changed to 'Tata Consumer Products Limited' or such other name which is available and approved by the Registrar of Companies, by simply filing the requisite forms with the relevant Governmental Authority and no separate act, procedure, instrument, or deed and registration fees shall be required to be followed under the Act.

11.2. Consequently, subject to Clause 11.1 of Part B above, Clause I of the memorandum of association of the Resulting Company shall without any act, act, procedure, instrument or deed be and stand altered, modified and amended pursuant to Sections 13, 232 and other applicable provisions of the Act, and be replaced by the following clause:

*"The name of the Company is Tata Consumer Products Limited."*

11.3. It is clarified that in the event any name other than '*Tata Consumer Products Limited*' is made available by the Registrar of Companies and is acceptable to the Board of the Resulting Company, the name of the Resulting Company shall be changed to such other name and Clause 11.2 of Part B of this Scheme shall be read and applied accordingly. It is hereby further clarified that, for the purposes of acts and events as mentioned in Clause 11.1 and 11.2 of Part B above, the consent of the shareholders of the Resulting Company to this Scheme shall be deemed to be sufficient for the purposes of effecting the aforementioned amendment and that no further resolution under Sections 13 and 14 or any other applicable provisions of the Act, would be required to be separately passed, nor any additional fees (including fees and charges to the relevant Registrar of Companies) or stamp duty, shall be payable by the Resulting Company.

## **12. TREATMENT OF THE SCHEME FOR THE PURPOSES OF IT ACT**

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

## **PART C**

### **GENERAL TERMS & CONDITIONS**

#### **1. REMAINING BUSINESS**

- 1.1. The Remaining Business and all the assets, liabilities and obligations relating or pertaining thereto shall continue to belong solely to and continue to be vested solely in and be managed by the Demerged Company.
- 1.2. All legal, tax and other proceedings by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, whether or not in respect of any matter arising before the Effective Date, which does not specifically pertain or relate to the Demerged Undertaking (including those relating to any right, power, liability, obligation or duty, of the Demerged Company in respect of the Remaining Business) shall be continued and enforced solely by or against the Demerged Company only, without any liability arising on the Resulting Company or its shareholders.
- 1.3. The Demerged Company shall carry on all business and activities pertaining or relating to the Remaining Business in its own name and on its own account and its own behalf in all respects.

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

- 2.1. With effect from the Appointed Date and up to and including the Effective Date:
  - 2.1.1 the Demerged Company (with respect to the Demerged Undertaking) shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of the assets for and on account of, and in trust for the Resulting Company;
  - 2.1.2 all profits or income arising or accruing to the Demerged Company with respect to the Demerged Undertaking and all taxes paid thereon (including but not limited to tax deducted at source, taxes withheld/ paid in a foreign country, etc.) or losses arising or incurred by the Demerged Company with respect to the Demerged Undertaking shall, for all purposes, be treated as and deemed to be the profits or income, taxes or losses, as the case may be, of the Resulting Company;
  - 2.1.3 all loans raised and all liabilities and obligations incurred by the Demerged Company with respect to the Demerged Undertaking after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Resulting Company and to the extent they are outstanding on the Effective Date, shall also, without any further act or deed be and be deemed to become the debts, liabilities, duties and obligations of the Resulting Company;
- 2.2. Except as provided under this Scheme, from the date of the Scheme being approved by the Board of Directors of the Demerged Company and the Resulting Company and up to the Effective Date, the Demerged Company shall carry on the business of the Demerged Undertaking with diligence and prudence in the ordinary course, consistent with past practice in good faith and in accordance with Applicable Law.
- 2.3. The Resulting Company shall be entitled, pending the sanction of the Scheme, to apply to the Governmental Authorities concerned as are necessary under any Applicable Law for such consents, approvals and sanctions which the Resulting Company may require to carry on the business undertaken by the Demerged Company with respect to the Demerged Undertaking and to give effect to the Scheme.

#### **3. FACILITATION PROVISIONS**

- 3.1. The Demerged Company and the Resulting Company shall enter into shared services agreements and long term supply agreement, as may be necessary, on such terms and conditions that may be agreed between the Demerged Company and the Resulting Company and on payment of consideration on an arm's length basis and which is in the ordinary course of business.
- 3.2. It is clarified that, in respect of the arrangements contemplated in Clause 3.1 of Part C above, approval of the Scheme by the shareholders of the Demerged Company and the Resulting Company under Sections 230 to 232 of the Act shall be deemed to have their approval under applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, if and to the extent required and that no separate approval of the of the Board or audit committee or shareholders shall be required to be sought by either of the Demerged Company and/or the Resulting Company.

#### **4. PROPERTY IN TRUST**

Notwithstanding anything contained in this Scheme, until any property, asset, license, approval, permission, contract, agreement and rights and benefits arising therefrom are transferred, vested, recorded, effected and/or perfected, in the records of the Governmental Authority (ies), regulatory bodies or otherwise, in favour of the Resulting Company, the Resulting Company is deemed to be authorized to enjoy the property, asset or the rights and benefits arising from the license, approval, permission, contract or agreement as if it were the owner of the property or asset or as if it were the original party to the license, approval, permission, contract or agreement. It is clarified that till entry is made in the records of the Governmental Authority (ies) and till such time as may be mutually agreed by the Demerged Company and the Resulting Company, the Demerged Company will continue to hold the property and/or the asset, license, permission, approval as the case may be in trust on behalf of the Resulting Company.

#### **5. APPLICATIONS TO NCLT**

The Demerged Company and the Resulting Company shall simultaneously make necessary applications / petitions to the NCLT, where the registered offices of the Demerged Company and the Resulting Company are situated, for sanctioning this Scheme and all matters ancillary or incidental thereto under Sections 230 to 232 and other applicable provisions of the Act.

#### **6. MODIFICATIONS OR AMENDMENTS TO THE SCHEME**

6.1. The Demerged Company and the Resulting Company, 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):

- (a) may, collectively, make and/or consent to any modifications / amendments to the Scheme or to any conditions or limitations that the NCLT or any other Governmental Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them.
- (b) shall be authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions, whether by reason of any directive or orders of any other authorities or otherwise, arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

6.2. In case, post approval of the Scheme by the NCLT, there is any confusion in interpreting any clause of this Scheme, or otherwise, the Board of Directors of the Demerged Company and the Resulting Company shall have complete power to take the most sensible interpretation so as to render the Scheme operational.

#### **7. WITHDRAWAL OF THE SCHEME**

The Demerged Company and the Resulting Company shall be at liberty to withdraw this Scheme at any time as may be mutually agreed by the Boards of Directors of the Demerged Company and the Resulting Company prior to the Effective Date. In such a case, the Demerged Company and the Resulting Company shall respectively bear their own cost or as may be mutually agreed. It is hereby clarified that except as otherwise agreed by the Demerged Company and Resulting Company in writing, the Demerged Company and the Resulting Company shall not be entitled to withdraw the Scheme unilaterally without the prior written consent of the other company.

#### **8. SCHEME CONDITIONAL ON APPROVALS/ SANCTIONS**

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

- 8.1. The requisite consents, no-objections and approvals of the Stock Exchanges and SEBI to the Scheme in terms of the SEBI Circular, on terms acceptable to the Demerged Company and the Resulting Company;
- 8.2. The Scheme being approved by respective requisite majorities in numbers and value of such classes of members and creditors of the Demerged Company and the Resulting Company as may be directed by the NCLT under Sections 230 and 232 of the Act;
- 8.3. The Scheme being approved by the majority of public shareholders of the Demerged Company and the Resulting Company (by way of e-voting) as required under the SEBI Circular. The term 'public' shall carry the same meaning as defined under Rule 2 of Securities Contracts (Regulation) Rules, 1957;
- 8.4. The Scheme being sanctioned by the NCLTs under Sections 230 to 232 of the Act, on terms acceptable to the Demerged Company and the Resulting Company; and
- 8.5. The certified copies of the NCLT Order(s) being filed with the Registrar of Companies by the Demerged Company and the Resulting Company.

## **9. EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS**

The Scheme shall not come into effect unless the aforementioned conditions mentioned in Clause 8 of Part C above are satisfied and in such an event, unless each of the conditions are satisfied, no rights and liabilities whatsoever shall accrue to or be incurred *inter-se* the Demerged Company and the Resulting Company or their respective shareholders or creditors or employees or any other Person.

## **10. SEVERABILITY**

If any provision of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the mutual agreement of the Demerged Company and the Resulting Company in writing, affect the validity or implementation of the other provisions of this Scheme. If any provision of this Scheme hereof is invalid, ruled illegal by any court or tribunal of competent jurisdiction or unenforceable under present or future Applicable Laws, then it is the intention of the Parties that such provision shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such provision shall cause this Scheme to become materially adverse to any Party, in which case the Parties shall attempt to bring about a modification in the Scheme, as will best preserve for such Parties the benefits and obligations of the Scheme, including but not limited to such provision.

## **11. COSTS**

All costs, charges and expenses including stamp duty on any deed, document, instrument or NCLT Orders including this Scheme or in relation to the Scheme and of carrying out and implementing the terms and provisions of this Scheme and incidental to the completion of arrangement in pursuance of this Scheme shall be borne and paid by the respective Party.

# B S R & Co. LLP

Chartered Accountants

5th Floor, Lodha Excelus,  
Apollo Mills Compound  
N. M. Joshi Marg, Mahalaxmi  
Mumbai - 400 011  
India

Telephone +91 (22) 4345 5300  
Fax +91 (22) 4345 5399

## Independent Auditors' Report

### To the Board of Directors of Tata Chemicals Limited

#### Opinion

We have audited the condensed standalone interim financial statements of Tata Chemicals Limited ("the Company"), which comprise the condensed standalone balance sheet as at 30 June 2019, and the condensed standalone statement of profit and loss (including other comprehensive income) for the quarter then ended, condensed standalone statement of changes in equity and condensed standalone statement of cash flows for the quarter then ended, and notes to the condensed standalone interim financial statements, and other explanatory information, as required by Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting" and other accounting principles generally accepted in India.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid condensed standalone interim financial statements give a true and fair view in conformity with Ind AS 34 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 30 June 2019, and profit and other comprehensive income for the quarter then ended, changes in equity and its cash flows for the quarter then ended.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("Act"). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Condensed Standalone Interim Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the condensed standalone interim financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Management's Responsibility for the Condensed Standalone Interim Financial Statements

The Company's management and Board of Directors are responsible for the preparation of these condensed standalone interim financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with Ind AS 34 prescribed under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the condensed standalone interim financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

B S R & Co (a partnership firm with  
Registration No. BA61223) converted into  
B S R & Co. LLP (a Limited Liability, Partnership  
with LLP Registration No. AAB-8181)  
with effect from October 14, 2013

Registered Office:  
5th Floor, Lodha Excelus  
Apollo Mills Compound  
N. M. Joshi Marg, Mahalaxmi  
Mumbai - 400 011, India



## **Independent Auditors' Report (Continued)**

### **Tata Chemicals Limited**

#### **Management's Responsibility for the Condensed Standalone Interim Financial Statements (Continued)**

In preparing the condensed standalone interim financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Condensed Standalone Interim Financial Statements**

Our objectives are to obtain reasonable assurance about whether the condensed standalone interim financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these condensed standalone interim financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the condensed standalone interim financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the condensed standalone interim financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the condensed standalone interim financial statements, including the disclosures, and whether the condensed standalone interim financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



**Independent Auditors' Report (Continued)**

**Tata Chemicals Limited**

**Auditor's Responsibilities for the Audit of the Condensed Standalone Interim Financial Statements (Continued)**

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For **B S R & Co. LLP**  
*Chartered Accountants*  
Firm's Registration No: 101248W/W-100022



**Vijay Mathur**  
*Partner*

Membership No: 046476  
UDIN: 19046476AAAABQ9853

Mumbai  
8 August 2019

**Tata Chemicals Limited**  
**Condensed Standalone Audited Balance Sheet as at 30 June, 2019**

₹ In crore

	As at 30 June, 2019	As at 31 March, 2019
<b>I. ASSETS</b>		
<b>(1) Non-current assets</b>		
(a) Property, plant and equipment	1,534.35	1,518.14
(b) Capital work-in-progress	580.89	527.16
(c) Investment property	21.57	21.72
(d) Right to use assets	33.33	-
(e) Goodwill	45.53	48.00
(f) Other intangible assets	6.81	6.77
(g) Intangible assets under development	-	0.16
(h) Financial assets		
(i) Investments in subsidiaries and joint venture	4,252.67	4,254.69
(ii) Other investments	2,724.41	2,461.55
(iii) Loans	1.07	1.13
(iv) Other financial assets	0.26	0.26
(i) Advance tax assets (net)	521.44	521.44
(j) Other non-current assets	217.37	167.21
<b>Total non-current assets</b>	<b>9,939.70</b>	<b>9,528.23</b>
<b>(2) Current assets</b>		
(a) Inventories	642.94	627.68
(b) Financial assets		
(i) Investments	2,630.12	2,146.26
(ii) Trade receivables	163.74	184.84
(iii) Cash and cash equivalents	50.49	1,044.75
(iv) Bank balances other than (iii) above	656.22	56.46
(v) Loans	0.27	0.40
(vi) Other financial assets	276.66	273.80
(c) Other current assets	154.92	135.37
<b>Total current assets</b>	<b>4,575.36</b>	<b>4,469.56</b>
<b>Total assets</b>	<b>14,515.06</b>	<b>13,997.79</b>
<b>II. EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity share capital	254.82	254.82
(b) Other equity	12,027.36	11,541.39
<b>Total equity</b>	<b>12,282.18</b>	<b>11,796.21</b>
<b>Liabilities</b>		
<b>(1) Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings and lease liabilities	25.49	13.46
(ii) Other financial liabilities	0.20	0.24
(b) Provisions	110.95	103.11
(c) Deferred tax liabilities (net)	226.10	189.79
(d) Other non-current liabilities	10.50	10.50
<b>Total non-current liabilities</b>	<b>373.24</b>	<b>317.10</b>
<b>(2) Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	-	0.99
(ii) Trade payables		
- Outstanding dues of micro enterprises and small enterprises	11.76	18.04
- Outstanding dues of creditors other than above	519.11	550.57
(iii) Other financial liabilities	900.07	933.84
(b) Other current liabilities	55.58	53.84
(c) Provisions	207.10	203.08
(d) Current tax liabilities (net)	166.02	124.12
<b>Total current liabilities</b>	<b>1,859.64</b>	<b>1,884.48</b>
<b>Total liabilities</b>	<b>2,232.88</b>	<b>2,201.58</b>
<b>Total equity and liabilities</b>	<b>14,515.06</b>	<b>13,997.79</b>



Tata Chemicals Limited

Condensed Standalone Audited Balance Sheet as at 30 June, 2019

See accompanying select explanatory notes to the condensed standalone interim audited financial statements  
In terms of our audit report of even date attached

For B S R & Co. LLP  
Chartered Accountants  
Firm's Registration No: 101248W/W - 100022



Vijay Mathur  
Partner  
Membership No. 046476  
UDIN : 19046476AAAABQ9856



R. Mukundan  
Managing Director and CEO

For and on behalf of  
TATA CHEMICALS LIMITED



John Mulholl  
Chief Financial Officer



General Counsel & Company Secretary

Mumbai, 8 August, 2019

Tata Chemicals Limited		
Condensed Standalone Audited Statement of Profit and Loss for the quarter ended 30 June, 2019		
	₹ In crore	
	Quarter ended 30 June, 2019	Quarter ended 30 June, 2018
I. Revenue from operations	1,031.44	989.19
II. Other income	157.67	168.45
<b>III. Total Income (I+II)</b>	<b>1,189.11</b>	<b>1,157.64</b>
<b>IV. Expenses</b>		
a) Cost of materials consumed	126.25	159.62
b) Purchases of stock-in-trade	74.65	67.85
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	3.73	(36.00)
d) Employee benefits expense	67.67	68.22
e) Finance costs	20.24	23.15
f) Depreciation and amortisation expense	36.94	33.19
g) Other expenses	492.36	474.08
<b>Total expenses (a to g)</b>	<b>821.84</b>	<b>790.11</b>
<b>V. Profit before exceptional items and Tax (III-IV)</b>	<b>367.27</b>	<b>367.53</b>
VI. Exceptional loss (note 2 (iv))	8.00	-
<b>VII. Profit before tax (V-VI)</b>	<b>359.27</b>	<b>367.53</b>
<b>VIII. Tax expense</b>		
Current tax	100.09	104.65
Deferred tax	4.70	(1.01)
<b>Total tax expense</b>	<b>104.79</b>	<b>103.64</b>
<b>IX. Profit for the period from continuing operations (VII-VIII)</b>	<b>254.48</b>	<b>263.89</b>
X. Loss from discontinued operations before tax	-	(11.31)
XI. Tax expense from discontinued operations	-	(3.33)
<b>XII. Loss from discontinued operations (X-XI)</b>	<b>-</b>	<b>(7.98)</b>
<b>XIII. Profit for the period (IX+XII)</b>	<b>254.48</b>	<b>255.91</b>
<b>XIV. Other comprehensive Income ("OCI")</b>		
(i) Items that will not be reclassified to Statement of Profit or Loss		
- Changes in fair value of investments in equities carried at fair value through OCI	262.87	(91.74)
- Remeasurement of defined employee benefit plans	1.09	8.32
(ii) Income tax relating to items that will not be reclassified to the Statement of Profit and Loss	(31.92)	7.61
<b>Total other comprehensive Income (net of tax)</b>	<b>232.04</b>	<b>(75.81)</b>
<b>XV. Total comprehensive income for the period (XIII + XIV)</b>	<b>486.52</b>	<b>180.10</b>
<b>XVI. Earnings per equity share (for continuing operations)</b>		
- Basic and Diluted (in `)	9.99*	10.36*
<b>XVII. Earnings per equity share (for discontinued operations)</b>		
- Basic and Diluted (in `)	-	(0.31)*
<b>XVIII. Earnings per equity share (for continuing and discontinued operations)</b>		
- Basic and Diluted (in `)	9.99*	10.05*
* Not annualised		


