



14th June 2019

To, The Manager - Listing Department, The National Stock Exchange of India Ltd Exchange Plaza, 5th floor, Plot no. C/1, "G" Block, Bandra-Kurla Complex, Mumbai-400051 Symbol: APCOTEXIND	To, Manager - Department of Corporate Services BSE Limited Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001 Security Code: 523694
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Dear Sir,

Sub: Alteration of Memorandum of Association and Article of Association

Pursuant to Regulation 30 of the SEBI (LODR) Regulations, 2015, we would like to inform you that the members of the Company approved alteration in capital clause of the Memorandum of Association and Article of Association of the Company consequent to sub-division of equity shares of the Company vide special resolution resolution passed on 4th June 2019 at 33rd Annual General Meeting held on 4th June 2019

Request you to take the above on record and oblige.

Thank you.

Yours Faithfully

For Apcotex Industries Ltd

Authorised Signatory

apcotex industries limited

REGD. OFFICE : 49-53, 3rd Floor, Mahavir Centre, Plot No. 77, Sector-17, Vashi, Navi Mumbai-400703, Maharashtra, India Tel:+91-22-27770800
CORPORATE OFFICE : NKM International House, 178 Backbay Recl., B. M. Chinai Marg, Mumbai-400020, Maharashtra, India. Tel:+91-22-22838302/04
TALOJA PLANT : Plot No. 3/1, MIDC Industrial Area, Talaja-410208, Dist-Raigad, Maharashtra, India. Tel:+91-22-27403500 Fax:+91-22-27412052
CIN NO. L99999MH1986PLC039199 Website:www.apcotex.com

**MEMORANDUM
OF
ASSOCIATION
AND
ARTICLES
OF
ASSOCIATION**



apcotex industries limited

**FRESH CERTIFICATE OF INCORPORATION
CONSEQUENT ON CHANGE OF NAME**

IN THE OFFICE OF THE REGISTRAR OF COMPANIES,
MAHARASHTRA, MUMBAI

No. U 25100 MH 1986 PTCO 39199

In the matter **APCOTEX LATTICES LIMITED**

I hereby approve and signify in writing under section 21 of the Companies Act, 1956 (Act of 1956) read with the Government of India, Department of Company Affairs, Notification No. G.S.R. 507E dated the 24th June, 1985 the change of name of the Company.

From **APCOTEX LATTICES LIMITED**

TO **APCOTEX INDUSTRIES LIMITED**

And I hereby certify that **APCOTEX LATTICES LIMITED** which was originally incorporated on TWELFTH day of **MARCH 1986** under the Companies Act, 1956 and under the name From **APCOTEX LATTICES PRIVATE LIMITED** having duly passed the necessary resolution in terms of Section 21/22(1) of the Companies Act, 1956 the name of the said Company is this day changed to **APCOTEX INDUSTRIES LIMITED** and this certificate is issued pursuant to Section 23(1) of the said Act

Given under my hand at **NAVI MUMBAI** this **TWENTY-NINTH** day of **AUGUST** Two Thousand **FIVE**.



M.K. Gupta
(M.K. GUPTA)
ASST. REGISTRAR OF COMPANIES
BELAPUR, NAVI MUMBAI



समस्त भारते

फॉर्म नं० आई० आर०
Form I. R.

निगमन का प्रमाण-पत्र

CERTIFICATE OF INCORPORATION

ता०.....का सं०.....
No. 39199..... of 19 86.....

मैं एतद्द्वारा प्रमाणित करता हूँ कि आज.....

कम्पनी अधिनियम 1956 (1956 का 1) के अधीन निगमित की गई है और वह कम्पनी परिसीमित है।

I hereby certify that **APCOTEX LATTICES PRIVATE LIMITED**

[Signature]
Asstt. Registrar of Companies
Maharashtra, Bombay
Maharashtra, Bombay

is this day incorporated under the Companies Act, 1956 (No. 1 of 1956) and that the Company is limited.

मेरे हस्ताक्षर से आज ता०..... को दिया गया।

Given under my hand at **BOMBAY** this **TWELFTH**

day of **MARCH**..... One thousand nine hundred and **EIGHTYSIX**.



[Signature]
(V. GOVINDAN)
कम्पनियों का रजिस्ट्रार
Registrar of Companies

THE COMPANIES ACT, 1956
COMPANY LIMITED BY SHARES
MEMORANDUM OF ASSOCIATION
OF
APCOTEX INDUSTRIES LIMITED

- I. The name of the Company is **APCOTEX INDUSTRIES LIMITED.**
- II. The Registered Office of the company is situated in the state of Maharashtra.
- III. The object for which the Company is established are:-
 - (A) **THE MAIN OBJECTS OF THE COMPANY TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:-**
 1. To carry on business as manufacturers and dealers in:-
 - (a) Synthetic rubbers and elastomers, synthetic resins, plastics, lattices and formulations thereof including reclaimed rubber, rubber and plastic products.
 - (b) Styrene, butadiene and similar monomers, ethylene, alcohol, petroleum fractions and chemical substances compounds, synthetics and substances, basic intermediate.
 - (c) Plastic materials, styrene, polystyrene, vinyl chloride, polyvinyl chloride, polyethylene, polyoleifines, vinyl acetate and copolymers of one or more of the above products, acylics and polyesters, polycarbonates and polyether and epoxy resins and compositions, silicon resins and compositions, P-F, U-F and other thermo-settings resins and moulding compositions, nylons, Rilsan and similar thermoplastics and moulding compositions including prefabricated sections and shapes, cellulosic plastics and other thermosetting and thermoplastic materials (of synthetic or natural origin), rubber chemicals, plastic and resinous materials, elastomers, gums, glues and adhesive and sealant compositions, plasticizers, coating resins, solvents.
 - (B) **OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS ARE :**
 2. To carry on business manufacturers of and dealers in compounds, adhesives, fillers, derivatives, intermediates and bye-products of all or any of the foregoing:

3. To carry on the business of manufacturers of and dealers in rubber and plastic tubes and tyres and films and moulded goods and in bottles, containers, tubes, wrapping materials, foams rubber and plastic products, transmission belts and conveyors, and similar industrial articles, pipes, tubes, hoses, rubber containers and rubber lines vessels, tanks, equipments, pipes and similar equipments, electric products, shoe products and parts thereof ethical rubber products and parts, toys, insulating materials and all other blown, moulded formed extruded calendered and dipped goods and articles.
4. To carry on business as manufacturers of and dealers in all kinds of equipments, machinery and accessories required to convert raw-materials into industrial and commercial products by-process methods, including dipping, moulding, vacuum moulding, extrusion, calendaring, vulcanizing, foaming coating, film blending.
5. To carry on, operate technical service to provide development work on rubber and other products of the Company and their uses and applications, training of workers in operating equipments, manufacturing rubber products and to work out and provide for free use or resale or by licensing new or reformed technical know-how on rubber and plastics applications or new processes.
6. To establish, provide, maintain and conduct or otherwise subsidise research laboratories and experimental workshop for scientific and technical research and experiments and tests of all kinds and to promote studies and research both scientific and technical investigation and invention by providing, subsidizing, endowing or assisting laboratories, workshops, libraries, lectures, meeting and conferences and by providing the remunerations of scientific or technical professors or teachers and by providing for the award of exhibitions, scholarships, prizes, grants and bursaries to students or independent students or otherwise, and generally to encourage, promote and reward studies, researches investigation, experiment, tests and invention of any kind that may be considered likely to assist any of the business which the Company is authorized to carry on.
7. To enter into contracts with Government whether local, provincial or central or central in the Union of India or elsewhere in the world for the purchase and sale of goods, clothes, machinery, spare-parts, securities, shares, stock, debentures.
8. To promote, form and register, and aid in the promotion, formation and registration of any Company or Companies subsidiary or otherwise for the purchase of acquiring all or any of the property, rights and liabilities of this Company, or for any other purpose and to transfer to any such Company any property of the company, and to be interested in, or take, or otherwise acquire, hold, sell or otherwise dispose of shares, stock, debentures and other securities in or of any such company, or any other company for all or any of the objects mentioned in this memorandum, and to subsidise or otherwise assist any such company and to undertake the management and secretarial or other work, duties and business of any such company, on such terms as may be arranged.
9. To reclaim and to process rubber, latex and other products of natural rubber trees and to engage in business of rubber plantations within and outside India.

