

**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.