See accompanying select explanatory notes to the condensed standalone interim audited financial statements  
in terms of our audit report of even date attached

For B S R & Co. LLP  
Chartered Accountants  
Firm's Registration No: 101248W/W - 100022

Vijay Mathur  
Partner  
Membership No. 046476  
UDIN : 19046476AAAABQ9853

  
R. Mukundan  
Managing Director and CEO

For and on behalf of  
TATA CHEMICALS LIMITEC

  
John Mulhall  
Chief Financial Officer

  
Raju Choudhary  
General Counsel & Company Secretary

Mumbai, 8 August, 2019

Tata Chemicals Limited		
Condensed Standalone Audited Statement of Cash Flow for the quarter ended 30 June, 2019		
	₹ In crore	
	Quarter ended 30 June, 2019	Quarter ended 30 June, 2018
<b>Cash flow from operating activities</b>		
Profit before tax from continuing operations	359.27	367.53
Profit before tax from discontinued operations		(11.31)
	<b>359.27</b>	<b>356.22</b>
Adjustments for:		
Depreciation and amortisation expense	36.94	33.19
Finance costs	20.24	25.33
Interest income	(12.90)	(22.48)
Dividend income	(97.11)	(38.01)
Net gain on sale of current investments	(45.05)	(44.84)
Provision for employee benefits expense	5.43	(19.08)
Provision for doubtful debts and advances/bad debts written off/(back)	3.70	(0.16)
Provision for contingencies (net)	3.73	2.19
Liabilities no longer required written back	-	(4.76)
Exceptional loss	8.00	
Unrealised foreign exchange (gain)/loss (net)	(1.37)	(7.67)
Loss on assets sold or discarded (net)	(0.77)	0.35
<b>Operating profit before working capital changes</b>	<b>280.11</b>	<b>280.28</b>
Adjustments for:		
Trade receivables, loans and advances and other assets	(11.87)	(226.03)
Inventories	(15.26)	(185.53)
Trade payables and other liabilities	(71.69)	255.12
<b>Cash generated from operations</b>	<b>181.29</b>	<b>123.84</b>
Taxes paid (net of refund)	(58.19)	(54.22)
<b>Net cash generated from operating activities</b>	<b>123.10</b>	<b>69.62</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment (including capital work-in-progress)	(169.37)	(108.41)
Acquisition of intangible assets (including intangible asset under development)	(0.34)	-
Proceeds from sale of property, plant and equipment	1.14	2.15
Proceeds from sale of current investments	2,120.19	2,860.41
Purchase of current investments	(2,559.00)	(6,042.00)
Bank balances not considered as cash and cash equivalent	(600.00)	(300.00)
Acquisition of business	-	(65.19)
Proceeds from sale of discontinued operations (net)	-	565.08
Interest received	13.18	23.62
Dividend received		
- From subsidiaries	24.34	-
- From joint venture	72.24	36.08
- From others	0.53	1.93
<b>Net Cash used in investing activities</b>	<b>(1,097.09)</b>	<b>(3,026.33)</b>
<b>Cash flows from financing activities</b>		
Repayment of borrowings	(0.99)	(308.28)
Proceeds from borrowings	-	2.23
Repayment towards finance lease (net)	(2.11)	1.00
Finance costs paid	(17.17)	(22.97)
Bank balances in dividend and restricted account	0.24	0.08
Dividends paid including distribution tax	(0.24)	(0.08)
<b>Net Cash used in financing activities</b>	<b>(20.27)</b>	<b>(328.02)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(994.26)</b>	<b>(3,284.73)</b>
Cash and cash equivalents as at 1 April	1,044.75	3,303.29
Net increase in Cash and cash equivalents pertaining to discontinued operation	-	0.89
<b>Cash and cash equivalents as at 30 June (note 1)</b>	<b>50.49</b>	<b>19.45</b>

**Notes:**

1. Cash and cash equivalents comprises of

(a) Balance with Banks

(b) Cash on hand

Cash and cash equivalents as per Statement of Cash Flow

50.48	19.43
0.01	0.02
<b>50.49</b>	<b>19.45</b>

See accompanying select explanatory notes to the condensed standalone interim audited financial statements in terms of our audit report of even date attached

For B S R & Co. LLP  
Chartered Accountants  
Firm's Registration No: 101248W/W - 100022

Vijay Mathur  
Partner  
Membership No. 046476  
UDIN : 19046476AAAABQ9853

Mumbai, 8 August, 2019

For and on behalf of  
TATA CHEMICALS LIMITED

  
R. Mukundan  
Managing Director and CEO

  
John Mulhall  
Chief Financial Officer

General Counsel & Company Secretary

**a. Equity share capital**

	₹ in crore
Balance as at 31 March, 2019	254.82
Balance as at 30 June, 2019	254.82


**b. Other equity**

Particulars	Reserves and surplus						Items of other comprehensive income	Total
	Capital reserve and other reserves from amalgamation	Securities premium	Capital redemption reserve	Debt redemption reserve	General reserve	Retained earnings *		
<b>Balance as at 1 April, 2018</b>	21.11	1,258.21	0.10	240.00	1,171.94	6,435.12	1,942.84	11,069.32
Profit for the period	-	-	-	-	-	255.91	-	255.91
Other comprehensive income (net of tax)	-	-	-	-	-	5.41	(81.22)	(75.81)
<b>Balance as at 30 June, 2018</b>	21.11	1,258.21	0.10	240.00	1,171.94	6,696.44	1,861.62	11,249.42
<b>Balance as at 1 April, 2019</b>	21.11	1,258.21	0.10	240.00	1,171.94	6,675.25	2,174.78	11,541.39
Transition impact of Ind AS 116 (net of tax) (note 2 (v))	-	-	-	-	-	(0.55)	-	(0.55)
<b>Restated balance as at 1 April, 2019</b>	21.11	1,258.21	0.10	240.00	1,171.94	6,674.70	2,174.78	11,540.84
Profit for the period	-	-	-	-	-	254.48	-	254.48
Other comprehensive income (net of tax)	-	-	-	-	-	0.71	231.33	232.04
<b>Total Comprehensive Income for the period</b>	-	-	-	-	-	255.19	231.33	486.52
<b>Balance as at 30 June, 2019</b>	21.11	1,258.21	0.10	240.00	1,171.94	6,929.89	2,406.11	12,027.36

\* Including remeasurement of net defined benefit plans

See accompanying select explanatory notes to the condensed standalone interim audited financial statements  
In terms of our audit report of even date attached

For B S R & Co. LLP  
Chartered Accountants  
Firm's Registration No: 101248W/W - 100022

  
Vijay Mathur  
Partner  
Membership No. 046476  
UDIN : 19046476AAAAA8Q9853  
Mumbai, 8 August, 2019

  
Rajiv Chaudhari  
Managing Director and CEO

For and on behalf of  
TATACHEMICALS LIMITED  
  
John Mulhall  
Chief Financial Officer

General Counsel & Company Secretary

**Tata Chemicals Limited**

**Select Explanatory Notes to the Condensed Standalone Audited Financial Statements for the quarter ended 30 June, 2019**

**1 Basis of preparation**

The Condensed Standalone Interim Audited Financial Statements of Tata Chemicals Limited (the "Company") have been prepared in accordance with Indian Accounting Standard ("Ind AS") 34, "Interim Financial Reporting" notified under Section 133 of the Companies Act, 2013 ("the 2013 Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the 2013 Act.

The Condensed Standalone Interim Audited Financial Statements should be read in conjunction with the annual standalone financial statements for the year ended 31 March, 2019.

The accounting policies applied are consistent with those of the annual standalone financial statements for the year ended 31 March, 2019, except for adoption of Ind AS 116 on "Leases" (note 2 (v)).

**2 Explanatory notes**

**(i) Contingent liabilities (to the extent not provided for)**

(A) Claims not acknowledged by the Company relating to the cases contested by the Company and which, in the opinion of the Management, are not likely to devolve on the Company relating to the following areas :

Sr No	Particulars	₹ In crore	
		As at 30 June, 2019	As at 31 March, 2019
(i)	Excise, Customs and Service Tax	41.34	41.31
(ii)	Sales Tax	43.04	37.34
(iii)	Demand for utility charges	16.82	16.26
(iv)	Labour and other claims against the Company not acknowledged as debt	25.04	25.40
(v)	Income Tax (Pending before Appellate authorities in respect of which the Company is in appeal)	434.04	434.04
(vi)	Income Tax (Decided in Company's favour by Appellate authorities and Department is in further appeal)	16.05	16.05
(vii)	Contractual obligation upto	100.11	100.11

The above contingent liability includes ₹ 110.11 crore (2019: ₹ 110.11 crore) relating to discontinued operation.

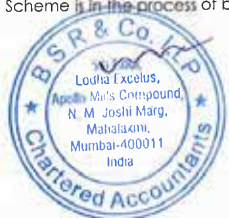
(B) Guarantees provided by the Company to third parties on behalf of the subsidiaries aggregates USD 54 million & GBP 2.76 million (₹ 396.84 crore) (2019: USD 54 million & GBP 2.76 million (₹ 398.39 crore)).

**Contingent assets**

Particulars	₹ In crore	
	As at 30 June, 2019	As at 31 March, 2019
Income Tax (pending before Appellate authorities in respect of which the Company is in appeal)	78.40	78.40

(ii) On 1 June, 2018, the Company consummated the sale and transfer of its Phosphatic Fertiliser Business located at Haldia and the Trading Business comprising bulk and non-bulk fertilisers to IRC Agrochemicals Private Limited as per Business Transfer Agreement dated 6 November, 2017.

(iii) The Board of Directors of the Company has approved the Scheme of Amalgamation ('Scheme') under the provisions of Section 234 read with Sections 230 to 232 of the Companies Act, 2013 for the merger of Bio Energy Venture-1 (Mauritius) Pvt. Ltd., a wholly owned subsidiary of the Company, with the Company, subject to necessary statutory and regulatory approvals. The Scheme is in the process of being filed with the National Company Law Tribunal.





**Tata Chemicals Limited**

**Select Explanatory Notes to the Condensed Standalone Audited Financial Statements for the quarter ended 30 June, 2019**

- (iv) On 15 May, 2019, the Company entered into an arrangement with Tata Global Beverages Limited ("TGBL") for the demerger of the Consumer Products Business Unit ("CPB") of the Company to TGBL. The effect of the transfer will be reflected in the financial information of the period in which the deal is consummated post receipt of all the required statutory and regulatory approvals.
- Exceptional item for the current quarter represent costs relating to the proposed scheme of De-merger.
- (v) Effective 1 April, 2019, the Company adopted Ind AS 116 "Leases", applied to all lease contracts existing on 1 April, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Accordingly, comparatives for the year ended 31 March, 2019 have not been retrospectively adjusted. On transition, the adoption of the new standard resulted in recognition of Right-of-Use assets (ROU) of ` 15.13 crore and a lease liability of ` 16.67 crore by adjusting retained earnings, net of taxes of ` 0.55 crore. The effect of this adoption is insignificant on the profit for the period and earnings per share.
- (vi) The Condensed Standalone Interim Audited Financial Statements have been prepared on a historical cost basis except for certain financial instruments held at fair value. These financial instruments are classified as per fair value measurements, as defined by Ind AS 113. There have been no changes in the valuation techniques used or transfers between fair value levels from those set out in note 37(b) & 37(d) to the annual standalone financial statements for the year ended 31 March, 2019.

Also, there are no changes in financial risk management objectives and Capital Management from those set out in note 37(e) and note 25, respectively, to the annual standalone financial statements for the year ended 31 March, 2019.



Tata Chemicals Limited		
(vii) Segment results for the Quarter ended 30 June 2019 are as follows.		
(` In crore)		
Particulars	Quarter ended 30 June, 2019	Quarter ended 30 June, 2018
<b>1 Segment Revenue</b>		
a. Basic chemistry products	704.06	734.25
b. Consumer products	495.21	438.15
c. Specialty products	10.73	11.23
	1,210.00	1,183.63
Less: Inter segment revenue	178.56	197.60
	1,031.44	986.03
Add: Unallocated	-	3.16
<b>Total revenue from operations</b>	<b>1,031.44</b>	<b>989.19</b>
<b>2 Segment Results</b>		
a. Basic chemistry products	204.49	203.30
b. Consumer products (note 2 (iv))	72.45	82.30
c. Specialty products	(4.69)	(4.55)
Total segment results	272.25	281.05
Less :		
(i) Finance costs	20.24	23.15
(ii) Net unallocated expenditure /(income)	(107.26)	(109.63)
<b>Total profit before tax</b>	<b>359.27</b>	<b>367.53</b>
<b>3 Segment Assets</b>		
a. Basic chemistry products	2,321.78	1,996.80
b. Consumer products	226.22	167.38
c. Specialty products	484.39	246.87
Total segment assets	3,032.39	2,411.05
Add: Unallocated	11,482.67	11,178.42
<b>Total assets</b>	<b>14,515.06</b>	<b>13,589.47</b>
<b>4 Segment Liabilities</b>		
a. Basic chemistry products	544.31	559.46
b. Consumer products	206.76	158.05
c. Specialty products	45.49	72.46
Total segment liabilities	796.56	789.97
Add: Unallocated	1,436.32	1,700.64
<b>Total liabilities</b>	<b>2,232.88</b>	<b>2,490.61</b>

Information relating to discontinued operations as stated in note 2 (ii) to the condensed standalone audited financial statements.:

Particulars	Quarter ended 30 June, 2019	Quarter ended 30 June, 2018
<b>1 Segment Revenue</b>	-	624.55
<b>2 Segment Results (before tax)</b>	-	(11.31)
<b>3 Segment Assets *</b>	-	803.44
<b>4 Segment Liabilities *</b>	-	398.06

\* Segment assets and liabilities represent amounts relating to the operations of the discontinued business, that have not been transferred on the completion of the divestment.

(viii) There are no material changes to the information about geographical areas as disclosed in the annual standalone financial statement for the year ended 31 March 2019.



Tata Chemicals Limited

(ix) (a) Revenue from operations

Particulars	Quarter ended 30 June, 2019	Quarter ended 30 June, 2018
(a) Sales of products	1,022.83	986.04
(b) Other operating revenues	8.61	3.14
	<b>1,031.44</b>	<b>989.19</b>

(b) Revenue from major products

The following is an analysis of the Company's segment revenue from continuing operations from its major products


Particulars	Quarter ended 30 June, 2019	Quarter ended 30 June, 2018
(i) <b>Basic chemistry products</b>		
- Soda Ash	391.28	398.55
- Bicarb	61.57	62.27
- Others	72.65	75.83
(ii) <b>Consumer products</b>		
- Salt	430.34	391.22
- Others	64.87	46.93
(iii) <b>Speciality products</b>	10.73	11.23
(iv) <b>Unallocated</b>	-	3.16
	<b>1,031.44</b>	<b>989.19</b>

\* Including operating revenues and net off inter segment revenue

(x) Previous period figures have been regrouped to conform with the classification adopted in these condensed standalone interim audited financial statements.

In terms of our audit report of even date attached

For B S R & Co. LLP  
Chartered Accountants  
Firm's Registration No: 101248W/W - 100022

  
Vijay Mathur  
Partner  
Membership No. 046476  
UDIN : 19046476AAAAAQ9853

  
R. Mukundan  
Managing Director and CEO

  
Rajiv Chandra  
General Counsel & Company Secretary

For and on behalf of  
TATA CHEMICALS LIMITED

  
John Mulhall  
Chief Financial Officer

Mumbai, 8 August, 2019

## **DELOITTE HASKINS & SELLS LLP**

**Chartered Accountants**

**Indiabulls Finance Centre, Tower 3,**

**27th – 32nd Floor,**

**Senapati Bapat Marg,**

**Elphinstone Road (West)**

**Mumbai 400013.**

**To the Board of Directors**

**Tata Global Beverages Limited**

### **Report on the Unaudited Special Purpose Condensed Financial Statements**

We have reviewed the accompanying Unaudited Special Purpose Condensed Financial Statements of **Tata Global Beverages Limited** (the 'Company') which comprise the Unaudited Special Purpose Condensed Balance Sheet as at June 30, 2019, Unaudited Special Purpose Condensed Statement of Profit and Loss (including other Comprehensive Income), the Unaudited Special Purpose Condensed Statement of Cash Flows and Unaudited Special Purpose Condensed Statement of Changes in Equity for the quarter ended June 30, 2019 and other explanatory notes (together hereinafter referred to as the "Unaudited Special Purpose Condensed Financial Statements").