- 9A. To acquire and take over as a going concern by purchase or on lease and undertake to carry on the whole or any part of the business together with the goodwill and trade name, property rights and liabilities of any person or persons, firm or any company carrying on any business, any part of the purpose of which is authorized to carry on or processed of property suitable for the purpose of the company and to pay for the same by shares, debentures-stock, bonds, cash or otherwise as the Directors of the Company determine and to conduct and to carry on or liquidate and wind-up any such business.
- 9B. To amalgamate, enter into partnership or into any arrangement for sharing or dealing profits, union of interests, co-operation, joint venture, reciprocal concession or otherwise with any person, firm, co-operation of Government or company carrying or engaged in any business undertaking or transaction which the Company is authorized to carry on or engage in or any business undertaking or transaction which may seem capable of being carried on or conducted so as directly or indirectly to benefit to company and to lend money, to guarantee the contracts or otherwise assigned of any such person, firm or company; and to take or otherwise acquire and hold shares or securities of any such persons, firm or companies, to sell, hold, reissue wit or without guarantee or otherwise deal with the same.
- 9C. To sell, mortgage, lease, manage, develop, exchange, dispose of or to transfer the business, immovable or movable property; and undertaking of the Company or any part thereof or any part of the property, rights and concessions of the company in such manner and upon such terms and conditions and for such consideration as the Directors of the Company, for the time being may think fit to accept and in particular for cash, shares, debentures, debenture-stock, bond, or securities of any other company having objects altogether or in any part similar to those of this company.
- 9D. To advance and/or lend monies, and generally to such persons, associations, trusts, corporation companies having dealing with the company.
- 9E. To give guarantee for the performance or discharge of any obligations, liabilities, duties or the payments of monies by any persons, firms and companies or Governments or states and to give indemnities of all kinds.
- 9F. To invest and deal with the monies of the company not immediately required in immovable properties, shares, stocks, bonds, debentures, obligations or other securities of any company or association or in Government securities or in current or deposit account with banks or on the mortgage of immovable properties of any tenure or on the pledge of movable property or in any other manner as may from time to time be determined by the Directors of the Company for the time being and from time to time sell or vary all such investments and to execute all assignments, transfers, receipts and documents and may be necessary in that behalf.
- 9G. To distribute any of the property of the Company among the members in special or kind in the event of winding up.
- 9H. To make and/or receive donations, gifts or income to or from such persons, institutions or Trusts and in such cases and whether of cash or any other assets as may be thought to benefit the Company or any other objects of the Company or otherwise expedient and also to remunerate any person or

corporation introducing or assisting in any manner the business of the Company.

- 9I. To form, subscribe or contribute to or otherwise to assist, aid or guarantee money to public, charitable, benevolent, religious, scientific, national or other institutions, funds, objects or purpose and to any other institutions, funds, objects or purposes which is the opinion of the Board of Directors are likely to promote the interests or the business of the Company and/or to further its objects and/or to any other institutions, funds, objects or purposes whatsoever directly relating to the business of the Company.
- 9J. To place, to reserve or to distribute as bonus shares among the members or otherwise to apply as the Company may from time to time think fit, any money received by way of premium on shares or debentures issued at a premium by the Company and any money received in respect of forfeited shares and monies arising from the sale by the Company of forfeited shares, subject to section 78 of the Companies Act, 1956.
- 9K. To generate, develop, accumulate, produce, manufacture, purchase, process, transform, distribute, transmit, sale, supply and / or otherwise import, export, deal in any kind of power or electrical energy using coal, lignite, petroleum products or any other substances, wind energy, solar energy, wave energy, tidal energy, hydro energy, nuclear energy or any other form of energy and any other products or byproducts derived from any such business of energy and to set power plants, wind turbines, power stations, hydel power stations, solar energy systems or any other facility to generate power and to produce, buy, import, sale, treat, exchange, renovate, alter, modernize, install or otherwise deal in any type of machinery, equipment, implement, material, article and stores for generating, distributing, transmitting energy, including electricity and to deal with all persons including Companies, government and Semi-Government bodies for these purpose and to deal with all places including cities, towns, villages, districts, docks, markets, theatres, building, industries, offices or any other place(s) and to do all such acts, deeds and things including construction, laying down, establishing, fixing and to carry out all necessary activities for the aforesaid purpose.”

(C) OTHER OBJECTS :

10. To carry on the business of manufacturers and producers of fats, plasticizers, extenders, fertilizers, manures, dips, sprays, vermifuges, fungicides medicines and remedies of all kind for agricultural, fruit-growing or other purposes or as remedies for men or animals and vegetable life and whether produced from vegetable or animal matter or by any chemical biological or synthetic process.
11. To carry on business of manufacturers of and dealers in natural and all kinds of synthetic fibre materials and converters of synthetic and natural fibres, including fibre glass into materials like cloth, tapes cord, ropes, twines.
12. To carry on business of waterproofers and manufacturers of India rubber, leather, imitation leather cloth, plastics, moulded ware, sheet, film and foils, oil cloth, linoleum, tarpaulins, hospital sheetings and surgical goods.
13. To purchase take on lease or otherwise acquire any mining rights, mines and lands in India or elsewhere believed to contain metallic, or mineral,

saline or chemical substances, kieselghur, fench chalk, china clay, bentonite and other clays, boryles, calcite and such other filler materials earths or other ingredients including coal, lignites, rockphosphate, brimstone, brine, bauxite, rare earths and to explore, work exercise, develop and turn to account the same.

14. To carry on business as commission agents for all kinds of cloth, yarn cotton, wool, silk, rayon, nylon, other synthetic fibres and textiles, and drugs, chemicals, foodgrains, seeds, pulses, oil seeds, sugar, provisions, oilman stores, oils stores, good articles and things whatsoever, and to do all kinds of commission agency business.
15. To carry on business as manufacturers and dealers in :-
 - (a) Alkalies, acids, tannins, essences, and photographic, sizing, chemical, petrochemical, industrial and other preparations and articles of any nature and whatsoever, waxes natural and synthetic, industrial solvents and pasting agents, extenders, rubber chemicals including vulcanisers, antioxidants, accelerators, reinforcing agents, silica compounds, softeners, blowing agents, and special chemical substances, cements, pigments, plasticizers, dyestuffs and intermediates;
 - (b) Chemicals, including basic chemicals, organic and inorganic chemicals and fertilizers, plant growth activators and regulators and articles and compounds, ingredients and products;
 - (c) All kinds of chemical machineries, plants and equipment including chemical vessels, regulators, autoclaves, driers, pulverisers, centrifuges, filtration equipments (of all kinds and description) glass-lined vessels and components and parts, fittings, equipments and accessories thereof;
 - (d) Oxygen , nitrogen, hydrogen, hydrocarbon gases, including ethylene and acetylene, propylene, butanes and pesticides, fungicides colouring materials, pigments and lakes, dyes, toners, perfumes, and flavouring chemical surface active agents, tanning agent, marine chemicals, synthetic fibres, fertilizers and all types of industrial chemicals, acids, alkalies, hormones, trace elements.
16. To carry on the business of manufacturers of and dealers in chemical products, importers, exporters and manufacturers of and dealers in heavy chemicals, alkalies, acids, drugs, tanins, essences, and pharmaceutical, photographic, sizing, medicinal, chemical, petrochemical industrial and other preparations and articles, waxes natural and synthetic, industrial solvent and casting agents, extenders, rubber chemicals including vulcanisers, antioxidants, accelerators, reinforcing agents, carbon black silica, compounds, softeners, blowing agents and special chemical substance, cements, oils, paints, plasticizers, and extenders, pigments and varnishes, compound, drug, dyestuffs, organic or mineral intermediates, makers of and dealers in proprietary articles and of electrical, mechanical, photographic, surgical and scientific apparatus and materials.
17. To carry on and engage in the business of providing consultative and technical services in design, construction and engineering of chemical and chemical process plants and equipment, air and water conditioning and effluent treatment, handling of inflammable liquids and gases and

materials, stream and high temperature services, project estimating and planning and servicing, prospecting, market survey, safety and fire fighting services and in manufacturer of and dealers in equipment, machinery, apparatus and special fitting thereof for the objects mentioned herein.

- 17A. To manufacture, buy, sell and carry on business or deal in all kinds of dyes, chemicals, colours, paints, pigments and/or any other articles.
- 17B. To act as selling and/or purchasing agents or brokers in general distributors, canvassers, indentors, consignors, carriers, hirers, consignees, agents or subagents of any other person, firm, corporation or company, contractors, muccadams, clearing and forwarding agents, transport agents for all kinds of articles and goods on such terms and conditions as the Directors of the Company may think fit and generally to undertake, transact, and execute all kinds of agency business and also trusts of all kinds.

AND IT IS HEREBY DECLARED THAT:

- (i). The objects incidental or ancillary to the attainment of the main objects of the Company as aforesaid shall also be incidental or ancillary to the attainment of the other objects of the Company herein mentioned.
- (ii). The word "Company" (save when used with reference to this Company) in this Memorandum shall be deemed to include any partnership or other body or association of persons whether incorporated or not and wherever domiciled.
- (iii). The objects set forth in each of the several clauses of paragraph III shall extend to any part of the world.
- (iv). Nothing in this paragraph shall authorize the Company to do any business which may fall within the purview of the Banking Regulation Act, 1949, or Insurance Act 1938.
- IV. The liability of the Members is limited.
- V. The Authorised Share Capital of the Company is Rs.31,61,00,000/- (Rupees Thirty One Crores Sixty One Lacs only) divided into 15,79,00,000 (Fifteen Crores Fifty Seventy Nine Lacs) Equity Shares of Rs.2/- (Rupees Two Only) each and 500/- (Five Hundred) Preference Shares of Rs.100/- (One Hundred) each and 1,25,000 (Fifty Thousand) Unclassified Shares of Rs. 2/- (Rupees Two) each.

Notes :

1. Sub clauses (9A) to (9J) and (17A) & (17B) were inserted pursuant to Special Resolution passed at the Extra Ordinary General Meeting of the Company held on 10th January 1990, and confirmed by the Company Law Board, Western Region Bench, Bombay, by their order dated 19.3.1991.
2. The old clause V(a) relating to Authorised Share Capital was substituted pursuant to the resolution passed at the Extra Ordinary General Meeting held on 23rd May, 1991, whereby Authorised Share Capital was increased from Rs. 5,00,000/- (Rupees Five Lacs only) to the present Rs. 1,03,00,000/- (Rupees one crore three lacs only).
3. The Authorised Share Capital of the Company has been raised to 3,03,00,000/- (Rupees Three Crore and Three Lacs only) pursuant to the resolution passed at the Annual General Meeting held on 12th July, 1991.
4. The old clause V(a) relating to Authorised Share Capital was substituted pursuant to the resolution passed at the Annual General Meeting held on 12th July, 1991, whereby authorized Share Capital was increased from Rs. 1,03,00,000/- (Rupees One Crore Three Lacs only) to the present Rs. 3,03,00,000/- (Rupees Three Crores and Three Lacs only).
5. The Authorised Share Capital of the Company has been raised to 7,00,00,000/- (Rupees Seven Crores only) pursuant to the resolution passed at the Annual General Meeting of the Company held on 23rd September, 1992.
6. The Authorised Share Capital of the Company has been raised to 15,00,00,000/- (Rupees Fifteen Crores only) pursuant to the resolution passed at the Annual General Meeting of the Company held on 24th July, 1995.
7. Sub clauses (9K) was inserted pursuant to Special Resolution passed by Postal Ballot conducted vide notice dated 15th October 2009.
8. One Equity shares of Rs.10/- each fully paid has been sub-divided into 2 Equity Shares of Rs.5/- each fully paid pursuant to the resolution passed at the Annual General Meeting of the Company held on 28th June 2013.
9. The Authorised Share Capital of the Company stand increased without any act, instrument or deed on the part of the company including payment of stamp duty and fees payable to Ministry of Corporate Affairs/Registrar of Companies upon the Scheme of Amalgamation of Apcotex Solutions India Private Limited becoming effective. The Scheme of Amalgamation was pronounced by Hon'ble High Court of Bombay on 27th October 2016 and certified copy of the order was filed with Ministry of Corporate Affairs/Registrar of Companies on 1st December 2016.

10. The Authorised Share Capital of the Company stand increased without any act, instrument or deed on the part of the company including payment of stamp duty and fees payable to Ministry of Corporate Affairs upon the Scheme of Amalgamation of Saldhar Investments and Trading Company Private Limited becoming effective. The Scheme of Amalgamation was pronounced by Hon'ble National Company Law Tribunal, Mumbai Bench on 1st February 2018 and certified copy of the order was filed with Ministry of Corporate Affairs on 13th February 2018.
 11. One Equity shares of Rs.5/- each fully paid has been sub-divided into Equity Shares of Rs.2/- each fully paid pursuant to the resolution passed at the Annual General Meeting of the Company held on 4th June 2019.
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We, the several persons whose names, and addresses are subscribed hereunder are desirous of being formed into a Company in pursuance of this Memorandum of Association and we agree to take the number of shares in the capital of the Company, set opposite our respective names.