### **Management's Responsibility for the Unaudited Special Purpose Condensed Financial Statements**

The Management of the Company is responsible for the preparation and presentation of these Unaudited Special Purpose Condensed Financial Statements in accordance with the recognition and measurement principles laid down in Indian Accounting Standards ("Ind AS") 34, Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013, read with the relevant rules issued thereunder and other recognised accounting practices and policies. The Unaudited Special Purpose Condensed Financial Statements are the responsibility of the Company's Management and have been approved by the Board of Directors. Our responsibility is to express a conclusion on the Unaudited Special Purpose Condensed Financial Statements based on our review.

### **Auditor's Responsibility**

We conducted our review in accordance with the Standard on Review Engagements ("SRE") 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India ("ICAI"). This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Unaudited Special Purpose Condensed Financial Statements is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing issued by the ICAI and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

## **Conclusion**

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Unaudited Special Purpose Condensed Financial Statements have not been prepared in all material respects in accordance with recognition and measurement principles of Ind AS 34 prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognized accounting practices and policies.

## **Restriction on use**

The Unaudited Special Purpose Condensed Financial Statements has been prepared by the Company for attachment to notice to shareholders in terms of section 232(2)(e) of the Companies Act, 2013 and should not be used for any other purpose.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No.117366W/W-100018)

Sd/-

Mukesh Jain

(Partner)

(Membership No. 108262)

Place: Mumbai

Date: September 23, 2019

(UDIN: 19108262AAAAALV9725)

Unaudited Special Purpose Condensed Balance Sheet as at June 30, 2019

	As at 30 June, 2019	Rs. in Crores As at 31 March, 2019
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, Plant and Equipment	222.69	223.84
Capital work-in-progress	8.36	10.52
Investment Property	0.65	0.65
Intangible Assets	17.82	18.06
Intangible asset under development	7.45	6.73
Right of Use Asset	73.81	-
Financial Assets		
Investments	2349.13	2318.59
Loans	15.01	16.77
Other Financial Assets	23.85	20.41
Deferred Tax Assets (Net)	48.04	33.86
Non-Current Tax Assets (Net)	40.08	63.38
Other Non-Current Assets	80.82	83.49
	<b>2887.71</b>	<b>2796.30</b>
<b>Current assets</b>		
Inventories	565.50	846.91
Financial Assets		
Investments	468.45	497.74
Trade Receivables	342.50	181.92
Cash and Cash Equivalents	376.83	408.96
Other Bank Balances	226.22	63.99
Loans	8.26	8.13
Other Financial Assets	29.10	37.42
Other Current Assets	195.48	163.08
	<b>2212.34</b>	<b>2208.15</b>
<b>TOTAL ASSETS</b>	<b>5100.05</b>	<b>5004.45</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	63.11	63.11
Other Equity	4281.60	4380.57
<b>TOTAL EQUITY</b>	<b>4344.71</b>	<b>4443.68</b>
<b>Non-Current Liabilities</b>		
Financial liabilities		
Lease Liability	70.22	-
Provisions	127.97	115.25
	<b>198.19</b>	<b>115.25</b>
<b>Current liabilities</b>		
Financial liabilities		
Borrowings	25.00	4.53
Trade Payables		
Total outstanding dues of Micro enterprises and Small enterprises	2.72	3.50
Total outstanding dues of creditors other than Micro enterprises and Small enterprises	277.70	235.92
Other Financial Liabilities	106.58	99.17
Other Current Liabilities	70.39	65.31
Provisions	21.32	20.65
Current Tax Liability (Net)	53.44	16.44
	<b>557.15</b>	<b>445.52</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>5100.05</b>	<b>5004.45</b>

Refer accompanying select explanatory notes to the unaudited special purpose condensed financial statements

In terms of our report attached of even date

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No.117366W/W-100018)

Sd/-

Mukesh Jain

Partner

Membership No. 108262

UDIN: 19108262AAAAALV9725

Place: Mumbai

September 23, 2019

For and on behalf of Tata Global Beverages Limited

Sd/-

L. Krishna Kumar

Executive Director

Sd/-

John Jacob

Chief Financial Officer

Sd/-

Neelabja Chakrabarty

Company Secretary

Unaudited Special Purpose Condensed Statement of Profit and loss for the quarter ended June 30, 2019

	Quarter ended June 2019	Rs. in Crores Quarter ended June 2018
<b>Income</b>		
Revenue from Operations	968.82	908.60
Other Income	38.40	59.90
<b>Total Income</b>	<b>1007.22</b>	<b>968.50</b>
<b>Expenses</b>		
Cost of Materials Consumed	532.14	456.77
Purchases of Stock-in-trade	6.50	5.91
Change in Inventories of Finished Goods/Stock-in-trade/Work-in-progress	66.03	78.56
Employee Benefits Expense	56.23	55.05
Finance Costs	5.49	3.69
Depreciation and Amortisation Expense	13.68	7.32
Advertisement & Sales Charge	49.73	41.35
Other Expenses	111.30	104.01
<b>Total Expenses</b>	<b>841.10</b>	<b>752.66</b>
<b>Profit before Exceptional Items and Taxes</b>	<b>166.12</b>	<b>215.84</b>
<b>Exceptional Items (Net)</b>	<b>(8.06)</b>	<b>-</b>
<b>Profit before Tax</b>	<b>158.06</b>	<b>215.84</b>
<b>Tax Expenses</b>		
Current Tax	54.51	68.25
Deferred Tax	(2.55)	(0.12)
	51.96	68.13
<b>Profit for the quarter</b>	<b>106.10</b>	<b>147.71</b>
<b>Other Comprehensive Income</b>		
<b>Items that will not be reclassified to profit or loss</b>		
Remeasurement of defined benefit plans	(10.59)	8.16
Changes in fair valuation of equity instruments	3.48	2.73
	(7.11)	10.89
Tax Impact on above items	3.70	(2.85)
	(3.41)	8.04
<b>Items that will be reclassified to profit or loss</b>		
Gains/(loss) on effective portion of cash flow hedges	0.12	(2.42)
	(0.04)	0.84
Tax Impact on above items	0.08	(1.58)
<b>Other Comprehensive Income for the quarter</b>	<b>(3.33)</b>	<b>6.46</b>
<b>Total Comprehensive Income for the quarter</b>	<b>102.77</b>	<b>154.17</b>
<b>Earnings per share</b>		
Equity share of nominal value Re. 1 each		
Basic and Diluted ( Not annualised)	1.68	2.35

Refer accompanying select explanatory notes to the unaudited special purpose condensed financial statements

In terms of our report attached of even date

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No.117366W/W-100018)

For and on behalf of Tata Global Beverages Limited

Sd/-

Mukesh Jain

Partner

Membership No. 108262

UDIN: 19108262AAAALV9725

Place: Mumbai

September 23, 2019

Sd/-

L. Krishna Kumar

Executive Director

Sd/-

John Jacob

Chief Financial Officer

Sd/-

Neelabja Chakrabarty

Company Secretary

**Unaudited Special Purpose Condensed Statement of Changes in Equity as at June 30, 2019**

**Equity Share Capital and Other Equity**

Particulars	Rs. in Crores									
	Equity Share Capital	Reserves and Surplus						Items of Other Comprehensive Income		Total Other Equity
		Capital Reserve	Securities Premium	Contingency Reserve	Revaluation Reserve	General Reserve	Retained Earnings	Effective portion of cash flow hedge	Fair value gain/(loss) on Equity Instruments	
Balance as at April 1, 2018	63.11	15.79	361.05	1.00	21.86	1143.31	2551.90	0.52	54.81	4150.24
Profit for the quarter							147.71			147.71
Other Comprehensive Income							5.31	(1.58)	2.73	6.46
Balance as at June 30, 2018	63.11	15.79	361.05	1.00	21.86	1143.31	2704.92	(1.06)	57.54	4304.41

Balance as at April 1, 2019	63.11	15.79	361.05	1.00	21.86	1143.31	2784.41	3.27	49.88	4380.57
Profit for the quarter							106.10			106.10
Other Comprehensive Income							(6.89)	0.08	3.48	(3.33)
<b>Total Comprehensive Income for the quarter</b>	-	-	-	-	-	-	<b>99.21</b>	<b>0.08</b>	<b>3.48</b>	<b>102.77</b>
Transaction with owners in their capacity as owners:										
Dividends (including tax on dividend)							(186.90)			(186.90)
Transition Impact of Ind AS 116 (net of tax) (Refer note 2 (f))							(14.84)			(14.84)
Balance as at June 30, 2019	63.11	15.79	361.05	1.00	21.86	1143.31	2681.88	3.35	53.36	4281.60

Refer accompanying select explanatory notes to the unaudited special purpose condensed financial statements

In terms of our report attached of even date

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No.117366W/W-100018)

For and on behalf of Tata Global Beverages Limited

Sd/-

Mukesh Jain

Partner

Membership No. 108262

UDIN: 19108262AAAALV9725

Place: Mumbai

September 23, 2019

Sd/-

L. Krishna Kumar  
Executive Director

Sd/-

John Jacob  
Chief Financial Officer

Sd/-

Neelabja Chakrabarty  
Company Secretary



**Unaudited Special Purpose Condensed Statement of Cash flow for the quarter ended June 30, 2019**

	Rs in Crores	
	Quarter ended Jun-19	Quarter ended Jun-18
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before Tax	158.06	215.84
Adjusted for :		
Depreciation and Amortisation	13.68	7.32
Dividend Income	(16.10)	(38.04)
Unrealised Exchange Loss / (Gain)	0.61	(1.01)
Finance Cost	5.49	3.69
Fair Value movement in Financial Instruments designated at Fair Value through profit or loss	(1.71)	(0.46)
Interest Income	(9.36)	(20.35)
Profit on sale of Current Investments (net)	(10.00)	(1.01)
Exceptional item	8.06	-
	<u>(9.33)</u>	<u>(49.86)</u>
Operating Profit before working capital changes	148.73	165.98
Adjustments for :		
Trade Receivables and Other Assets	(186.95)	(219.59)
Inventories	281.41	262.47
Trade Payables and Other Liabilities	19.48	(8.67)
	<u>113.94</u>	<u>34.21</u>
Cash generated from Operations	262.67	200.19
Direct Taxes (paid)/refund	5.79	(13.45)
	<u>5.79</u>	<u>(13.45)</u>
<b>Net Cash from / (used in) Operating Activities</b>	<b>268.46</b>	<b>186.74</b>
<b>B. Cash Flow from Investing Activities</b>		
Payment for Property, Plant and Equipment and Intangibles	(2.42)	(9.51)
Investment in Joint Ventures	(25.35)	(17.00)
(Purchase) / Sale of Current Investments (net)	39.30	(142.06)
(Placement)/ Redemption Fixed deposits (net)	(161.00)	50.00
Dividend Income received	16.10	38.04
Interest Income received	8.56	19.56
Inter Corporate Deposits & Loans (Net)	1.75	1.75
<b>Net Cash from / (used in) Investing Activities</b>	<b>(123.06)</b>	<b>(59.22)</b>
<b>C. Cash Flow from Financing Activities</b>		
Working Capital Facilities (net)	25.00	(60.00)
Dividend paid	(157.78)	-
Dividend Tax paid	(29.12)	-
Repayment towards Lease Liabilities	(5.55)	-
Finance Cost paid	(5.55)	(3.91)
<b>Net Cash from / (used in) Financing Activities</b>	<b>(173.00)</b>	<b>(63.91)</b>
Net increase / (decrease) in Cash and Cash Equivalents	<u>(27.60)</u>	<u>63.61</u>
<b>D. Cash and Cash Equivalents balances ( net of Bank Overdraft)</b>		
Balances at the beginning of the year	404.43	208.55
<b>Balances at the end of the quarter</b>	<b>376.83</b>	<b>272.16</b>

**Unaudited Special Purpose Condensed Statement of Cash flow for the quarter ended June 30, 2019**

	Rs in Crores	
	<u>Quarter ended Jun-19</u>	<u>Quarter ended Jun-18</u>
<b>Cash and Cash Equivalent comprises of:</b>		
Cash and Cash Equivalent	376.83	272.79
Bank Overdraft	-	(0.63)
	<u>376.83</u>	<u>272.16</u>

Refer accompanying select explanatory notes to the unaudited special purpose condensed financial statements

In terms of our report attached of even date

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No.117366W/W-100018)

For and on behalf of Tata Global Beverages Limited

Sd/-

Mukesh Jain

Partner

Membership No. 108262

UDIN: 19108262AAAALV9725

Place: Mumbai

September 23, 2019

Sd/-

L. Krishna Kumar

Executive Director

Sd/-

John Jacob

Chief Financial Officer

Sd/-

Neelabja Chakrabarty

Company Secretary

**Select explanatory notes to the Unaudited Special Purpose Condensed Financial Statements for the quarter ended June 30, 2019**

**1. Basis of Preparation**

The Unaudited Special Purpose Condensed Financial Statements of Tata Global Beverages Limited (the "Company") have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard ("Ind AS") 34, "Interim Financial Reporting" notified under Section 133 of the Companies Act, 2013 ("the 2013 Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the 2013 Act for the purpose of attachment to notice to shareholders in terms of section 232(2)(e) of the Companies Act, 2013

The Unaudited Special Purpose Condensed Financial Statements should be read in conjunction with the annual standalone financial statements for the year ended March 31, 2019.

The accounting policies applied are consistent with those of the annual standalone financial statements for the year ended March 31, 2019, except for adoption of Ind AS 116 on "Leases" (Refer note 2 (f)).

**2. Explanatory Notes**

- a. The Unaudited Special Purpose Condensed Financial Statements have been prepared on a historical cost basis except for certain financial instruments held at fair value. These financial instruments are classified as per fair value measurements, as defined by Ind AS 113. There have been no changes in the valuation techniques used from those set out in note 38(B) to the annual standalone financial statements for the year ended March 31, 2019.

Also, there are no changes in financial risk management objectives and Capital Management from those set out in note 38(C) to the annual standalone financial statements for the year ended March 31, 2019.

- b. Contingent Liabilities and Assets – There are no material changes from March 31, 2019 which impacts the financial statement for period ended June 30, 2019.
- c. The Board of Directors of the Company in its meeting held on May 15, 2019, as a part of business reorganisation, had approved the scheme of merger of consumer product business of Tata Chemicals Limited with the Company in terms of a scheme of arrangement under Section 230-232 and other applicable provisions of the Companies Act, 2013. The appointed date of the scheme is April 1, 2019. The Scheme would become effective after receipt of all requisite statutory and NCLT approvals, including Shareholders approval. The financial figures of the said business will be included in the financial statements, with effect from the appointed date, on receipt of all requisite approvals.  
The costs incurred during the quarter in relation to the proposed scheme of merger have been disclosed as exceptional items.
- d. The acquisition of the branded tea business of Dhunseri Tea & Industries Limited was completed on August 21, 2019.
- e. The Company has organised its business into Branded Segment and Non Branded Segment. Branded Segment is further categorised as Branded Tea, Branded Coffee and the residual as Branded Others. As per the threshold limits prescribed under Indian Accounting Standard (Ind AS-108) on "Segment Reporting", the Company's reportable activity falls within a single business segment and hence, the segment disclosure requirements are not applicable.
- f. Effective April 1, 2019, the Company has adopted Ind AS 116 – Leases and applied the revised standard to all lease contracts thereby capitalising assets taken on operating lease existing on April 1, 2019, using the modified retrospective method, with the cumulative adjustments to retained earnings. Accordingly, comparatives for the year ended March 31, 2019 have not been restated. On transition, the cumulative effect of applying the standard resulted in Rs 14.84 cores being debited to retained earnings, net of taxes. The effect of this adoption is insignificant on the profit for the period.

***Select explanatory notes to the Unaudited Special Purpose Condensed Financial Statements for the quarter ended June 30, 2019***

- g. Previous period's figures have been regrouped / rearranged, to the extent necessary, to conform to current period's classifications.