Sl. No	Names, address, description, occupation and signature of each subscriber	No. of shares taken by each subscriber	Name, address, description, occupation and signature of witness
1.	<p>HEMENDRA NARANDAS SHAH S/o. Narandas Shah 3C, Maker Bhavan – 2, 18, New Marine Lines, Bombay – 400 020.</p> <p>OCC. : CHARTERED ACCOUNTANT</p> <p>Sd/-</p>	1 (One) Equity	<p>KRISHNAMURTHY NARAYAN IYER S/o. Late M. R. Narayanan 2, Divyapuri Society, Srinagar Colony Road, Goregaon (West), Bombay – 400 062.</p> <p>SERVICE Sd/-</p>
2.	<p>GUNVANTILAL CHANDULAL PARIKH S/o. Chandulal Parikh C – 37, Bihari Baug, 3rd Bhoiwada, Bombay – 400 002.</p> <p>OCC. : CHARTERED ACCOUNTANT</p> <p>Sd/-</p>	1 (One) Equity	
		2 (Two) Equity	

Dated: 17th February, 1986

THE COMPANIES ACT, 1956
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
APCOTEX INDUSTRIES LIMITED

1. The regulations contained in Table A, in the First Schedule to the Companies Act, 1956, shall not apply to this Company, except in so far as the said Act or any modification thereof otherwise expressly provide but the regulations for the management of the Company and so far the observance of the members thereof and their representative, shall, subject to any exercise of the statutory power of the Company with reference to repeal or alteration of, or addition, to its regulations by Special Resolutions as prescribed by the said Companies Act, 1956 be such as are contained in these Articles.

Table A not to apply but Company to be governed by these articles.

INTERPRETATION

1(a) In the interpretation of these Articles, unless repugnant to the subject or context :

Interpretation clause.

"The Company" or "this Company" means 'APCOTEX INDUSTRIES LIMITED'.

"The Company" or "this Company"

"The Act" means "the Companies Act, 1956" or any statutory modification or re-enactment thereof for the time-being in force.

"The Act"

"Auditors" means and includes those

"Auditors"

	Persons appointed as such for the time being by the Company.
Beneficial owner	"Beneficial owner" shall mean beneficial owner as defined in clause (a) of subsection (1) of Section 2 of the Depositories act, 1996;
"Capital"	"Capital" means the share capital for the time-being raised or authorized to be raised for the purpose of the Company.
"Debenture"	"Debenture" includes debenture-stock.
Depositories Act, 1996	"Depositories Act, 1996" shall include any statutory modification or re-enactment thereof; and 'Depository' shall mean a Depository as defined under clause (e) of subsection (1) of section 2 of the Depositories Act, 1996.
"In writing" or "written"	"in writing" or "written" include printing, lithography and other modes of representing or reproducing words in a visible form. 'Member' means the duly registered holder from time to time of the shares of the company and includes the subscribers of the Memorandum of the Company and the beneficial owner(s) as defined in clause (a) of subsection (1) of section 2 of the Depository Act, 1996"
"Annual General Meeting"	"Annual General Meeting" means a general meeting of the Members held in accordance the provisions of Section 166 of the Act.
"Extraordinary General Meeting"	"Extraordinary General Meeting" means an extraordinary general meeting of the members duly called and constituted and any adjourned holding thereof.
"Month"	"Month" means a calendar month.
"Office"	"Office" means the registered office for the time-being of the Company.
"Paid-up"	"Paid-up" includes credited as paid-up.
"Persons"	"Persons" include corporations and firms as well as individuals.

"Register of Members" means the Register of Members to be kept pursuant to the Act.	"Register of Members"
"The Registrar" means the Registrar of Companies of the State in which the office of the Company is for the time-being situate.	"The Registrar"
"Secretary" includes a temporary or Assistant Secretary or Part-time Secretary or any person or persons appointed by the Board to perform any of the duties of a secretary.	"Secretary"
"Seal" means the Common Seal for the time being of Company.	Seal"
"Share" means share in the share capital of the Company and includes stock except where a distinction between stock and shares is expressed or implied.	"Share"
Words importing the singular number include, where the context admits or requires, the plural number and vice-versa.	"Singular number"
"Ordinary Resolution" and "Special Resolution" shall have meanings assigned thereto by Section 189 of the Act.	"Ordinary Resolution" and "Special Resolution"
"Year" means the calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2(17) of the Act.	"Year" and "Financial Year"
The managerial notes and title used in these Articles shall not affect the construction hereof.	
Save as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context bear the same meaning in these articles.	

"CAPITAL AND INCREASE AND REDUCTION OF CAPITAL."

2. (a) The Authorised Share Capital of the Company is Rs.31,61,00,000/- (Rupees Thirty One Crores Sixty One Lacs only) divided into 15,79,00,000 (Fifteen Crores Fifty Seventy Nine Lacs) Equity Shares of Rs.2/- (Rupees Two Only) each and 500/- (Five Hundred) Preference Shares of Rs.100/- (One Hundred) each and 1,25,000 (Fifty Thousand) Unclassified Shares of Rs. 2/- (Rupees Two) each.

2. (b) Subject to the rights of the holders of any other shares entitled by the terms of issue of preferential repayment over the equity shares in the event of winding up of the Company, holders of the equity shares shall be entitled to be repaid the amount of capita paid up or credited as paid up on such equity shares and all surplus assets thereafter shall belong to the holders of the equity shares in proportion to the amount paid up or credited as paid up on such equity shares respectively at the commencement of the winding up. The Company shall be entitled to dematerialize its existing shares, rematerialize its shares held in the Depositories Act, 1996 and the rules framed thereunder, if any.

Rematerialisation or dematerialization of shares

2. (c) The Authorised Capital of the Company as in Article 2(a) above shall be with a power to increase or reduce or modify the said capital and to divide the shares for the time being of the company into several classes and attach thereto preferential, deferred, qualified or special rights or conditions, as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges and conditions in such manner as may for time being be provided for by the Articles Association of the Company.

Increase of Capital by the Company and how carried into effect.

3. The Company Meeting may, from time to time, increase its capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of the Act, any share of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the general meeting resolving upon the creation thereof, shall direct, and if no direction be given, as the Directors shall determine, and in particular, such shares may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the Company, and with a right of voting at general meeting of the Company

in conformity with Section 87 and 88 of the Act. Whenever the Capital of the Company has been increased under the provisions of Section 97 of the Act.

4. Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

New capital same as existing capital.

5. Subject to the provisions of Section 80 of the Act, the Company shall have the power to issue Preference Shares which are or at the option of the Company are liable to be redeemed and the resolution authoring such issue shall prescribe the manner, terms and conditions of redemption.

Redeemable Preference shares.

6. On the issue of Redeemable Preference Shares under the provisions of Article 5 hereof, the following provisions shall take effect :

Provisions to apply on issue of Redeemable Preference Shares.

- (a) no such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of the redemption;**
- (b) no such shares shall be redeemed unless they are fully paid;**
- (c) the premium, if any, payable on redemption must have been provided for out of the profits of the Company or the Company's Share Premium Account before the shares are redeemed;**
- (d) Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for divided, be transferred to a reserve fund to be called the "Capital Redemption Reserve Account" a sum equal to the nominal amount of the shares redeemed and the provisions of the Act relating to reduction of the share capital of the company shall, except as**

provided in Section 80 of the Act, apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company.

Reduction of Capital

7. The Company may (subject to the provisions of Sections 78, 80, 100 to 105 inclusive of the Act) from time to time by Special Resolution, reduce its capital and any Capital Redemption Reserve Account or Premium Account in any manner for the time being authorized by law, and in particular capital may be paid off on the footing that it may be called upon again or otherwise. This article is not to derogate from any power the Company would have had if it were omitted.

Sub-division consolidation and cancellation of shares.

8. Subject to the provisions of Section 94 of the Act, the Company in general meeting may, from time to time, sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is subdivided, may determine that, as between the holders of the shares resulting from such sub-division one or more of such shares shall have same preference or special advantage as regards dividend, capital or otherwise over as compared with the other or others. Subject as aforesaid the Company in general meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount shares so cancelled.

Modification of rights.