For and on behalf of Tata Global Beverages Limited

Sd/-  
L. Krishna Kumar  
Executive Director

Sd/-  
John Jacob  
Chief Financial Officer

Sd/-  
Neelabja Chakrabarty  
Company Secretary



**REPORT ADOPTED BY THE BOARD OF DIRECTORS OF TATA CHEMICALS LIMITED AT ITS MEETING HELD ON WEDNESDAY, MAY 15, 2019, IN RELATION TO THE PROPOSED SCHEME OF ARRANGEMENT AMONGST TATA CHEMICALS LIMITED AND TATA GLOBAL BEVERAGES LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

**A. Background:**

1. Based on the recommendations of the Audit Committee, the Board of Directors ("**Board**") of Tata Chemicals Limited ("**Demerged Company**" or "**Company**") at its meeting held on May 15, 2019, approved the draft Scheme of Arrangement ("**Scheme**"), for the demerger of the 'Consumer Products Business' of the Demerged Company to Tata Global Beverages Limited ("**Resulting Company**"), to be implemented under Sections 230 to 232 of the Companies Act, 2013 ("**Companies Act**") and other applicable laws including the Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 (as amended from time to time) issued by the Securities and Exchange Board of India ("**SEBI**").
2. In terms of Section 232(2)(c) of the Companies Act, a report from the Board of the Company explaining the effect of the proposed Scheme on each of the equity shareholders, promoter and non-promoter shareholders, key managerial personnel, creditors and employees, and laying out in particular, the share entitlement ratio, specifying any special valuation difficulties, etc., is required to be adopted by the Board. Such report is then required to be appended with the notice of the meeting of shareholders and creditors if ordered by the National Company Law Tribunal. Accordingly, this report of the Board is prepared to comply with the requirements of Section 232(2)(c) of the Companies Act.
3. While deliberating on the Scheme, the Board has considered *inter-alia*, and has taken on record, the following documents:
  - (a) A draft of the proposed Scheme;
  - (b) Valuation report dated May 15, 2019 issued by Ernst & Young, who in their report has recommended the share entitlement ratio of 114:100 *i.e.* 114 fully paid-up equity shares of nominal value of Re. 1 each of the Resulting Company for every 100 fully paid-up equity shares of nominal value of Rs. 10 held in the Demerged Company ("**Valuation Report**");
  - (c) Fairness opinion dated May 15, 2019 issued by J. P. Morgan, a SEBI Registered Category 1 Merchant Banker, providing the fairness opinion on the share entitlement ratio recommended in the Valuation Report ("**Fairness Opinion**");
  - (d) Draft Auditor's certificate issued by the statutory auditors of the Demerged Company *i.e.* B S R & Co. LLP, Chartered Accountants, to the effect that the Scheme is in compliance with applicable Accounting Standards specified by the Central Government in Section 133 of the Companies Act; and
  - (e) Report of the Audit Committee of the Company dated May 15, 2019 recommending the Scheme.

**TATA CHEMICALS LIMITED**

Bombay House 24 Homi Mody Street Fort Mumbai 400 001  
 Tel 91 22 6665 8282 Fax 91 22 6685 8143/44 www.tatachemicals.com  
 CIN : L24239MH1939PLC002893



4. The Board noted the rationale and benefits of the Scheme, which *inter-alia* are as follows:
- (a) With the view to enable the Demerged Company to focus on its basic chemistry and specialty products business and to integrate the consumer products business activities undertaken by both, the Demerged Company and the Resulting Company, under a single entity, it is proposed that the Consumer Products Business of the Demerged Company be demerged and transferred to the Resulting Company under the terms and conditions of the Scheme.
  - (b) The proposed transaction will be in the best interest of the shareholders of the Resulting Company as well as of the Demerged Company and shall not in any manner be prejudicial to the interests of the concerned shareholders and creditors or general public at large.
  - (c) The Scheme results in revenue and cost synergies including from supply chain opportunities, operational improvements, logistics alignment leading to economies of scale, creation of efficiencies, optimization of overlapping infrastructure, capital and operational expenditure and leveraging distribution networks.
  - (d) The Scheme enhances the financial profile with higher growth, margin expansion and increased cash flows which will provide further headroom for inorganic growth opportunities in India and abroad.
  - (e) The Scheme enables the Resulting Company to expand its presence in the fast moving consumer goods categories in India and abroad.
  - (f) The shareholders of the Demerged Company will continue to participate in the growth of a larger consumer focused company i.e. Resulting Company, while continuing to own shares in the Demerged Company which will remain focused on its basic chemistry and specialty products businesses.
5. The Board noted the salient features of the Scheme, which *inter-alia* are as under:
- (a) Demerger of the Consumer Products Business of the Demerged Company to the Resulting Company.
  - (b) The Consumer Products Business of the Demerged Company has been identified as the business of sourcing, packaging, marketing, distribution and sales of (i) vacuum evaporated edible common salt ('Salt') for human consumption, (ii) spices, (iii) protein foods and (iv) certain other food and other products. Under the Scheme, the salt manufacturing facility, basic chemistry products and specialty products business are not proposed to be transferred to the Resulting Company and will continue to be owned by the Demerged Company. Necessary salt supply arrangements shall be put into effect on and from the date on which the Scheme comes into effect.





- (c) Pursuant to the sanction of the Scheme by National Company Law Tribunal(s), the Scheme shall become effective from the Appointed Date. The Appointed Date for the Scheme is fixed as April 1, 2019.
- (d) With effect from the Appointed Date, the entire undertaking of Demerged Company relating to the Consumer Products Business shall, subject to the terms and conditions of the Scheme and, without any further act, instrument or deed, be demerged from the Demerged Company and stand transferred to and vested in and/or deemed to have been demerged from the Demerged Company and stand transferred to and vested in the Resulting Company, so as to become the undertaking of the Resulting Company on a going concern basis.
- (e) Issue and allotment of 114 fully paid-up equity shares of nominal value of Re. 1 each of the Resulting Company for every 100 fully paid-up equity shares of nominal value of Rs. 10 held as on the Record Date (*defined in the Scheme*) in the Demerged Company based on the share entitlement ratio as determined in the Valuation Report and the Fairness Opinion. Such equity shares issued by Resulting Company to the equity shareholders of Demerged Company pursuant to the Scheme would be listed on the National Stock Exchange, the Bombay Stock Exchange and the Calcutta Stock Exchange.

**B. Effect of the Scheme on equity shareholders (promoter shareholders and non-promoter shareholders), and key managerial personnel of the Company:**

**6. Effect on the equity shareholders (promoter shareholders and non-promoter shareholders):**

- (a) As part of the Scheme, the equity share capital of the Company shall not undergo any change.
- (b) In consideration for the demerger of the 'Consumer Products Business' from the Demerged Company to the Resulting Company, the Resulting Company shall issue fully paid-up equity shares of the Resulting Company to the shareholders of the Demerged Company whose names appear in the register of members as on the Record Date (*defined in the Scheme*) based on the share entitlement ratio of 114:100 *i.e.* 114 fully paid-up equity shares of nominal value of Re. 1 each of the Resulting Company for every 100 fully paid-up equity shares of nominal value of Rs. 10 held in the Demerged Company.
- (c) The current paid-up share capital of the Resulting Company is Rs. 63.11 Crores comprising of 63,11,29,729 equity shares of nominal value of Re. 1 each. The current shareholding pattern of the Resulting Company is set out below:

Category of Shareholder	No. of fully paid up equity shares held	Shareholding as a % of total no. of shares
Promoter and Promoter Group	21,74,45,190	34.45
Public	41,36,84,539	65.55
<b>Total</b>	<b>63,11,29,729</b>	<b>100</b>



- (d) Pursuant to the Scheme, after the issuance and allotment of equity shares by the Resulting Company, the shareholding pattern of the Resulting Company is expected to be as below:

Category of Shareholder	No. of fully paid up equity shares held	Shareholding as a % of total no. of shares
Promoter and Promoter Group	30,54,10,350	33.18
Public	61,51,54,841	66.82
<b>Total</b>	<b>92,05,65,191</b>	<b>100</b>

7. Effect on the Key Managerial Personnel: There is no effect on the key managerial personnel of the Company.
8. Effect on staff or employees: Under the Scheme, approximately 250 employees are proposed to be transferred from the Company to the Resulting Company. These persons shall become the employees of the Resulting Company without any break or interruption of service and with the benefit of continuity of service on terms and conditions which are not less favorable than the terms and conditions as were applicable to them immediately prior to the Effective Date (*defined in the Scheme*).
9. No special valuation difficulties were reported.

C. **Conclusion**

While deliberating the Scheme, the Board has considered its impact on each of the shareholders, promoters, non-promoter shareholders, key managerial personnel, creditors and employees. The Scheme is in the best interest of the shareholders, promoters and non-promoter shareholders, key managerial personnel, creditors and employees of the Company and there shall be no prejudice caused to them in any manner by the Scheme.

**For and on behalf of the Board of  
Tata Chemicals Limited**

Name: R. Mukundan  
Designation: Managing Director & CEO  
Date: May 15, 2019  
Place: Mumbai





**REPORT ADOPTED BY THE BOARD OF DIRECTORS OF TATA GLOBAL BEVERAGES LIMITED AT ITS MEETING HELD ON MAY 15, 2019 EXPLAINING THE EFFECT OF THE COMPOSITE SCHEME OF ARRANGEMENT ON EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS**

**1. BACKGROUND**

- 1.1. The Board of Directors (“**Board**”) of Tata Global Beverages Limited at its meeting held on May 15, 2019 have approved the Scheme of Arrangement amongst Tata Chemicals Limited (“**Demerged Company**”) and Tata Global Beverages Limited (“**Resulting Company**” or “**Company**”) and their respective shareholders and creditors (“**Scheme**”).
- 1.2. Provisions of Section 232(2)(c) of the Companies Act, 2013 require the Directors to adopt a report explaining the effect of the arrangement on each class of shareholders, key managerial personnel (“**KMPs**”), promoters and non-promoter shareholders of the the Company laying out in particular the share entitlement ratio and specifying any special valuation difficulties and the same is required to be circulated as part of the notice of the meeting(s) to be held for the purpose of approving the Scheme.
- 1.3. This report of the Board is accordingly being made in pursuance to the requirements of Section 232(2)(c) of the Companies Act, 2013.
- 1.4. Under the Scheme it is proposed to demerge the Consumer Products Business (*as defined in the Scheme*) of the Demerged Company into the Company and subsequent issue of equity shares by the Company to the shareholders of the Demerged Company, as per the share exchange ratio determined by Bansil S. Mehta & Co, (“**Independent Chartered Accountant**”) as consideration.
- 1.5. The following documents were, inter alia, placed before the Board:
  - (a) Draft Scheme, duly initialled by the Company Secretary of the Company for the purpose of identification;
  - (b) Valuation/ Share Entitlement Ratio Report dated May 15, 2019 (“**Share Entitlement Ratio Report**”) prepared by the Independent Chartered Accountant describing the methodology adopted by them in arriving at the share exchange ratio;
  - (c) Fairness opinion dated May 15, 2019 (“**Fairness Opinion**”) issued by DSP Merrill Lynch Limited, Independent Category-I Merchant Banker, providing the Fairness Opinion on the share exchange ratio as recommended by the Share Exchange Ratio Report;
  - (d) Certificate dated May 15, 2019, obtained from the statutory auditors of the Company viz. Deloitte Haskins & Sells LLP, Chartered Accountants, on the accounting treatment prescribed in the Scheme; and
  - (e) Report of the Audit Committee dated May 15, 2019.



**TATA GLOBAL BEVERAGES LIMITED**

11/13 Botawala Building 1st Floor Office No 2-6 Horniman Circle Fort Mumbai 400 001 India

Tel 91 22 6121 8400 Fax 91 22 6121 8499

Registered Office: 1 Bishop Lefroy Road Kolkata 700 020

Corporate Identity Number - L15491WB1962PLC031425

e-mail investor.relations@tgbli.com

website www.tataglobalbeverages.com



## 2. ENTITLEMENT RATIO | ISSUE OF SHARES PURSUANT TO THE SCHEME

- 2.1. Independent Chartered Accountant have approved the following share exchange / entitlement ratio for the issue of shares in terms of the Scheme:

*114 equity shares of the Resulting Company of INR 1/- each fully paid up for every 100 equity shares held in the Demerged Company of INR 10/- each fully paid up.*

- 2.2. The aforesaid share entitlement ratio is based on the Share Entitlement Ratio Report and the Fairness Opinion. The aforesaid Share Entitlement Ratio Report and Fairness Opinion have been duly considered by the Board and have come to the conclusion that share entitlement ratio is fair and reasonable.
- 2.3. The equity shares of the Company issued as consideration pursuant to the Scheme shall be subject to the memorandum of association of the Company, shall rank *pari passu* in all respects with the existing equity shares of the Company, after the Effective Date (*as defined in the Scheme*) including with respect to dividend, bonus, right shares, voting rights and other corporate benefits attached thereto. The Company shall seek listing of the aforementioned equity shares allotted by it on BSE Limited and National Stock Exchange of India Limited in terms of and in compliance with the SEBI Circular and other applicable provisions as may be applicable.
- 2.4. No special valuation difficulties were reported.

### 3. Effect of the Scheme on the equity shareholders (promoter and non-promoter) of the Company

- 3.1. In consideration for the proposed Scheme, the shareholders of the Demerged Company will be issued shares of the Company as per the share exchange ratio determined in the Share Entitlement Ratio Report. Thus, the percentage shareholding of the shareholders of the Company shall change to the extent of issuance of shares to the shareholders of the Demerged Company.

### 4. Effect of the Scheme on the KMPs of the Company

There would be no effect of the Scheme on the KMP's of the Company. Further none of the KMPs have any interest in the Scheme except to the extent of the equity shares held by them, if any in the Company and in the Demerged Company.

In the opinion of the Board, the Scheme will be of advantage and beneficial to the Company, its shareholders and other stakeholders and the terms thereof are fair and reasonable.

For and on behalf of the Board

Name: Ajoy Misra  
Designation: Managing Director & CEO  
DIN – 00050557  
Place: May 15, 2019  
Date: Mumbai



## TATA GLOBAL BEVERAGES LIMITED

11/13 Botawala Building 1st Floor Office No 2-6 Horniman Circle Fort Mumbai 400 001 India

Tel 91 22 6121 8400 Fax 91 22 6121 8499

Registered Office 1 Bishop Lefroy Road Kolkata 700 020

Corporate Identity Number - L15491WB1962PLC031425

e-mail investor.relations@tgb.com

website www.tataglobalbeverages.com

<b>S R B C &amp; CO LLP</b> Chartered Accountants 12th Floor, The Ruby, 29, Senapati Bapat Marg, Dadar (West), Mumbai - 400 028, Maharashtra, India	<b>Bansi S. Mehta &amp; Co.</b> Chartered Accountants Merchant Chambers, 3 <sup>rd</sup> Floor, New Marine Lines, Opposite SNDT Women's University, Mumbai - 400 020, Maharashtra, India
--	---

Dated: 15 May 2019

To

<b>The Audit Committee, Tata Chemicals Limited</b> Bombay House, Homi Modi Street, Kala Ghoda, Fort, Mumbai - 400 023 Maharashtra, India	<b>The Audit Committee, Tata Global Beverages Limited</b> Bombay House, Homi Modi Street, Kala Ghoda, Fort, Mumbai - 400 023 Maharashtra, India
---	--

**Sub: Recommendation of share entitlement ratio for the proposed demerger of Consumer products business of Tata Chemicals Limited into Tata Global Beverages Limited**

Dear Sir / Madam,

We refer to our engagement letters whereby S R B C & CO LLP (hereinafter referred to as "SRBC") is appointed by Tata Chemicals Limited (hereinafter referred to as "TCL") and Bansi S. Mehta & Co. (hereinafter referred to as "BSMC") is appointed by Tata Global Beverages Limited (hereinafter referred to as "TGBL") for recommendation of share entitlement ratio of equity shares for the proposed demerger of consumer division of TCL (hereinafter referred to as "Consumer Products Business") into TGBL ("Proposed Demerger"). TCL and TGBL are hereinafter referred to as the "Companies" or "the Client". Consumer Products Business and TGBL are hereinafter referred to as the "Valuation Subjects".

SRBC and BSMC are hereinafter jointly referred to as "Valuers" or "we" or "us" and individually referred to as "Valuer" in this Report.

The share entitlement ratio for this report refers to number of equity shares of TGBL which would be issued to the equity shareholders of TCL (in addition to, not in exchange of) pursuant to the Proposed Demerger.

Our deliverable for this engagement would be a share entitlement ratio report ("Share Entitlement Ratio Report" or "Report").

#### **SCOPE AND PURPOSE OF THIS REPORT**

TCL was incorporated on 23 January 1939 and having its registered office at Bombay House, 24 Homi Mody Street, Fort, Mumbai 400001. TCL is engaged in diversified businesses dealing in basic chemistry products, specialty products and in the Consumer Products Business. Consumer Products Business is engaged in sourcing, packaging, marketing, distribution and sales of consumer salt, spices, protein foods and certain other food and other products. For the year ended 31 March 2019, TCL reported consolidated operating revenues of INR 112,963.3 mn and profit after tax of INR 13,868.5 mn.

TGBL was incorporated on 18 October, 1962 and having its registered office at 1, Bishop Lefroy Road, Kolkata 700020. TGBL, together with its subsidiaries, is engaged in the business of marketing distribution and/ or sales of tea, coffee and water. TGBL has 50% stake in two joint ventures, namely





**Recommendation of share entitlement ratio for the proposed demerger of consumer products business of Tata Chemicals Limited into Tata Global Beverages Limited**

---

Tata Starbucks Private Limited and NourishCo Beverages Private Limited. For the year ended 31 March 2019, TGBL reported consolidated operating revenues of INR 72,515.0 mn and a profit after tax of INR 4,569.8 mn.