9. Whenever the capital, by reason of the issue of Preference Shares or otherwise, is divided into classes of shares all or any of the rights and privileges attached to each class may subject to the provisions of Sections 106 and 107 of the Act be modified, commuted, affected or abrogated, or dealt with by Agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified in writing by holders of at least three-fourths in nominal value of the issued shares of the class or is confirmed by a Special Resolution passed at a separate general meeting of the holders of shares of that class.

Underwriting Commission and Brokerage.

Subject to the provisions of Section 76 of the Companies Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) from

any shares in or debentures of the Company, or procuring, or agreeing to procure, subscriptions (whether absolute or conditionally) for any shares in or debentures of the Company, but so that the commission shall not exceed, in the case of debentures of the Company, but so that the commission shall not exceed, in the case of shares five percent of the price at which the shares are issued, and in the case of debentures two and half percent of the price at which the debentures are issued.

(b) The Company may pay such sum for brokerage as may be lawful and reasonable.

SHARE AND CERTIFICATE

11. The Company shall cause to be kept a Register and Index of Members in accordance with all applicable provisions of the Companies Act, 1956 and the Depositories Act, 1996 with details of shares held in material and dematerialized forms in any media as may be permitted by law including in any form of electronic media. The Company shall be entitled to keep in any State or Country outside India a branch Register of Members Resident in that State or country.

Register and index of Members

12. The shares in the capital shall be numbered progressively according to their several denominations, provided however, that the provision relating to progressive numbering shall not apply to the shares of the company which are dematerialized or may be dematerialized in future or issued in future in dematerialized form. Except in the manner hereinbefore mentioned, no share shall be sub-divided. Every forfeited or surrendered share held in material form shall continue to bear the number by which the same was originally distinguished.

Numbering of shares progressively.

13. (a) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the Company made for the first time after its formation whichever is earlier it is

Further issued of capital.

proposed to increase the subscribed capital of the Company by allotment of further shares, whether out of unused share capital or out of increased share capital then such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on those shares at the date. Such offer shall be made by notice specifying the number of shares offered and limited to a time not being less than fifteen days from the date of offer within which the offer, if not accepted, will be deemed to have declined. After the expiry of time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may disposed of them in such manner as they think most beneficial to the Company.

(b) Notwithstanding anything contained in preceding sub-clause, the Company may—

(i) by a special resolution; or

(ii) where no such resolution is passed, if the cast (whether on a show of hands, or on a poll, as the case may be) in favour of the proposal contained in the resolution moved in that general meeting (including the casting vote, if any, of the Chairman) by members who, being entitled so to do vote in person, or where proxies are allowed, by proxy, exceed the votes, if any cast against the proposal by members so entitled and voting and the Central Government is satisfied on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company. Offer further shares to any person or persons and such persons may or may not include the person who at the date of the offer, are the holders of the equity shares of the Company.

(c) Notwithstanding anything contained in sub-clause (a) above, but subject, however, to Section 81(3) of the Act, the Company may increase its subscribed capital on exercise of an option attached to the debentures issued

or loans raised by the Company to convert such debentures or loans raised by the Company to convert such debentures or loans into shares, or to subscribe for shares in the Company.

14. Subject to the provisions of these Articles and the Act, the shares (including any shares forming part of any increased capital of the Company) shall be under the control of the Directors, who may allot or otherwise dispose off the same to such person in such proportion on such terms and conditions and at such times as the Directors think fit and subject to sanction of the Company in General Meeting with full power, to give any person the option to call for or be allotted shares of any class of the Company either (subject to the provisions of Sections 78 and 79 of the Act) at a premium or at par or at discount and such option being exercisable for such time and for such consideration as the Directors think fit. The Board shall cause to be filed the returns as to allotment provided for in Section 75 of the Act.

Shares under control of Directors

15. In addition to and without derogating from the powers for that purpose conferred on the Board under articles 13 and 14 the Company in General Meeting may, subject to the provisions of Section 81 of the Act, determine that any shares (whether forming part of the original capital or of any increased capital of Company) shall be offered to such person (whether members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of section 78 and 79 of the Act) at a premium or at par or at a discount, as such General Meeting shall determine and with full power to give any person (whether member or not) the option to call for or be allotted shares of any class of the Company either (subject to compliance par or at a discount) such option being exercisable at such times and for such consideration as may be directed by such General Meeting or whatsoever for the issue, allotment or disposal of any shares.

Power also to Company in General Meeting to issue shares.

16. Any application signed by or on behalf of a applicant for share in the Company followed by an allotment of any share therein, shall be an acceptance of shares within the meaning of these Articles, and every person who pays or otherwise

Acceptance of shares.

accepts any shares and whose name is on the Register shall for the purpose of these Articles, be a Member.

Deposit and call etc. to be a debt payable immediately.

17. The money (if any) which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit call or otherwise in respect of any share allotted by them, shall immediately on the insertion of the name of the allottee in the Register of Members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

Liability of Members.

18. Every member, or his heirs, executors or administrators, shall pay to the Company the portion of capital represented by his share or shares which may, for time being remain unpaid thereon, in such amounts, at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require or fix for the payment thereof.

Share Certificates.

19. (a) Every member or allottee of shares shall be entitled without payment to receive one certificate specifying the name of the person in whose favour it is issued, the shares to which it relates and the amount paid up thereon, provided however, no share certificate(s) shall be issued for shares held in Depository. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in case of issue against letters of acceptance or of renunciation or in case of issue of bonus shares. Every such certificate shall be issued under the seal of the Company which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney or some other person appointed by the Board for the purpose, and two Directors or their attorneys or other person shall sign the share certificate provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be persons other than a Managing or

Whole time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the persons to whom it has been issued, indicating the date of the issue.

(b) Any two or more joint allottees of a share shall, for the purpose of this Article, be treated as a single member, and the certificate of any share, which may be the subject of ownership may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupee One. The Company shall comply with the provisions of Section 113 of the Act.

(c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography; but not by means of a rubber stamp provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose

20. (a) No certificates of any share or shares shall be issued either in exchange for those which are sub-divided or consolidated or in replacement of those which are defaced torn or old, decrepit, worn out, or where the cages on the reverses for recording transfers have been fully utilized, unless the certificate in lieu of which it is issued is surrendered to the Company.

**Renewal of
Shares**

(b) When a new share certificate has been issued in pursuance of clause (a) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "issued in lieu of share certificate No... sub-divided/replaced/or consolidation of shares.

(c) If a share certificate is lost or destroyed, anew certificate in lieu thereof shall be issued only with the prior consent of the Board and on such terms if any to evidence and indemnity as to the payment of out-of-pocket expenses incurred by the Company in investigating evidence, as the Board thinks fit.

(d) When a new share certificate has been issued in pursuance of clause (c) of this Article, it shall state on the face of it and against the stub or counter foil to the effect that it is "duplicate issued in lieu of share certificate No...". The word "Duplicate" shall stamped or punched in bold letters across the face of the share certificate.

(e) Where a new share certificate has been issued in pursuance of clause(a) or clause(c) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and duplicate certificate indicating against the names of the persons to whom the certificate is issued, the number and date of issue of the share certificate in lieu of which the new certificate issued and the necessary changes indicated in lieu of which the new certificate issued and the necessary changes indicated in the Register of Members by suitable cross reference in "Remarks" column.

(f) All blank forms to be issued for issue of share certificates shall be printed and the printing shall be done only on the authority of a resolution of Board. The blank forms shall be consecutively machine-numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or of such other persons as the Board may appoint for the purpose; and the secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.