We understand that the management of the Companies (hereinafter referred to as "the Management") is contemplating the demerger of Consumer Products Business into TGBL under a Scheme of Arrangement under the provisions of Sections 230-232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013. As a consideration for this Proposed Demerger, equity shareholders of TCL would be issued equity shares of TGBL in lieu of the value per equity share of TCL attributable to the Consumer Products Business.

For the aforesaid purpose, the Board of Directors of TCL and TGBL have appointed SRBC and BSMC respectively, to recommend a share entitlement ratio, for the issue of TGBL's equity shares to the equity shareholders of TCL for the value attributable to the Consumer Products Business, to be placed before the Audit Committee/Board of Directors of TCL.

We understand that the appointed date for the demerger as per the draft scheme shall be 1 April 2019.

The scope of our services is to conduct a relative (and not absolute) valuation of equity shares of the Valuation Subjects and report a share entitlement ratio for the Proposed Demerger in accordance with internationally accepted valuation standards / ICAI Valuation Standards 2018 issued by Institute of Chartered Accountants of India.

We have been provided with the carved-out financials of Consumer Products Business from the audited financials of TCL and audited financials of TGBL for year ended 31 March 2019 and earlier periods. Further, we have been provided with the business plan of the Valuation Subjects. We have taken into consideration the current market parameters in our analysis and have made adjustments for additional facts made known to us till the date of our Report. Further, we have been informed that all material information impacting the Valuation Subjects have been disclosed to us.

We have been informed that till the Proposed Demerger becomes effective:

- (a) Neither Companies would declare any substantial dividends having materially different yields as compared to past few years.
- (b) There are no unusual/abnormal events in the Companies since the last audited accounts till the Report date materially impacting their operating/financial performance.

We have been informed that, in the event that either of the company restructure their equity share capital by way of share split / consolidation / issue of bonus shares before the Proposed Demerger becomes effective, the issue of shares pursuant to the share entitlement ratio recommended in this Report shall be adjusted accordingly to take into account the effect of any such corporate actions.

We have relied on the above while arriving at the share entitlement ratio for the Proposed Demerger.

This Report is our deliverable for the above engagement.

This Report is subject to the scope, assumptions, qualifications, exclusions, limitations and disclaimers detailed hereinafter. As such, the Report is to be read in totality and not in parts.



## SOURCES OF INFORMATION

In connection with this exercise, we have received/obtained the following information about the Valuation Subjects:

1. For Consumer Products Business of Tata Chemicals Limited
  - Financial statements (upto EBIT level) of salt business, spices business and pulses business of TCL carved-out from audited financial statement of TCL for the year ended 31 March 2017 to 31 March 2019
  - Business plan of Consumer Products Business
  - Proposed arm's length pricing between TCL and TGBL for supply of salt
  - Details of contingent liabilities as of 31 March 2019
  - Other relevant information
  - Answers to specific questions and issues raised by us after examining the foregoing data.
2. For Tata Global Beverages Limited
  - Standalone and consolidated audited financial statements for year ended 31 March 2019
  - Annual report for years ended 31 March 2014 to 31 March 2018
  - Business plan of TGBL
  - Details of contingent liabilities as of 31 March 2019
  - Other relevant information
  - Answers to specific questions and issues raised by us after examining the foregoing data.

During the discussions with the management of Valuation Subjects, we have also obtained explanations and information considered reasonably necessary for our exercise. The Client has been provided with the opportunity to review the draft report (excluding the recommended share entitlement ratio) as part of our standard practice to make sure that factual inaccuracy/omissions are avoided in our Report.

## PROCEDURES ADOPTED AND VALUATION METHODS FOLLOWED

In connection with this exercise, we have adopted the following procedures to carry out the valuation:

- Requested and received financial and qualitative information
- Used data available in public domain
- Discussions (physical/over call) with the Management to:
  - Understand the business and fundamental factors that affect its earning-generating capability including strengths, weaknesses, opportunity and threats analysis and historical financial performance.
- Undertook Industry Analysis:
  - Research publicly available market data including economic factors and industry trends that may impact the valuation
  - Analysis of key trends and valuation multiples of comparable companies/comparable transactions using: Proprietary databases subscribed by us or our network firms
- Selection of internationally accepted valuation methodology/(ies) as considered appropriate by us.





### SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

The recommendation contained herein is not intended to represent value at any time other than report date. We have no obligation to update this report.

This Report, its contents and the results herein are specific to (i) the purpose of valuation agreed as per the terms of our engagement; (ii) the Report Date; (iii) are based on the carved-out financials (upto EBIT level) of Consumer Products Business from the audited financials of TCL; (iv) audited consolidated financials of TGBL for year ended 31 March 2019 and earlier period and (v) business plan of Valuation Subjects. We have been informed that the business activities of the Valuation Subjects have been carried out in the normal and ordinary course between 31 March 2019 and the Report date and that no material changes have occurred in their respective operations and financial position between 31 March 2019 and the Report date.

A valuation of this nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on and the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this report.

The recommendation rendered in this Report only represent our recommendation based upon information furnished by the Companies and gathered from public domain (and analysis thereon) and the said recommendation shall be considered to be in the nature of non-binding advice. Our recommendation should not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors.

The determination of share entitlement ratio is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgement. In the ultimate analysis, valuation will have to be tempered by the exercise of judicious discretion by the Valuer and judgment taking into accounts all the relevant factors. There is, therefore, no indisputable single share entitlement ratio. While we have provided our recommendation of the share entitlement ratio based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the share entitlement ratio. The final responsibility for the determination of the share entitlement ratio at which the Proposed Demerger shall take place will be with the Board of Directors of the Companies who should take into account other factors such as their own assessment of the Proposed Demerger and input of other advisors.

In the course of the valuation, we were provided with both written and verbal information, including market, financial and operating data as detailed in the section - Sources of Information.

We have not independently audited or otherwise verified the financial information provided to us. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the financial statements. Also, with respect to explanations and information sought from the Client, we have been given to understand by the Management that they have not omitted any relevant and material factors about the Valuation Subjects and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusion is based on the information given by/on behalf of the Companies. The Management has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/results.

The Report assumes that the Companies comply fully with relevant laws and regulations applicable in all its areas of operations, and that the Companies will be managed in a competent and responsible manner. Further, this Report has given no consideration to matters of a legal nature, including issues



Recommendation of share entitlement ratio for the proposed demerger of consumer products business of Tata Chemicals Limited into Tata Global Beverages Limited

of legal title and compliance with local laws, and litigation and other contingent liabilities that are not disclosed in the audited/unaudited balance sheet of the Companies. Our conclusion of value assumes that the assets and liabilities of the Valuation Subjects, reflected in their respective latest balance sheets remain intact as of the Report date.

The financial forecasts used in the preparation of the Report reflects judgment of respective management of Companies, based on present circumstances prevailing around the Valuation Date, as to the most likely set of conditions and the course of action it is most likely to take. It is usually the case that some events and circumstances do not occur as expected or are not anticipated. Therefore, actual results during the forecast period will almost always may differ from the forecasts and as such differences may be material.

The report does not address the relative merits of the Proposed Demerger as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

The fee for the engagement is not contingent upon the results reported.

We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other to the Companies. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the Companies, their directors, employees or agents.

It is understood that this analysis does not represent a fairness opinion. This report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose.

This Report is subject to the laws of India.

Neither the Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the proposed Scheme of Arrangement, without our prior written consent. In addition, this report does not in any manner address the prices at which equity shares of the Companies will trade following announcement of the Proposed Demerger and we express no opinion or recommendation as to how the shareholders of either company should vote at any shareholders' meeting(s) to be held in connection with the Proposed Demerger.





Recommendation of share entitlement ratio for the proposed demerger of consumer products business of Tata Chemicals Limited into Tata Global Beverages Limited

---

### SHAREHOLDING PATTERN

#### Tata Chemicals Limited

The issued and subscribed equity share capital of TCL as at 31 March 2019 is INR 2,547.6 million consisting of 254,756,278 equity shares of face value of INR 10 each. The shareholding pattern is as follows:

Shareholding Pattern as on 31 March 2019	No of Shares	% Shareholding
Promoter & Group	78,027,943	30.6%
Public - Institutions	122,214,300	48.0%
Public – Non-Institutions	54,514,035	21.4%
<b>Grand Total</b>	<b>254,756,278</b>	<b>100.0%</b>

Source: BSE

#### Tata Global Beverages Limited

The issued and subscribed equity share capital of TGBL as at 31 March 2019 is INR 631.1 million consisting of 631,129,729 equity shares of face value of INR 1 each. The shareholding pattern is as follows:

Shareholding Pattern as on 31 March 2019	No of Shares	% Shareholding
Promoter & Group	217,445,190	34.5%
Public - Institutions	246,397,230	39.0%
Public – Non-Institutions	167,264,416	26.5%
Non-Promoter – Non-Public	22,893	0.0%
<b>Grand Total</b>	<b>631,129,729</b>	<b>100.0%</b>

Source: BSE





#### APPROACH FOR RECOMMENDATION OF SHARE ENTITLEMENT RATIO

The Proposed Scheme of Arrangement contemplates the demerger of Consumer Products Business into TGBL. Arriving at the share entitlement ratio for the Proposed Demerger of Consumer Products Business into TGBL would require determining the relative value of the Consumer Product Business (on per equity share of TCL) and the value of the equity shares of TGBL. These values are to be determined independently, but on a relative basis for the Valuation Subjects, without considering the effect of the Proposed Demerger.

It should be understood that the valuation of any company or its assets is inherently subjective and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the Companies. In addition, this valuation will fluctuate with changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of the Valuations Subjects, and other factors.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for mergers / demergers of a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

The Valuation Approach adopted by SRBC and BSMC is given in Annexure 1A and 1B respectively (Annexure 1A and 1B together referred to as Annexures).

#### BASIS OF SHARE ENTITLEMENT RATIO

The basis of the demerger of Consumer Products Business of TCL into TGBL would have to be determined after taking into consideration all the factors and methods mentioned hereinabove. Though different values have been arrived at under each of the above methods, for the purposes of recommending the share entitlement ratio of equity shares it is necessary to arrive at a final value for each Valuation Subject. It is however important to note that in doing so, we are not attempting to arrive at the absolute equity values of the Valuation Subjects, but at their relative values to facilitate the determination of the share entitlement ratio. For this purpose, it is necessary to give appropriate weights to the values arrived at under each approaches / methods.

The share entitlement ratio has been arrived at on the basis of a relative equity valuation of Valuation Subjects based on the various approaches / methods explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of the Valuation Subjects, having regard to information base, key underlying assumptions and limitations.

We have independently applied methods discussed in the Annexures, as considered appropriate, and arrived at the value per share of the Companies. To arrive at the consensus on the share entitlement ratio for the Proposed Demerger, suitable minor adjustments / rounding off have been done.

In light of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, we recommend the following share entitlement ratio for the Proposed Demerger of Consumer Products Business into TGBL:

114 (One hundred and fourteen) equity shares of TGBL of INR 1/- each fully paid up for every 100 (One hundred) equity shares of TCL of INR 10/- each fully paid up.



Recommendation of share entitlement ratio for the proposed demerger of consumer products business of Tata Chemicals Limited into Tata Global Beverages Limited

---

It should be noted that we have not examined any other matter including economic rationale for the Proposed Transaction per se or accounting, legal or tax matters involved in the Proposed Transaction.

<p>Respectfully submitted, <b>S R B C &amp; CO LLP</b> Chartered Accountants ICAI Firm Registration Number: 324982E/ E300003</p>   <p><b>per Ravi Bansal</b> Partner Membership No: 049385 Place: Mumbai Date: 15 May 2019</p>	<p>Respectfully submitted, <b>Bansi S. Mehta &amp; Co.</b> Chartered Accountants ICAI Firm Registration Number: 100991W</p>   <p><b>per Drushti R. Desai</b> Partner Membership No: 102062 Place: Mumbai Date: 15 May 2019</p>
--	--



#### **ANNEXURE 1A - APPROACH – BASIS OF DEMERGER - SRBC**

There are several commonly used and accepted methods under the market, income and asset approaches for determining the share entitlement ratio for the Proposed Demerger of Consumer Products Business into TGBL, which have been considered in the present case, to the extent relevant and applicable, and subject to availability of information, including:

1. Market Price method
2. Comparable Companies' Multiples method
3. Discounted Cash Flow method
4. Net Asset Value method

##### **Net Asset Value ("NAV") Method**

The asset based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. The Net Asset Value ignores the future return the assets can produce and is calculated using historical accounting data that does not reflect how much the business is worth to someone who may buy or invest in the business as a going concern. This valuation approach is mainly used in case where the firm is to be liquidated i.e. it does not meet the "going concern" criteria or in case where the assets base dominate earnings capability. A scheme of amalgamation / arrangement would normally be proceeded with, on the assumption that the companies amalgamate as going concerns and an actual realization of the operating assets is not contemplated. The operating assets have therefore been considered at their book values. In a going concern scenario, the relative earning power, as reflected under the Income and Market approaches, is of greater importance to the basis of amalgamation / arrangement, with the values arrived at on the net asset basis being of limited relevance. Therefore, we have not used the NAV Method for valuation.

##### **Discounted Cash Flows ("DCF") Method**

Under the DCF method the projected free cash flows to the firm are discounted at the weighted average cost of capital. The sum of the discounted value of such free cash flows is the value of the firm.

Using the DCF analysis involves determining the following:

###### *Estimating future free cash flows:*

Free cash flows are the cash flows expected to be generated by the company that are available to all providers of the company's capital – both debt and equity.

###### *Appropriate discount rate to be applied to cash flows i.e. the cost of capital:*

This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and creditors), weighted by their relative contribution to the total capital of the company. The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

We have used DCF method considering business plans of Consumer Products Business and TGBL provided to us for valuation. For TGBL, we have done a sum of parts ("SOTP") valuation for various material business segments and investments. For Consumer Products Business, we have done SOTP valuation for salt, pulses and spices business segments.

##### **Comparable Companies' Multiples ("CCM") method**

Under this method, value of equity shares of a company is arrived at by using multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed companies. This valuation is based on the principle that market valuations, taking place between informed buyers



**Recommendation of share entitlement ratio for the proposed demerger of consumer products business of Tata Chemicals Limited into Tata Global Beverages Limited**

and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

Like in DCF we have done an SOTP analysis while considering the CCM method. We have considered Enterprise value to Earnings before interest, tax, depreciation and amortization (EV/EBITDA) multiple of the comparable listed companies/ comparable transactions for the purpose of our valuation except for businesses which are not at a normative level, we have used the EV/Revenue multiple.

The total equity value is then divided by the total number equity shares for arriving at the value per equity share under CCM method.

**Market Price Method**

The market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares. But there could be situations where the value of the share as quoted on the stock market would not be regarded as a proper index of the fair value of the share especially where the market values are fluctuating in a volatile capital market. Further, in the case of a demerger, where there is a question of evaluating the shares of one company against those of another, the volume of transactions and the number of shares available for trading on the stock exchange over a reasonable period would have to be of a comparable standard.

In the present case, the equity shares of TGBL are listed on BSE Limited ("BSE"), National Stock Exchange of India Limited ("NSE") and The Calcutta Stock Exchange Limited. In these circumstances, the share price observed on NSE for TGBL over a reasonable period have been considered for arriving at the value per equity share of TGBL under the market price method. Market price method have not been used to value Consumer Products Business as it is only one of the many businesses of TCL.

**MAJOR FACTORS THAT WERE TAKEN INTO ACCOUNT DURING THE VALUATION**

- The equity shares of TGBL are frequently traded
- Key operating / financial parameters of Valuation Subjects vis-à-vis its comparable companies.
- Business plan of Valuation Subjects.

**The computation of share entitlement ratio for demerger of Consumer Products Business into TGBL by SRBC is tabulated below:**

Valuation Approach	Consumer Products Business (A)		TGBL (B)	
	Value per Share of TCL for Consumer Products Business (INR)	Weight	Value per Share of TGBL (INR)	Weight
<b>Market Approach</b>				
- Market Price Method	NA	-	208.2	33.33%
- Comparable Companies' Multiples Method	267.8	50%	232.1	33.33%
<b>Income Approach - Discounted Cashflows Method</b>	226.7	50%	211.4	33.33%
Asset Approach	3.1	-	116.2	-
Relative Value per Share	247.3		217.2	
<b>Share Entitlement Ratio (A/B) (Rounded)</b>			<b>1.14</b>	





#### **Annexure 1B- Approach to Valuation - BSMC**

It is universally recognised that valuation is not an exact science and that estimating values necessarily involves selecting a method or approach that is suitable for the purpose.

For the purpose of arriving at valuation of the Valuation Subjects we have considered the valuation base as 'Fair Value'. Our valuation, and this report, is based on the premise of 'going concern value'. Any change in the valuation base, or the premise could have significant impact on our valuation exercise, and therefore, this Report.

It may be noted that the Institute of Chartered Accountants of India (ICAI) on June 10, 2018 has issued the ICAI Valuation Standards ("IVS") effective for all the valuation reports issued on or after July 1, 2018. The IVS shall be mandatory for the valuation done under the Companies Act, 2013, and recommendatory for valuation carried out under other statutes/ requirements. We have given due cognizance to the same in carrying out the valuation exercise.

IVS 301 on Business Valuations deals with valuation of a business or business ownership interest (i.e. it includes valuation of equity shares).

IVS 301 specifies that generally, the following three approaches for valuation of business/business ownership interest are used:

1. Market approach
2. Income approach
3. Cost approach

Each of the above approaches are discussed in the following paragraphs.

#### **Market Price Method:**

This method involves determining the market price of an entity based on its traded price on the stock exchange over a reasonable period of time. We have determined the market price of shares of TGBL based on weighted average price on NSE over a period of six months prior to the Valuation Date. The market price of TCL reflects the combined values of all the business taken together and therefore, not reflective of the isolated value of the Consumer Products Business. Therefore, the Market Price Method is not used to determine the value of the Consumer Products Business.

#### **Earnings based approach:**

Under the Earnings Approach we compute the fair value based on the earnings.

We have valued TGBL based on Sum of the Parts (SOTP) basis wherein we have applied multiples to its earnings and to that of its investments. For valuing the two joint ventures of TGBL which are in high growth phase (i.e. Tata Starbucks Private Limited and NourishCo Beverages Private Limited) we have used the Discounted Cash Flow Method ("DCF") of Valuation.

We note that the Consumer Products Business is predominantly into Salt. In the absence of comparable listed peers focused mainly on Salt, we have found it appropriate to use the Discounted Cash Flow Method for valuation of Consumer Products Business.



Recommendation of share entitlement ratio for the proposed demerger of consumer products business of Tata Chemicals Limited into Tata Global Beverages Limited

Under the DCF Method, the future cash flows are appropriately discounted to arrive at a value of the business on a going concern basis. This value would, primarily, be based on the present value of such future cash flows generated.

**Cost approach:**

Cost Approach is a valuation approach that reflects the amount that would be required currently to replace the service capacity of an asset (often referred to as current replacement cost).

IVS 301 on Business Valuations and IVS 103 on Valuation Approaches and Methods specify that common methodologies for the Cost Approach are the Replacement Cost Method and the Reproduction Cost Method. These methods involve determining the value of the asset based on the cost that would have to be incurred to recreate/replicate the asset with substantially the same utility as that of the asset under valuation.

A scheme of amalgamation / arrangement would normally be proceeded with, on the assumption that the companies amalgamate / businesses are transferred as going concerns and an actual realization of the operating assets is not contemplated. In a going concern scenario, the relative earning power, as reflected under the Earnings based and Market approaches, is of greater importance to the basis of amalgamation / arrangement, with the values arrived at on the net asset basis being of limited relevance. Therefore, we have not used the Cost Approach for this valuation.

**Fair Valuation:**

We have arrived at the fair value of equity shares of TGBL by applying equal weights to the value derived under the Earnings based Method and the Market Price Method.

The fair value of the Consumer Products Business is derived based on the Earnings.

**The computation of share entitlement ratio for demerger of Consumer Products Business into TGBL by BSMC is tabulated below:**

Valuation Approach	Consumer Products Business (A)		TGBL (B)	
	Value per Share of TCL for Consumer Products Business (INR)	Weight	Value per Share of TGBL (INR)	Weight
Market Price Method	NA	NA	204	50%
Earnings based Method	240	100%	217	50%
Cost based approach	NA	NA	NA	NA
Relative Value per Share	240		210	
<b>Share Entitlement Ratio (A/B) (Rounded)</b>			<b>1.14</b>	



2303, Tower No. 4, Cedar, Runwal Greens  
 Mulund Goregaon Link Road, Bhandup (West)  
 Mumbai - 400 078

☎ +91 98198 98889 ✉ jainhvikrant@gmail.com

**CA VIKRANT JAIN**

*B.Com, ACA, Registered Valuer*  
 Registration No. IBB1/RV/05/2018/10204

May 15, 2019

**Strictly Private & Confidential**

To,  
**Board of Directors,**  
 Tata Chemicals Limited  
 Bombay House  
 24, Homi Mody Street  
 Fort, Mumbai - 400 001

Dear Sir / Madam,

**Sub: Recommendation of Fair Share Entitlement Ratio for the proposed demerger of Consumer products business of Tata Chemicals Limited into Tata Global Beverages Limited**

I refer to the engagement letter dt May 9, 2019 whereby, Tata Chemicals Limited (the 'Company' or 'TCL'), has engaged CA Vikrant Jain (*hereafter referred to as 'Registered Valuer' or 'I' or 'me'*) for recommendation of the Fair Share Entitlement Ratio for the proposed demerger of its Consumer Products Segment (*hereinafter referred to as Demerged Undertaking*) of TCL into Tata Global Beverages Limited ('TGBL').

**PURPOSE OF THIS REPORT**

I understand that the management of the Company ('Management') is contemplating to demerge its Consumer Product Segment into TGBL ('the Transaction') pursuant to a Scheme of Arrangement ('Scheme') to be implemented under the provisions of section 230 to 232 and other applicable provisions of the Companies Act, 2013. In this regard, April 1, 2019 has been proposed as the appointed date for the proposed Transaction.

As a consideration for the proposed Transaction, equity shareholders of TCL would be issued equity shares of TGBL. The Share Entitlement Ratio for this Report refers to the number of





2303, Tower No. 4, Cedar, Runwal Greens  
Mulund Goregaon Link Road, Bhandup (West)  
Mumbai - 400 078

☎ +91 98198 98889 ✉ jainhvikrant@gmail.com

## CA VIKRANT JAIN

B.Com, ACA, Registered Valuer  
Registration No. IBBI/RV/05/2018/10204

equity shares of face value of INR 1/- each of TGBL, which would be issued to the shareholders of TCL as consideration for the proposed Transaction.

For the aforesaid purpose, the Company has engaged Registered Valuers to submit report/s recommending the Share Entitlement Ratio. The scope of my services is to conduct a relative (*and not absolute*) valuation of the equity shares of the Company and recommend the Share Entitlement Ratio in accordance with generally accepted International valuation standards.

### SOURCE OF INFORMATION

My valuation analysis is undertaken on the basis of the information relating to the Demerged Undertaking and TGBL, furnished to me by the Management of the Company /TGBL and information available in public domain.

I have been provided with the following documents / information by the Company/TGBL:

- a) Draft Scheme of Arrangement;
- b) Financial Statements of Demerged Undertaking of TCL for past 3 years;
- c) Audited Financial Statement of TGBL for the year ended March 31, 2019;
- d) Financial projections of Demerged Undertaking of TCL for next 5 years;
- e) Financial projections of TGBL;
- f) Shareholding pattern of TCL and TGBL;
- g) Other relevant details regarding TGBL and the Demerged Undertaking such as their history, their promoters, past and present activities

The Company has been provided with the opportunity to review the draft report (excluding the recommended Share Entitlement Ratio) as a part of the standard practice and to ensure accurate factual data and to avoid any omissions in my final report.





## BACKGROUND

TCL is an Indian global company with interests inter-alia, in chemicals, and consumer products headquartered in Mumbai, India. The Company is one of the largest chemical companies in India with significant operations in India, North America and Africa. The Company has various product range, including Spices, Chemicals, Salt, Cement, Pulses, Water purifier etc. Consumer products business consists of salt, pulses, detergents, etc.

Share Holding Pattern of TCL as on March 31, 2019

Sr. No.	Class of Shareholders	No. of shared held	% of total Shareholding
1	Promoters & Promoters Group	7,80,27,943	30.6%
2	Public – Institutions	12,22,14,300	48.0%
3	Public – Non-Institutions	5,45,14,035	21.4%
	<b>TOTAL</b>	<b>25,47,56,278</b>	<b>100.00%</b>

TGBL is an Indian multinational non-alcoholic beverages company. TGBL markets tea under brands Tata Tea, Tetley, Good Earth Teas and JEMCA. Tata Tea is the biggest selling tea brand in India. It also has joint venture with Starbucks Coffee Company.

Share Holding Pattern of TGBL as on 31<sup>st</sup> March 2019

Sr. No.	Class of Shareholders	No. of shared held	% of total Shareholding
1	Promoter & Promoter Group	21,74,45,190	34.5%
2	Public – Institutions	24,63,97,230	39.0%
3	Public – Non- Institutions	16,72,64,416	26.5%
4	Non- Promoter Non- Public	22,893	0.0%
	<b>TOTAL</b>	<b>63,11,29,729</b>	<b>100.00%</b>



**EXCLUSIONS AND LIMITATIONS**

My report is subject to the scope limitations detailed in engagement letter dt. May 9, 2019. As such, the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein. The valuation date considered is May 13, 2019.

No investigation of TGBL's or TCL's claims to title of assets has been made for the purpose of this valuation and their claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.

My work does not constitute certification of the historical financial statements including the working results of the companies referred to in this report. Accordingly, I am unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report. Valuation analysis and results are specific to the purpose of valuation and the valuation date mentioned in report as per the agreed terms of my engagement. It may not be valid or used for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.

A valuation of this nature involves consideration of various factors including those impacted by prevailing stock market trends in general and industry trends in particulars. This report is issued on the understanding that the Company has drawn my attention to all the material information, which it is aware of concerning the financial position of the Company and any other matter, which have an impact on my opinion, including any significant changes that have taken place or are likely to take place in the financial position, subsequent to the report date. I have no responsibility to update this report for events and circumstances occurring after the date of the report.

In the course of valuation, I was provided with both written and verbal information. I have evaluated the information provided to me by the Company through broad inquiry, analysis and review but have not carried a due diligence or audit of the information provided for the purpose of this engagement. I assume no responsibility for any errors in the above information furnished by the Company and consequential impact on the present exercise.





2303, Tower No. 4, Cedar, Runwal Greens  
Mulund Goregaon Link Road, Bhandup (West)  
Mumbai - 400 078

+91 98198 98889 jainhvikrant@gmail.com

## CA VIKRANT JAIN

B.Com, ACA, Registered Valuer  
Registration No. IBBI/RV/05/2018/10204

My report is not, nor should it be construed as my opinion or certifying the compliance of the proposed demerger with the provisions of any law including companies, taxation and capital market laws or as regards any legal implications or issues arising from such proposed transaction.

This report is prepared only in connection with the proposed demerger exclusively for the use of the Company and for submission to any regulatory / statutory authority as may be required under the law.

This report, its contents and the results herein are i) specific to the purpose of valuation as per the terms of my engagement; ii) the Valuation Date and iii) are based on the data detailed in the section – Source of Information. An analysis of this nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular, and the information made available to me as of the Valuation Date.

Valuer, nor its managers, employees or agents of any of them, makes any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which the valuation is carried out.

The determination of Share Entitlement Ratio is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgement. There is, therefore, no single undisputed Share Entitlement Ratio. While I have provided my recommendation of the Share Entitlement Ratio based on the information available to me and within the scope of my engagement, others may have a different opinion. The final responsibility for the determination of the Share Entitlement Ratio at which the proposed demerger shall take place will be with the Board of Directors of the Company who shall take into account other factors such as their own assessment of the proposed Transaction and inputs of other valuers/advisors.

This report does not look into the business/ commercial reasons behind the proposed Transaction nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the proposed Transaction as compared with any other alternative business



transaction or other alternatives or whether or not such alternatives could be achieved or are achievable.

The fee for the engagement is not contingent upon the results reported.

The information contained herein and my report is confidential. Any person / party intending to provide finance / invest in the shares / businesses of any of TCL or TGBL, shall do so, after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. It is to be noted that any reproduction, copying or otherwise quoting of this report or any part thereof, other than in connection with the proposed Transaction as aforesaid, can be done only with my prior permission in writing.

This report does not in any manner address the prices at which equity shares will trade following announcement of the proposed Transaction and I express no opinion or recommendation as to how the shareholders of the either TCL or TGBL should vote at any shareholder's meeting(s) to be held in connection with the proposed Transaction.

#### APPROACH TO VALUATION ENGAGEMENT

In connection with this exercise, I have adopted the following procedures to carry out the valuation:

- Discussion with the Management to understand the business and fundamental factors that affect its earning-generating capability including strength, weaknesses, opportunity and threats analysis and historical financial performance
- Analysis of information related to the Demerged Undertaking and TGBL and peers as available in public domain
- Selection of appropriate internationally accepted valuation methodology/(ies) after deliberation
- Arriving at Share Entitlement Ratio for the proposed Transaction

Major factors taken into account are:

- Business plan provided by the management
- Multiples of comparable companies
- Trading history of TGBL





### VALUATION MEHTODOLOGY

There are several commonly used and accepted methods for determining the Share Entitlement Ratio for the proposed Transaction, of which following methods have been considered in the present case, to the extent and applicable:

1. Market Approach:
  - a. Market Price Method
  - b. Comparable Companies Multiples
2. Income Approach: Discounted Cash Flow Method

As discussed below for the Proposed Transaction I have considered these methods, to the extent relevant and applicable.

This valuation could fluctuate with passage of time, changes in prevailing market conditions and prospects, industry performance and general business and economic conditions financials and otherwise and other factors which generally influence the valuation of the companies and their assets.

I have relied on the judgement of the Management as regards contingent and other liabilities. The application of any particular method of valuation depends on the purpose for which the valuation is done. Although, different values may exist for different purpose, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. My choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and reasonable judgement, in an independent and bona fide manner based on my previous experience of assignments.

The Valuation methodologies as may be applicable which have been used to arrive at the value attributable to the equity shareholders of TCL is discussed hereunder:



**Market Price ("MP") Method:**

The market price of an equity share as observed on a stock exchange is normally considered as the value of the equity shares of that company.

Equity shares of TGBL are listed on BSE and NSE. The share price on NSE for an appropriate period prior to the valuation date has been considered for determining the value TGBL as the traded turnover of shares of TGBL is higher on NSE as compared to the turnover of shares on BSE.

The market value of TGBL is arrived at by considering the price over an appropriate period.

**Comparable Companies Market Multiple ("CCM") Method:**

Under this method, value of the subject Demerged Undertaking of TCL and TGBL is arrived at by using multiples derived from valuations of comparable companies.

**Discounted Cash Flow ("DCF") Method:**

The discounted cash flow method has also been used to value the equity of the companies. The discounted cash flow method is a valuation method which estimates the present value of the expected future cash flows from the assets.

**RECOMMENDATION ON FAIR EXCHANGE RATIO**

To work out relative value of shares of Consumer product business of TCL (on per share basis) and TGBL to facilitate the determination of Share Entitlement Ratio, it is necessary to give appropriate weightage to the values arrived at under each approach.

The Weightage is given based on the respective strength and weakness of each approach on terms of the appropriateness of the method in view of the nature of the assets. The Price Information from an active market is generally considered to be the strongest evidence of value, I have given higher weightage to the Market Approach.



2303, Tower No. 4, Cedar, Runwal Greens  
Mulund Goregaon Link Road, Bhandup (West)  
Mumbai - 400 078

+91 98198 98889 jainhvikrant@gmail.com

## CA VIKRANT JAIN

B.Com, ACA, Registered Valuer  
Registration No. IBBI/RV/05/2018/10204

While carrying out the valuation transaction is considered as 'arm's length' between the unrelated parties.

Valuation will have to involve the exercise of judicious discretion and judgement. There will always be several factors, e.g. present and prospective competition, yield on comparable securities and market sentiments etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognized in various judicial decisions.

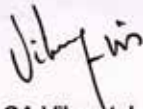
**FAIR ENTITLEMENT RATIO FOR DEMERGER OF CONSUMER PRODUCT BUSINESS OF TCL into TGBL**

In the light of the above and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove referred to earlier in this report, in my opinion, a fair ratio of share entitlement in the event of aforesaid Scheme of Arrangement would be:

**114 equity share of TGBL of Rs. 1/- each fully paid up for every 100 equity shares of TCL of Rs. 10/- each fully paid up.**

Report Submitted

Thanking you,  
Yours faithfully,



CA Vikrant Jain  
Registered Valuer  
Reg No: IBBI/RV/05/2018/10204





# J.P.Morgan

May 15, 2019

Tata Chemicals Limited  
 Bombay House,  
 24, Homi Mody Street,  
 Fort, Kala Ghoda,  
 Mumbai, Maharashtra 400001  
 Members of the Board of Directors:

We understand that the Board of Directors (the "**Board**") of Tata Chemicals Limited (the "**Company**") is considering a demerger and transfer of its Consumer Products Business ("**CPB**") to Tata Global Beverages Limited ("**TGBL**") through a scheme of arrangement amongst the Company and TGBL and their respective shareholders, under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (the "**Scheme**") (the "**Transaction**").