(g) The Managing Director of the Company for the time-being or if the Company has no Managing Director, every director of the Company shall be responsible for the maintenance, preservation and safe custody of all books, and documents relating to the issue of share certificate except the forms of share certificate referred to in sub- Article (f).

(h) All books referred to in sub-Article (g) shall be preserved in good order permanently.

(in) Notwithstanding anything contained in these Articles the Board of Directors and/or a Committee thereof may refuse any application for sub-division or consolidation of number of shares or of certificates for shares into domination of less than 25 Equity Shares

except where such sub-division or consolidation is

required to be made for compliance with any law or statutory regulation or order or a decree of a competent court. Provided nevertheless that the Board may, at its discretion and in exceptional circumstances and for avoiding any hardship or for any just and sufficient cause, or if so required by listing requirements (on each of them the decision of the Board of Directors and/or the Committee thereof shall be final and conclusive) accept any application for sub-division or consolidation of number of shares or of certificates for shares into denomination of less than 25 Equity Shares of the Company.

Power of Board of Directors to regulate Sub-division or consolidation

21. If any shares stands in the names of two or more persons, the person first named in the register shall, as regards receipts of dividends or bonus or service of notice and all or any other matter connected with the Company, except voting at meetings, and the transfer of the shares, be deemed the sole holder thereof but the joint-holder of a share shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of share and for all incidents thereof according to the Company's regulations.

The first named of joint-holders deemed sole holder.

22. Except as ordered by a court of competent jurisdiction or as by law required, the Company shall be entitled to treat the person whose name appears as the Register of Members as the holder of any share or whose name appears as the beneficial owner of shares in the records of the Depository, as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof. The Board shall be entitled at their sole discretion to register any shares in the joint names of nay two or more persons or the survivor of them.

Owner of shares as name appears on the register.

23. Buy-back of Shares

Buyback of shares

- (a) The Company shall not have power to buy its own shares, unless the consequent reduction of capital is effected and sanctioned in pursuance of Section 100 to 104 or 402 of the Companies Act.**
- (b) Notwithstanding any thing, contained in this article and subject to and in accordance with the provisions of Section 77A, 77AA and 77B of the Companies Act 1956, or corresponding provisions, rules, regulations and guidelines prescribed by the Government of India or Securities and Exchange Board of India or any other authority, for the time being in force, the Company may purchase its own shares.**

INTEREST OUT OF CAPITAL

Interest may be paid out of capital.

24. Where nay shares are issued for the purpose of raising money to defray the expenses of the construction of any work or building, or the provision of any plant which cannot be made profitable for a lengthy period, of the Company may pay interest on so much of that share capital as is for the time-being paid-up, for the period, at the rate and subject to the conditions and restrictions provided by Section 208 of the Act and may charge the same to capital as part of the cost of construction for the work of building, or the provision of plant.

CALLS

Directors may make calls.

25. The board may, from time to time, subject to the terms on which any shares may have been and subject to the conditions of allotment by a resolution passed at a meeting of the Board in respect of all money unpaid on the shares held by them respectively and each member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board. A call may be made payable by instalments.

Notice of calls.

26. Fifteen day's notice in writing of any call be

given by the Company specifying the time and place of payment and the person or persons to whom such call shall be paid.

Calls to date from postponed.

27. A call shall be deemed to have been made at the time when the resolution authorizing such call is passed at a meeting of the Board.

Calls may be revoked or postponed.

28. A call may be revoked or postponed at the discretion of the Board.

Joint-holder, jointly and severally liable to pay calls.

29. The joint-holders of a share shall be jointly and severally, liable to pay all calls in respect thereof.

30. The Board may, from time to time at its discretion, extend the time fixed for the payment of any calls under Article 26.

Power of Board to extend time for payment of calls.

31. If any member fails to pay any call due from him on the day appointed or payment thereof, or nay such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall, from time to time, be fixed by the Board not exceeding 21 per cent annum but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.

32. Any sum, which by the terms of issue of a share becomes payable on allotment or on any fixed date, whether on account of the nominal value of the share or by way of premium shall for the purpose of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses., forfeiture or otherwise shall apply as if such had become payable by virtue of a call duly made and notified.

Sums deemed to be calls.

33. On the trial of or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any moneys claimed

Proof on trail of suit for money due on shares.

to be due to the Company in respect of whose shares the money is sought to be recovered, appears entered on the Register of members as the holder, at or subsequently to the date at which the money is sought to be recovered is alleged to have become due on the shares in respect of which such money is sought to be recovered that the resolution making the call is duly recorded in the Minute Book and that notice of such call was duly given to the

member or his representatives sued in pursuance of these Articles and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made nor that meeting at which any call was made was duly convened or constituted nor any other matters whatsoever but the proof of matter aforesaid shall be conclusive evidence of the debt.

Partial payment not to preclude forfeiture.

34. Neither receipt by the Company of a portion of any money which shall from time to time be due from any member to the Company in respect of his shares, either by way of principal or interest nor any indulgence granted by the Company in respect of the payment of such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

Payment in anticipation of calls may carry interest.

35. (a) The Board may, if it thinks fit, agree to and receive from any member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made the Board may pay or allow interest, at such rate as the members paying the sum in advance and the Board agree upon. The Board may at any time agree to repay any amount so advanced or may at any time repay the same upon giving to the member three months' notice in writing. Provided that moneys paid in advance of call or any shares may carry interest but shall not confer a right to dividend or to participate in profits.

(b) No members paying any such sum in advance shall be entitled to voting right in respect of the moneys so paid by him until the same would be but for such payment become presently payable.

LIEN

The Company shall have a first and paramount lien upon all shares (other than fully paid up shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares, and no equitable interest in any shares shall be created except upon the footing and upon the conditions that Article 22 hereof is to have full effect. Any such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares.

37. For the purpose of enforcing such lien the Board may sell the shares subject thereto in such manner as they shall think fit and for this purpose may cause to be issued duplicate certificate in respect of such shares and may authorize one of their members to execute a transfer thereof on behalf of and in the name of such member. No sale shall be made until such period aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member or his representative and default shall have been made by him or them in payment fulfillment, or discharge of such debts, liabilities or engagement for fourteen days after such notice.

As to enforcing lien by sale

38. The net proceeds of any such sale be received by the Company and applied in or towards payment of such part of amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the persons entitled to the shares at the date of the sale.

Application of proceeds of sale.

FORFEITURE OF SHARES

39. If any member fails to pay any call or instalment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may at any time thereafter, during such time as the call or instalment remains

If money payable on share not paid notice to be given to members.

unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued by the Company by reason of such non-payment.

40. The Notice shall name a day (not being less than fourteen days from the date of notice) and a place or places on and at which such call or instalment and such interest thereon at such rate not exceeding 21 per cent per annum as the Directors shall determine from the day on which such call or instalment ought to have been paid and expenses as aforesaid are to be paid. The notice shall also state that, in the event of the non-payment before the time and at the place appointed the shares in respect of which the call was made or instalment is payable, will be liable to be forfeited.

In default of payment shares to be forfeited.

41. If the requirements of any such notice as aforesaid shall not be complied with every or any share in respect of which such notice has been given, may at time thereafter before payment of all calls or instalments, interests and expenses due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.

Notice of forfeiture to a member.

42. When any share shall have been so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and any entry of the forfeiture, with the date thereof shall forthwith be made in the Register of Members but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make an such entry as aforesaid.