In consideration for the transfer of CPB to TGBL pursuant to the Scheme, it is proposed that the TGBL will issue and allot to all equity shareholders of the Company as on the Record Date (as defined in the Scheme), 114 (One hundred and fourteen) fully paid up equity shares of INR 1 each of TGBL for every 100 (one hundred) fully paid up equity share of INR 10 each of the Company held by such equity shareholder (herein after referred to as the "**Share Entitlement Ratio**"). We understand that no equity shares will be issued by TGBL to the extent of equity shares, if any, held by TGBL or its subsidiaries in the Company.

The Share Entitlement Ratio is based on the valuation report dated May 15, 2019 prepared by S R B C & CO LLP (the "**Valuer**"), being an independent professional valuer appointed by the Board of the Company for recommending a Share Entitlement Ratio for the Scheme (the "**Share Entitlement Ratio Report**"). The Share Entitlement Ratio Report clarifies that the determination of the Share Entitlement Ratio is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgement. Therefore, The Share Entitlement Ratio Report specifies that the final responsibility for determining the Share Entitlement Ratio at which the proposed Transaction shall take place will be with the Board of the Company and recommends the following Share Entitlement Ratio:

- 114 (One hundred and fourteen) equity shares of TGBL of INR 1/- each fully paid up for every 100 (One hundred) equity shares of the company of INR 10/- each fully paid up



The Board of the Company has appointed us to issue a fairness opinion to the Company in relation to the Share Entitlement Ratio proposed by it based on the recommendations set out in the Share Entitlement Ratio Report (the "Opinion"). This Opinion is subject to the scope, limitations and disclaimers detailed herein.

In connection with preparing our Opinion, we have (i) reviewed the draft Scheme dated 15 May 2019; (ii) reviewed certain publicly available business and financial information concerning TGBL and carved-out financial information of the CPB from the audited financials of the Company prepared by the management teams of the Company; (iii) reviewed the current and historical market prices of TGBL's equity shares; (iv) reviewed certain business plan/internal forecasts prepared by the management teams of TGBL and the Company; (v) reviewed consensus analysts' estimates for TGBL; (vi) held discussions with members of the respective senior management teams of TGBL and the Company with respect to certain aspects of the Transaction, and the past and current business operations of the Company, TGBL and the CPB, the financial condition and future prospects and operations of the TGBL and the CPB; (vii) reviewed the Share Entitlement Ratio Report and held discussions with the Valuer, on such matters which we believed were necessary or appropriate for the discussion of this Opinion; and (viii) performed such other financial analyses and considered such other information as we deemed appropriate for the purposes of this Opinion.

In giving our Opinion, we have relied upon and assumed the accuracy and completeness of all information (including the Share Entitlement Ratio Report) that was publicly available or was furnished to or discussed with us by TGBL and the Company or otherwise reviewed by or for us. We have not independently verified any such information or its accuracy or completeness and, pursuant to our engagement letter with the Company, we did not assume any obligation to undertake any such independent verification. We have not conducted or been provided with any valuation or appraisal of any assets or liabilities, nor have we evaluated the solvency of TGBL or the Company under any laws relating to bankruptcy, insolvency or similar matters. In relying on financial analyses and forecasts provided to us or derived therefrom, we have assumed that they have been reasonably prepared based on assumptions reflecting the best currently available estimates and judgments by management as to the expected future results of operations and financial condition of the Company, TGBL and the CPB to which such analyses or forecasts relate. We express no view as to such analyses or forecasts or the assumptions on which they were based. We have assumed that the management of the Company and TGBL has drawn our attention to all pertinent information and matters which may have an impact on our Opinion. We have also assumed that the Transaction and the other transactions contemplated by the



Scheme will qualify as an "amalgamation" under the Income Tax Act, 1961 and will be consummated as described in the Scheme, without any waiver or modification of its material terms and conditions. We have also assumed that any representations and warranties made by the Company and TGBL in the Scheme and the related agreements are and will be true and correct in all respects material to our analysis. We are not legal, regulatory or tax experts and have relied on the assessments made by the Company and TGBL and their respective advisors with respect to such issues. We have further assumed that all material governmental, regulatory or other consents and approvals necessary for the consummation of the Transaction will be obtained without any adverse effect on the TGBL or the Company or on the contemplated benefits of the Transaction.

Our Opinion is necessarily based on economic, market and other conditions as in effect on, and the information made available to us as of, the date hereof. It should be understood that subsequent developments may affect this Opinion and that we do not have any obligation to update, revise, or reaffirm this Opinion. Our Opinion is limited to the fairness, from a financial point of view, of the Share Entitlement Ratio to the equity shareholders of the Company as of the date hereof, and we express no opinion regarding any compensation payable to holders of any other class of securities, officers, directors, creditors, employees or other constituencies of the Company or TGBL in relation to the Transaction. We are expressing no opinion herein as to the price at which the Company's and TGBL's equity shares will trade at any future time.

In addition, we were not requested to and did not provide advice concerning the structure, the Share Entitlement Ratio, or any other aspects of the Transaction, or to provide services other than the delivery of this Opinion. We were not authorized to and did not solicit any expressions of interest from any other parties with respect to the sale of all or any part of CPB or any other alternative transaction. We also note that we did not participate in negotiations with respect to the terms of the Transaction or any related transactions. We also express no opinion whatsoever and make no recommendation as to the Company's underlying decision to engage in the Transaction.

We will receive a fee from the Company for the delivery of this Opinion. The fee is not contingent upon the outcome of the Scheme. In addition, the Company has agreed to indemnify us for certain liabilities arising out of our engagement. In the ordinary course of our businesses, we and our affiliates have in the past had, or may currently or in the future have, commercial or investment banking relationships with the Company, TGBL and their respective subsidiaries and affiliates for which we and such affiliates have received or may receive customary compensation or



other financial benefits. In the ordinary course of our businesses, we and our affiliates may actively trade or hold the debt and equity securities or financial instruments (including derivatives, bank loans or other obligations) of the Company and/or the TGBL for our own account or for the accounts of customers and, accordingly, we may at any time hold long or short positions in such securities or other financial instruments.

The issuance of this Opinion has been approved by a fairness opinion committee of J.P. Morgan India Private Limited ("J.P. Morgan"). This Opinion is provided solely for the benefit of the Board of the Company (in its capacity as such) in connection with and for the purposes of its evaluation of the Transaction, and is not on behalf of, and shall not confer rights or remedies upon, any shareholder of the Company, or any other person other than the members of the Board of the Company, or be used for any other purpose, except to the extent required by law or by the request or requirement of any, judicial, statutory, regulatory, legislative, administrative or other governmental body, including relevant stock exchanges and the Securities and Exchange Board of India ("SEBI"). This Opinion does not constitute a recommendation to any shareholder or creditor of the Company as to how such shareholder or creditor should vote with respect to the Transaction or any other matter.

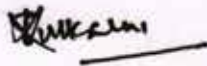
This Opinion may not be used or relied upon by, nor is it issued for the benefit of, any third party for any purpose whatsoever. This Opinion may not be disclosed, referred to or communicated (in whole or in part) to any third party except with our prior written consent in each instance, provided however, this Opinion may only be disclosed as may be required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read together with the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10 March 2017 and SEBI Circular No. CFD/DIL3/CIR/2018/2 dated 3 January 2018, but we take no responsibility or liability for or arising out of any such disclosure. We specifically disclaim any responsibility to any third party to whom this Opinion may be shown or who may acquire a copy of this Opinion. Further, J.P. Morgan, its affiliates, directors, shareholders, managers, employees or agents do not provide any representation or warranty, express or implied, as to the information or documents provided to J.P. Morgan and based on which this Opinion is provided.

All matters arising out of or relating to this Opinion will be governed by the laws of India. The courts at Mumbai will have exclusive jurisdiction to deal with any suit, action or other proceedings relating to this Opinion.

On the basis of and subject to the foregoing, it is our opinion as of the date hereof that the Share Entitlement Ratio proposed by the Board of the Company based on the recommendations set out in the Share Entitlement Ratio Report is fair, from a financial point of view, to the equity shareholders of the Company.

Very truly yours,

J.P. Morgan India Private Limited



Kaustubh Kulkarni  
Managing Director



July 2, 2019

BSE Limited  
Corporate Relations Department  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai - 400 001  
**Scrip Code: 500770**

Dear Sir,

**Sub: Application for grant of approval under Regulation 37 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**Ref: Complaint Report in relation to Scheme of Arrangement between Tata Chemicals Limited and Tata Global Beverages Limited and their respective Shareholders and Creditors ("Scheme")**

This is in reference to our application under Regulation 37 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the proposed Scheme.

Please find attached herewith details of Complaints received by the Company on the draft Scheme during 21 days period from the date of filing of draft Scheme with the BSE Limited (May 31, 2019) and hosting the draft Scheme by the BSE Limited (June 7, 2019). The Company has hosted the Draft Scheme along with requisite documents on its website.

Kindly take the same on record and provide us necessary "No objection" at the earliest to enable us to file the Scheme with the National Company Law Tribunal.

Yours faithfully,

**For Tata Chemicals Limited**

**Rajiv Chandan**  
**General Counsel & Company Secretary**

**Encl: As above**

**TATA CHEMICALS LIMITED**

Bombay House 24 Homi Mody Street Fort Mumbai 400 001  
Tel 91 22 6665 8282 Fax 91 22 6665 8143/44 www.tatachemicals.com  
CIN : L24239MH1939PLC002893



**Complaints Report:**

**Part A**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Number</b>
1.	Number of complaints received directly	<b>Nil</b>
2.	Number of complaints forwarded by Stock Exchange	<b>Nil</b>
3.	Total Number of complaints/comments received (1+2)	<b>Nil</b>
4.	Number of complaints resolved	<b>NA</b>
5.	Number of complaints pending	<b>NA</b>

**Part B**

<b>Sr. No.</b>	<b>Name of complainant</b>	<b>Date of complaint</b>	<b>Status (Resolved/Pending)</b>
1.	Nil		
2.	Nil		
3.	Nil		

**Thanking you,  
For TATA CHEMICALS LIMITED**

**Rajiv Chandan  
General Counsel & Company Secretary**

**TATA CHEMICALS LIMITED**

Bombay House 24 Homi Mody Street Fort Mumbai 400 001  
Tel 91 22 6665 8282 Fax 91 22 6665 8143/44 www.tatachemicals.com  
CIN : L24239MH1939PLC002893



July 19, 2019

The Secretary,  
Listing-Compliance Department,  
National Stock Exchange of India Limited  
Exchange Plaza,  
Bandra-Kurla Complex,  
Bandra (E)  
Mumbai 400 051  
**Scrip Code: TATACHEM**

Dear Sir,

**Ref: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed scheme of Arrangement between Tata Chemicals Limited and Tata Global Beverages Limited and their respective Shareholders and Creditors**

**Sub: Complaint report as per Annexure III of SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017**

This is with reference to our application Under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed Scheme of Arrangement between Tata Chemicals Limited and Tata Global Beverages Limited and their respective Shareholders and Creditors filed on June 1, 2019, and hosted on your website on June 26, 2019.

In this regard, the Company is required to submit a Compliant Report within 7 days of expiry of 21 days from the date of hosting of Draft Scheme and related documents on the website of the Exchanges. Accordingly, enclosed as **Annexure 1** is the Complaint Report for the period June 26, 2019 to July 17, 2019 as per the prescribed format.

We request you to kindly take the above on record.

Yours faithfully,  
**For Tata Chemicals Limited**

  
**Rajiv Chandan**  
**General Counsel & Company Secretary**

 **Encl: As above**

**TATA CHEMICALS LIMITED**

Bombay House- 24 Homi Mody Street Fort Mumbai 400 001  
Tel 91 22 6665 8282 Fax 91 22 6665 8143/44 www.tatachemicals.com  
CIN : L24239MH1939PLC002893





Annexure 1

**COMPLAINTS REPORT**

(Period of Complaints Report: June 26, 2019 To July 17, 2019)

**Part A**

Sr. No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock Exchange	NIL
3.	Total Number of complaints/comments received (1+2)	NIL
4.	Number of complaints resolved	NA
5.	Number of complaints pending	NA

**Part B**

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1		NIL	

Thanking you,  
For Tata Chemicals Limited

  
Rajiv Chandan  
General Counsel & Company Secretary

②

BSE - INTERNAL



DCS/AMAL/DS/R37/1559/2019-20

August 26, 2019

The Company Secretary,  
**TATA CHEMICALS LTD.**  
 Bombay House, 24 Homi Mody Street,  
 Fort, Mumbai, Maharashtra, 400001

Sir,

**Sub: Observation letter regarding the Draft Scheme of Arrangement among Tata Chemicals Limited and Tata Global Beverages Limited and their respective shareholders and creditors.**

We are in receipt of Draft Scheme of Arrangement among Tata Chemicals Limited and Tata Global Beverages Limited and their respective shareholders and creditors filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated August 23, 2019 has inter alia given the following comment(s) on the draft scheme of arrangement:

- "Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchange, and from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges."
- "Company shall duly comply with various provisions of the Circular."
- "Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT."
- "It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.



BSE Limited (Formerly Bombay Stock Exchange Ltd.)  
 Registered Office : Floor 25, P J Towers, Dalal Street, Mumbai 400 001 India  
 T: +91 22 2272 1234/331 E: corp.com@bseindia.com | www.bseindia.com  
 Corporate Identity Number : L67120M942005PLC155188

BSE - INTERNAL

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.**

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, **would be accepted and processed through the Listing Centre only and no physical filings would be accepted.** You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,

  
 Nitinkumar Pujari  
Senior Manager



## National Stock Exchange Of India Limited

Ref: NSE/LIST/21022\_I

August 26, 2019

The Company Secretary  
Tata Chemicals Limited  
Bombay House, 24,  
Homi Mody Street, Fort,  
Mumbai - 400001

**Kind Attn.: Mr. Rajiv Chandan**

Dear Sir,

**Sub: Observation Letter for Scheme of Arrangement amongst Tata Chemicals Limited (Demerged Company) and Tata Global Beverages Limited (Resulting Company) and their respective shareholders and creditors**

We are in receipt of the Scheme of Arrangement amongst Tata Chemicals Limited (Demerged Company) and Tata Global Beverages Limited (Resulting Company) and their respective shareholders and creditors vide application dated June 01, 2019.

Based on our letter reference no Ref: NSE/LIST/21022 submitted to SEBI and pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ('Circular'), SEBI vide letter dated August 23, 2019, has given following comments:

- a. *The Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchange and from the date of the receipt of this letter is displayed on the website of the listed company.*
- b. *The Company shall duly comply with various provisions of the Circular.*
- c. *The Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.*
- d. *It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/observations/ representations.*

It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/ representations.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the Scheme, it shall disclose information about unlisted

This Document is Digitally Signed

Signer: Rajendra P Bhosale  
Date: Mon, Aug 26, 2019 19:20:53 IST  
Location: NSE



companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we hereby convey our “No-objection” in terms of Regulation 94 of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines / Regulations issued by statutory authorities.

The validity of this “Observation Letter” shall be six months from August 26, 2019, within which the scheme shall be submitted to NCLT.