Forfeited share to be property of the Company and may be sold, etc.

43. Any share so forfeited shall be deemed to be the property of the Company, and may sold, reallocated, or otherwise disposed off, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board shall think fit.

Member still liable to pay money owing at the time of forfeiture and interest.

44. Any member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all call instalments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the

forfeiture until payment, at such rate not exceeding nine percent per annum as the Board may determine and the Board may enforce the payment thereof, if it thinks fit.

Effect of forfeiture.

45. The forfeiture of a share shall involve extinction at the time of the forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the shares, except only such of those rights as by these articles are expressly saved.

Evidence of forfeiture.

46. A declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles on the date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the

share.

47. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register in respect of the shares sold, and the purchase shall not be bound to see the regularity of the proceedings, or to the application of purchase money and after his name has been entered in the Register in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sales shall be in damaged only and against the Company exclusively.

Validity of sale under Articles.

48. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate of shares originally issued in respect of the relative share shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto.

Cancellation of share certificates in respect of forfeited shares.

49. The Board may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed off, annual the forfeiture thereof upon such

Power to annual forfeiture

conditions as it thinks fit.

TRANSFER AND TRANSMISSION OF SHARES

50. In the case of transfer or transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in an electronic and fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply.

Transfer or transmission of shares.

50-A. The Company shall keep a Register of Transfer' and therein shall be fairly and distinctly entered particulars of every transfer of transmission of any share held in material form.

Register of Transfer

Form of transfer

51. Shares in the Company may be transferred by an instrument in writing in the usual common form or in such other form as shall from time to time be approved by the Directors provided that if so required by the provisions of the Act, such instrument of transfer shall be in the form prescribed and shall be duly stamped and delivered to Company within the prescribed period.

Transfer form to be completed to and presented to the Company.

52. The instrument of transfer duly stamped and executed by the Transferor and the Transferee shall be delivered to the Company in accordance with the provisions of the Act. The instrument of transfer shall be accompanied by such evidence as the Board may require to prove the title of Transferor and his right to transfer the shares and every registered instrument of transfer shall remain in custody of the Company until destroyed by order of the Board. The transferor of shares shall be deemed to be the holder of such shares until name of the Transferee shall have been entered in the Register of Members in respect thereof. Before the registration of a certificate or certificates the must have been delivered to the Company.

Power of Directors to regulate transfers in certain circumstances

53. Without prejudice to the provisions of these Articles and without in any way derogating the powers conferred on the Board of Directors ad/or a Committee thereof, the Board of Directors and/or the Committee thereof may not accept any application for registration of transfer of less than 25 Equity Shares of the Company provided that the foregoing shall not apply

to:

- (in) a transfer of equity shares made in pursuance of any law or statutory regulation or order or an order or decree of a competent court of Law;
- (ii) a single transfer by member holding less than 25 Equity shares of all the shares so held by him to one or more transferees;
- (iii) a transfer by a Member holding less than 25 Equity Shares to one or more transferees where after such transfer the shareholding of the said transferee/s (as the case may be) will not be less than 25 Equity Shares; and
- (iv) a transfer of 25 Equity Shares of multiples thereof in the aggregate in the same transferee by several Members by two or more instruments of transfer submitted together by the transferee.

Provided nevertheless that the Board of Directors and/or the Committee thereof, may at its discretion and in exceptional circumstances and for avoiding any hardship or for any just and sufficient cause or if so required by listing requirements (on each of which the decision of the Board of Directors and/or the Committee thereof shall be final and conclusive) accept any application for registration of transfer of less than 25 Equity Shares of the Company.

54. The Board shall have power on giving not less than seven days previous notice by advertisement in some newspaper circulating in the district in which the office of the Company is situated to close the Transfer books, the Register of Members or Register of Debenture-holders at such time or times and for such period or periods not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year.

Transfer Books and Register of Members When closed.

55. Every instrument of transfer shall be left at the office for registration, accompanied by the certificate of shares to be transferred, and such evidence as the Company may require to prove the title of the transferor or his right to transfer the shares. All instrument's of transfer shall be retained by the Company but any instrument of transfer which the Board of Directors may

decline to register shall on demand be returned to the persons depositing the same.

56. Subject to the provisions of Section 111 of the Companies Act, 1956 and of Section 22A of the Securities Contract (Regulation) Act, 1956, the Board may, at its discretion, decline to register or acknowledgement any transfer of shares, whether fully paid or not (notwithstanding that the proposed transferee be already a member) but in such case it shall within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal to register such transfer giving reasons for such refusal. Provided that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons

indebted to the Company on any account whatsoever except a lien on shares.

Notice of application when to be given.

57. Where, in the case of partly paid shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 110 of the Act.

Death of one or more joint-holders of the shares

58. In the case of the death of any one or more of the persons named in the Register of Members as the joint-holders of any share, the survivor or survivors shall be the only persons recognized by the Company as having any title or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on share held by him jointly any other person.

Title to share of deceased Member.

59. The executors or administrators or holders of a Succession Certificate or the legal representatives of deceased member (not being one or two or more joint-holders) shall be the only persons recognized by the Company as having any title to the shares registered in the name of such member, and the Company shall not be bound to recognize such executors or administrators or holders of a Succession Certificate or the legal representatives shall have first obtained Probate or Letters of Administration or Succession Certificate, as the case may be, from a duly constituted Court in the Union of India, provided that in any case where the Board in its absolute discretion thins fit, the Board may dispense with production of Praobate or Letters of Administration or

Succession Certificate, upon such terms as to indemnify or otherwise as the Board in its absolute discretion may think necessary and under Article 61 register the name of any person who claims to be absolutely entitled to the shares standing in name of a deceased member, as a member.

No transfer to infant, etc.

60. No share shall in any circumstances be transferred to any infant, insolvent or person of unsound mind.

Registration of persons entitled to otherwise than by transfer.

61. Subject to the provisions of the Act and that of these Articles, any person becoming entitled to shares in consequences of the death, that of these lunacy, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these articles may with the consent of the Board (which it

shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the shares or elect to have some person nominated by him and approved by the Board registered as such holder provided nevertheless, that if such person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the shares.

62. A person entitled to a share by transmission shall, subject to the right of the Directors to retain such dividends or money as hereinafter provided, be entitled to receive and may be given a discharge for, any dividends or other moneys payable in respect of the share.

Persons entitled may receive dividend.

63. There shall be paid to the Company, in respect of the transfer or transmission of any number of shares to the same party, such fee, if any, as the Directors may require.

Fee on transfer or transmission

64. The Company shall incur no liability or responsibility whatsoever in consequences of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown on appearing in Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that that the Company may have had

Company not liable for disregard of a notice prohibiting registration of a transfer.

notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

64A. Notwithstanding anything stated in any Articles a holder or joint holders of shares or debentures, may nominate, in accordance with the provisions of Section 109A of the Companies Act, 1956, and in the

Nomination

manner prescribed thereunder, a person to whom all rights in the shares or debentures of the Company shall vest in the event of death of such holder(s). Any such nominations so made shall be dealt with by the Company in accordance with the provisions of Section 109B of the Companies Act, 1956".

copies of memorandum and articles to be sent to member

Copies of Memorandum and Articles of Association to be sent by the Company.

65. Copies of Memorandum and Articles of Association of the Company and other documents referred to in Section 39 of the Act shall be sent by the Company to every member at his request within seven days of the request on payment of the sum of Rupee one for each copy.