Yours faithfully,  
For **National Stock Exchange of India Limited**

Rajendra Bhosale  
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL [http://www.nseindia.com/corporates/content/further\\_issues.htm](http://www.nseindia.com/corporates/content/further_issues.htm)

This Document is Digitally Signed



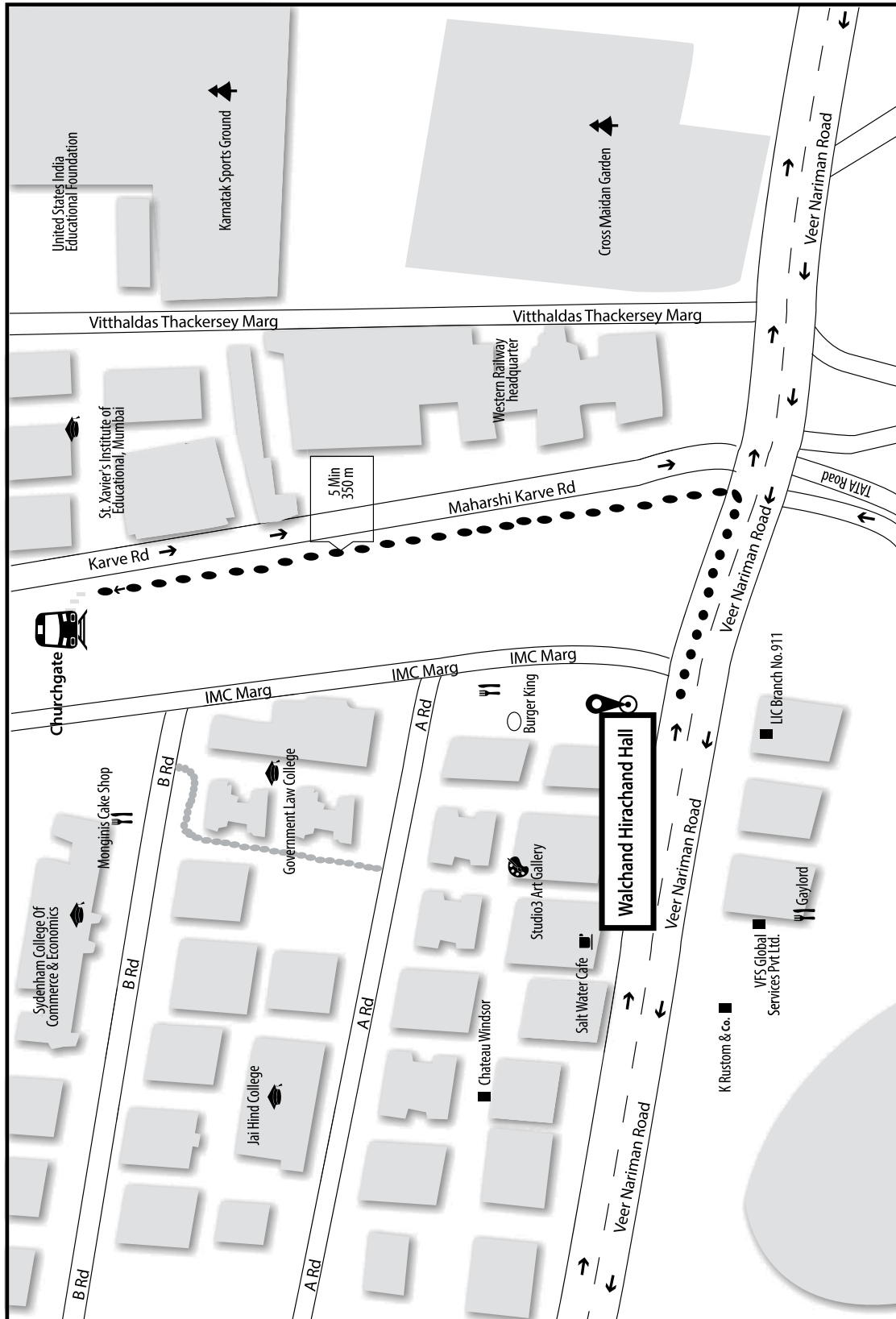
Signer: Rajendra P Bhosale  
Date: Mon, Aug 26, 2019 19:20:53 IST  
Location: NSE



# ROUTE MAP

**Venue:** Walchand Hirachand Hall, 4<sup>th</sup> Floor, Indian Merchants' Chamber Building, IMC Marg, Churchgate, Mumbai 400 020

**Landmark:** Next to Churchgate Station





## TATA CHEMICALS LIMITED

Corporate Identification Number: L24239MH1939PLC002893

Registered Office: Bombay House, 24 Homi Mody Street, Fort, Mumbai 400 001

Phone: +91 22 6665 8282 | Email: investors@tatachemicals.com | Website: www.tatachemicals.com

### NCLT CONVENED MEETING

### ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Hall)

Folio No.:	DP ID No.:	Client ID No.:
------------	------------	----------------

I/We hereby record my/our presence at the Meeting of Equity Shareholders of Tata Chemicals Limited, convened pursuant to the Order of the Hon'ble National Company Law Tribunal, Mumbai Bench dated September 11, 2019, on **Wednesday, October 30, 2019 at 3.00 p.m.** at Walchand Hirachand Hall, 4<sup>th</sup> Floor, Indian Merchants' Chamber Building, IMC Marg, Churchgate, Mumbai 400 020.

Name of Shareholder: \_\_\_\_\_ Signature: \_\_\_\_\_

Name of the Proxyholder: \_\_\_\_\_ Signature: \_\_\_\_\_

#### Notes:

1. Only Member/Proxyholder/Authorized Representative can attend the Meeting.
2. Please complete the Folio No./DP ID No., Client ID No. and name of the Member/Proxyholder/Authorized Representative, sign this Attendance Slip and hand it over, duly signed, at the entrance of the Meeting Hall.
3. A Member/Proxyholder/ Authorized Representative attending the meeting should bring a copy of the Notice for reference at the Meeting.



## TATA CHEMICALS LIMITED

Corporate Identification Number: L24239MH1939PLC002893

Registered Office: Bombay House, 24 Homi Mody Street, Fort, Mumbai 400 001

Phone: +91 22 6665 8282 | Email: investors@tatachemicals.com | Website: www.tatachemicals.com

### FORM NO. MGT 11

### PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of Shareholder(s) : \_\_\_\_\_

Registered Address : \_\_\_\_\_ Email Id : \_\_\_\_\_

Folio No/Client Id No. : \_\_\_\_\_ DP Id : \_\_\_\_\_

\* I/We, being the Shareholder(s) of \_\_\_\_\_ shares of Tata Chemicals Limited, do hereby nominate and appoint:

1. Name: \_\_\_\_\_

Address: \_\_\_\_\_

Email Id: \_\_\_\_\_ Signature: \_\_\_\_\_, or failing him/her;

2. Name: \_\_\_\_\_

Address: \_\_\_\_\_

Email Id: \_\_\_\_\_ Signature: \_\_\_\_\_, or failing him/her;

3. Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Email Id: \_\_\_\_\_ Signature: \_\_\_\_\_

as my/our Proxy to attend and vote for me/us and on my/our behalf at the Meeting of the Equity Shareholders of Tata Chemicals Limited to be held on **Wednesday, October 30, 2019 at 3.00 p.m.** at Walchand Hirachand Hall, 4<sup>th</sup> Floor, Indian Merchants' Chamber Building, IMC Marg, Churchgate, Mumbai 400 020 and at any adjournment thereof in respect of the Resolution as indicated below:

Resolution Number	Resolution	Optional <sup>#</sup>	
		For	Against
1.	To consider and if thought fit, to approve, with or without modification(s), the proposed Scheme of Arrangement between Tata Chemicals Limited and Tata Global Beverages Limited and their respective shareholders and creditors pursuant to Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019

Affix Revenue Stamp
---------------------------

Signature of shareholder \_\_\_\_\_ Signature of Proxyholder(s) \_\_\_\_\_

**NOTES:**

1. Please affix appropriate Revenue Stamp before signing.
  2. **The proxy form duly stamped, signed and completed must be deposited at the Registered Office of the Company at Bombay House, 24 Homi Mody Street, Fort, Mumbai 400 001 at least 48 hours before the commencement of the Meeting.**
  3. A proxy need not be a shareholder of the Company.
  4. For the Resolution, Explanatory Statement and Notes, please refer to the Notice of the Meeting.
  5. Alterations, if any, made in the form of proxy must be initialed by the shareholder.
  6. In case of multiple proxies, the Proxy later in the time shall be accepted.
- \* Strike out whichever is not applicable.  
 # This is optional. Please put a '✓' in the appropriate column against the resolution indicated in the box. If you leave the 'For' or 'Against' column blank against the resolution, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

**THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK**

**THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK**





**TATA CHEMICALS LIMITED**

CIN: L24239MH1939PLC002893

Registered Office: Bombay House, 24 Homi Mody Street, Fort, Mumbai 400 001

Phone: +91 22 6665 8282 | Email: investors@tatachemicals.com

Website: www.tatachemicals.com

**POSTAL BALLOT FORM**

The last date for receipt of postal ballot is Tuesday, October 29, 2019 upto 5.00 p.m.

Serial No.

- Name(s) & Registered Address of the sole / first named Shareholder :
- Name(s) of the Joint Holder(s), if any :
- Registered Folio No/DP ID No. & Client ID No\* :  
\*(Applicable to Shareholders holding shares in dematerialised form)
- No. of Equity Share(s) held :
- I/We hereby exercise my/our vote(s) in respect of the Resolution as detailed in the Notice dated September 20, 2019 for the Meeting of Equity Shareholders of Tata Chemicals Limited being convened pursuant to the Order of the Hon'ble National Company Law Tribunal, Mumbai Bench **on Wednesday, October 30, 2019 at 3.00 p.m.** at Walchand Hirachand Hall, 4th Floor, Indian Merchants' Chamber Building, IMC Marg, Churchgate, Mumbai 400 020, by sending my/our assent or dissent to the said Resolution by placing a tick mark (✓) in the appropriate box below:

Description of the Resolution	No. of Shares	I / We assent to the Resolution (FOR)	I / We dissent to the Resolution (AGAINST)
Resolution for approving the Scheme of Arrangement between Tata Chemicals Limited and Tata Global Beverages Limited and their respective shareholders and creditors pursuant to Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016			

Place : \_\_\_\_\_ Date: \_\_\_\_\_ Signature of the Shareholder/Authorised Representative

**E-VOTING PARTICULARS (Please visit [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to cast your vote online)**

Electronic Voting Event Number (EVEN)	USER ID	PASSWORD
112446		

## INSTRUCTIONS

### 1. GENERAL INFORMATION

- a) The Mumbai Bench of the Hon'ble National Company Law Tribunal ("NCLT") vide its Order dated September 11, 2019 has directed that a Meeting of the Equity Shareholders of the Company be convened and held at Walchand Hirachand Hall, 4th Floor, Indian Merchants' Chamber Building, IMC Marg, Churchgate, Mumbai 400 020 on Wednesday, October 30, 2019 at 3.00 p.m. for the purpose of considering, and if thought fit, approving the Scheme of Arrangement between Tata Chemicals Limited and Tata Global Beverages Limited and their respective shareholders and creditors.
- b) Pursuant to Sections 230 to 232 read with Sections 108 and 110 of the Companies Act, 2013 and Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and the Companies (Management & Administration) Rules, 2014, option is being given to the Shareholder(s) to cast their votes on the resolution for approval of the Scheme at the venue of the meeting or by postal ballot/remote e-voting as per the directions of the NCLT.
- c) Voting rights shall be reckoned on the paid-up value of shares registered in the name of shareholder(s)/ list of beneficial owner(s) as received from NSDL/ CDSL ("Depositories") as on the cut-off date i.e. Friday, September 20, 2019.
- d) The proposed Scheme, if assented to by the requisite majority, by way of Postal Ballot, remote e-voting and voting at the meeting shall be considered as passed on the date of the meeting.

### 2. PROCESS FOR SHAREHOLDERS OPTING FOR VOTING BY POSTAL BALLOT

- a) Shareholders desiring to cast their vote by Postal Ballot should complete and sign this Postal Ballot Form and send it to the Scrutinizer, Mr. P.N. Parikh, Parikh & Associates, Company Secretaries at TSR Darashaw Consultants Private Limited, Unit: Tata Chemicals Limited, 6-10, Haji Moosa Patrawala Industrial Estate, 20 Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011 in the enclosed self-addressed postage prepaid envelope. Postal Ballot Forms deposited in person or sent by post or courier at the expense of the shareholder will also be accepted.
- b) In case of joint holding, this Postal Ballot Form should be completed and signed by the first named shareholder and in his absence by the next named shareholder (as per the specimen signature registered with the Company/ Depository). A shareholder may sign the Postal Ballot Form through an attorney, in which case a certified true copy of the Power of Attorney should be attached to the Postal Ballot Form.
- c) There will be one Postal Ballot Form for every Client ID No. / Folio No. irrespective of the number of joint holders.
- d) In respect of shares held by corporate and institutional shareholders (companies, trusts, societies, etc.), the duly completed Postal Ballot Form should be signed by its authorised signatory(ies) and shall be accompanied by a certified copy of the relevant board resolution / appropriate authorisation, with the specimen signature(s) of the authorised signatory(ies) duly attested.
- e) Voting rights by way of Postal Ballot Form cannot be exercised by a proxy.
- f) Completed Postal Ballot Forms should reach the Scrutinizer no later than the close of business hours i.e at 5:00 p.m IST, Tuesday, October 29, 2019. Incomplete Postal Ballot Forms or Postal Ballot Forms received after this date will be considered invalid.
- g) An incomplete, unsigned, incorrectly completed, incorrectly ticked, defaced, torn, mutilated, overwritten, wrongly signed Postal Ballot Forms will be rejected. The Scrutinizer's decision in this regard shall be final and binding.
- h) A shareholder seeking duplicate Postal Ballot Form or having any grievance pertaining to the Postal Ballot process can write to the Company's Registrar and Share Transfer Agent, TSR Darashaw Consultants Private Limited, Unit: Tata Chemicals Limited, 6-10, Haji Moosa Patrawala Industrial Estate, 20 Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011 or to the email Id [tblballot2019@tsrdarashaw.com](mailto:tblballot2019@tsrdarashaw.com).
- i) Shareholders are requested not to send any paper (other than the resolution/authority as mentioned under "Process for Shareholders opting for voting by Postal Ballot") along with the Postal Ballot Form in the enclosed self-addressed postage pre-paid envelope as all such envelopes will be sent to the Scrutinizer and if any extraneous paper is found in such envelope the same would not be considered and would be destroyed by the Scrutinizer.

### 3. E-VOTING AT THE VENUE OF THE MEETING:

As an alternate to Postal Ballot and remote e-voting, the shareholders of the Demerged Company will have the option of voting on the resolution for approval of the Scheme by e-voting at the venue of the meeting as per instructions given in the Notice and the notes thereto. In case you cast your votes by both, postal ballot and remote e-voting, then voting done through remote e-voting shall prevail and voting done by postal ballot will be treated as invalid. If you cast your votes by postal ballot and/or remote e-voting, as aforesaid, you will nevertheless be entitled to attend the meeting and participate in the discussions in the meeting but you will not be entitled to vote again by e-voting at the meeting, whether in person or by proxy. If you do so, the votes so cast by you at the venue of the meeting shall be treated as invalid.



**TATA  
TATA CHEMICALS LIMITED**

CIN: L24239MH1939PLC002893

**Registered Office:** Bombay House, 24 Homi Mody Street, Fort, Mumbai 400 001

**Phone:** +91 22 6665 8282 | **Email:** investors@tatachemicals.com

**Website:** www.tatachemicals.com

Before the National Company Law Tribunal

Mumbai Bench

Company Application No. 3029 of 2019

In the matter of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016;

And

In the matter of Scheme of Arrangement between Tata Chemicals Limited and Tata Global Beverages Limited and their respective shareholders and creditors

Tata Chemicals Limited, a company incorporated under the provisions of the Companies Act, 1913 having Corporate Identification Number: L24239MH1939PLC002893 and having its registered office at Bombay House, 24 Homi Mody Street, Fort, Mumbai 400 001 )

... Applicant/Demerged Company

To,

**The Unsecured Creditors of Tata Chemicals Limited**

**NOTICE SEEKING REPRESENTATIONS, IF ANY, ON THE SCHEME OF ARRANGEMENT BETWEEN  
TATA CHEMICALS LIMITED AND TATA GLOBAL BEVERAGES LIMITED**

**TAKE NOTICE THAT** an Application under Sections 230 to 232 of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016 ("the Act") was presented before the Hon'ble National Company Law Tribunal, Mumbai Bench ("Tribunal") on August 30, 2019 for sanctioning the arrangement embodied in the Scheme of Arrangement between Tata Chemicals Limited ("Demerged Company") and Tata Global Beverages Limited ("Resulting Company") and their respective shareholders and creditors ("Scheme") for the demerger of the Consumer Products Business consisting of the business of sourcing, packaging, marketing, distribution and sales of (i) vacuum evaporated edible common salt for human consumption, (ii) spices, (iii) protein foods and (iv) certain other food and other products, from the Demerged Company to the Resulting Company, in the manner and on the terms and conditions stated in the Scheme.

The Tribunal has by its Order dated September 11, 2019, *inter alia*, directed the Demerged Company to issue a Notice to all its Unsecured Creditors with a direction that they may submit their representations, if any, to the Tribunal, in connection with the proposed Scheme and that a copy of such representation shall simultaneously be served on the Demerged Company.

**NOTICE** is thus hereby given to you as an Unsecured Creditor of the Demerged Company as on August 31, 2019, pursuant to the Order of the Tribunal dated September 11, 2019 in the aforesaid Company Application.

If you are desirous of making any representations, you may do so by filing it with the Tribunal at 4th Floor, MTNL Exchange Building, Next to G.D. Somani Marg, Chamundeshwari Nagar, Cuffe Parade, Mumbai 400 005 and simultaneously serve a copy of such representations upon the Demerged Company within a period of thirty days from the date of receipt of this Notice.

A copy of the Scheme and the Notice of Meeting of the Equity Shareholders along with an Explanatory Statement can be obtained free of charge from the registered office of the Demerged Company at Tata Chemicals Limited, Bombay House, 24 Homi Mody Street, Fort, Mumbai 400 001 or by sending an email on investors@tatachemicals.com.

We would also like to take this opportunity to inform you that the Scheme will not adversely affect your rights as an Unsecured Creditor of the Demerged Company as there will be no reduction in your dues, if any, and the same will be paid-off in the ordinary course of business.

**For Tata Chemicals Limited**

**Rajiv Chandan**  
**General Counsel & Company Secretary**  
FCS: 4312

Dated this 20<sup>th</sup> day of September, 2019

**Registered Office:**

Tata Chemicals Limited

Bombay House,

24 Homi Mody Street, Fort, Mumbai 400 001

CIN: L24239MH1939PLC002893

Phone: + 91 22 6665 8282

Email: investors@tatachemicals.com; Website: www.tatachemicals.com