BORROWING POWERS

Powers to borrow.

66. Subject to the provision of Section 292 of the Act the Board may, from time to time at its discretion by a resolution passed at a meeting of the Board accept deposits from members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum of money for the purpose of the Company. Provided however, where the money to be borrowed together with the moneys already borrowed (apart from temporary loan obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid up capital of the

Company and its free reserves (not being reserves set apart for any specific purpose) the Board shall not borrow such moneys without the consent of the Company in General Meeting.

Payment or repayment of moneys borrowed.

67. Subject to the provisions of these Articles the payment or repayment of money borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Ordinary Resolution shall prescribe including by the issue of debentures or debenture-stock of the Company, charged upon all or any part of the property of the Company (both present and future), including its uncalled capital for the time being and debentures, debenture-stock and other securities may be made assignable from any equities the Company and the

person to whom the same may be issued.

68. Any debenture, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing allotment of shares and attending (but not voting) at General Meetings, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in General Meeting accorded by an Ordinary Resolution.

Terms of issue of Debentures.

69. The Board shall cause a proper Register to be kept in accordance with the provisions of Section 143 of the Act of all mortgages, debentures and charges specially affecting the property of the Company; and shall cause the requirements of Section 118, 125 and 127 to 144 (both inclusive) of the act in that behalf to be duly complied with, so far as they fall to be complied with by the Board.

Register of Mortgages, etc. to be kept.

70. The Company shall, if at any time it issues debentures, keep a Register and Index of Debenture-holders in accordance with Section 152 of the Act. The Company shall have the power to keep in any state or country outside India a branch Register of Debenture holders resident in that State or Country.

Register and Index of Debenture-holders.

SHARE WARRANTS

71. The Company may issue share warrants subject

Power to issue

to and in accordance with the provisions of Section 114 and 115; and accordingly the Board may in its discretion, with respect to any share which is fully paid upon application in writing signed by the persons registered as holder of the share and authenticated but such evidence (if any) as the Board may, from time to time require as to the identity of the person signing the application, and on receiving the certificate (if any) of the share, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a share warrant.

share warrants.

72. (1) The bearer of share warrant may at any time deposit the warrant at the office of the Company, and so long as the warrant remains so deposited, the

Deposit of share warrant.

depositor shall have the same right of signing a requisition for calling a meeting of the Company, and attending, and voting and exercising the other privileges of a member at any meeting held after the expiry of two clear days from the time deposit, as if his name were inserted in the Register of Members as the holder of the share included in the deposited warrant.

(2) Not more than one person shall be recognized as depositor of the share warrant.

(3) The Company shall, on two days' written notice, return the deposited share warrant to the depositor.

Privileges and disabilities of the holders of share warrant.

73. (1) Subject as herein otherwise expressly provided, no person shall, as bearer of a warrant, sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a member at a meeting of the Company, or be entitled to receive any notices from the Company.

(2) The bearer of a share warrant shall be entitled in all other respect to the same privileges and advantages as if he were named in the Register of Members as the holder of the share included in the warrant, and he shall be a member of the Company.

Issue of new share warrant of coupon.

74. The Board may, from time to time, make rules as to the terms on which (if it shall fit) a new share warrant or coupon may be issued by way of renewed in case of defacement, loss or destruction.

CONVERSION OF SHARES INTO STOCK

AND RECONVERSION

Shares may be
convert into
stock

75. The Company in General Meeting may convert any paid-up shares into stocks and when any shares shall have been converted into stock, the several holders of such stock may thenceforth transfer their respective interest therein or any part of such interest in the same manner and subject to the same regulations as, and subject to which the stock arise might have been transferred, if no such conversion had taken place, or as near thereto as circumstances will admit. The Company may at any time reconvert any stock into paid-up shares of any denomination.

76. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting, at meeting of the Company, and other matters, as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets of winding-up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

**Right of stock-
holders**

76A (1) The Company upon passing a resolution at General Meeting upon the recommendation of the Board resolves:

- i. That it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's Reserve accounts or to the credit of the Profit and Loss Account, or to the credit of Share Premium Account or otherwise available for distribution and**
- ii. That such sum be accordingly set free for distribution in the manner specified in Clause 76A(2) amongst the shareholders who could have been entitled thereto, if distributed by way of dividend and in the same proportion.**

**Capitalization of
Reserves**

(2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in Clause 76A(3), in or towards:

- a) paying up any amount for the time being unpaid on any shares held by such member respectively:
 - b) paying in full, unissued shares of the Company to be allotted, distributed and credited as fully paid Bonus Shares to and amongst such shareholders in the proportion aforesaid: or
- (3) A share premium account, capital redemption reserve account and general reserve account may, for the purpose of this regulation, be applied in the paying up to the un-issued shares to be issued to shareholders of the Company as fully paid bonus shares.

MEETINGS OF MEMBERS

77. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year. All General Meetings, other than Annual General Meeting shall be called "Extraordinary General Meeting". The Annual General Meeting of the Company shall be held with six months after the expiry of each financial year provided that not more than fifteen months shall lapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 166(1) of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called for a time during business hours, on a day that is not a public holiday, and shall be held at the Office of the Company or at some other place within the city in which the office of the Company is situated as the Board may determine and the Notices calling the Meeting shall specify it as the Annual General Meeting. The Company may in any one Annual General Meeting fix the time for its subsequent Annual General Meeting. Every member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor. At every Annual General Meeting of the Company, there shall be laid on the table the Director's Report and Audited Statement of

Annual General Meeting-Annual Summary.

Accounts, Auditor's Report (if not already incorporated in the Audited Statement of Accounts), the Proxy Register with proxies and the Register of Director's share holdings which latter register shall remain open and accessible during the continuance of the Meeting. The Board shall cause t be prepared the Annual List of

members, summary of the Share Capital, Balance Sheet and Profit and Loss Account and forward the same to the Registrar in accordance with Section 159, 161 and 220 of the Act.

**Extraordinary
General Meeting.**

78. The Board may, whenever it thinks fit, call an Extra ordinary General Meeting and it shall do so upon a requisition in writing by any member or members holding in the aggregate not less than one-tenth of such of the paid-up capital as at that date carries the right of voting in regard to the matter in respect of which the requisition has been made.

**Requisition of
Members to state
object of meeting.**

79. Any valid requisition so made by members must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the office provided that such requisition may consist of several documents in like form, each signed by one or more requisitionists.

**On receipt of
requisition
Directors to call
meeting and in
default
requisitionists
may do so.**

80. Upon the receipt of any such requisition, the Board shall forthwith call an Extraordinary General Meeting, and if they do not proceed within twenty-one days from the date of the requisition being deposited at the Office to cause a meeting to be called on a day not later than forty-five days from the date of deposit of the requisition, the requisitionists, or such of their number as represent either a majority in value of paid-up share capital held by them or not less than one-tenth of such of the paid-up share capital of the Company as it referred to in Section 169(4) of the Act, whichever is less may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.

**Meeting called by
requisitionists.**

81. Any meeting called under the foregoing Articles by the requisitionists shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board.

Twenty-one days' notice of meeting to be given.

82. Twenty-one days' notice at least of every General Meeting – Annual or Extraordinary – and by whomsoever called specifying the day, place and hour of meeting, and the general nature of the business to be transacted thereat shall be given in the manner hereinafter provided, so much persons as under these Articles entitled to receive notice from the Company. Provided that in the case of an Annual General Meeting with the consent in writing of all the members entitled to,

vote thereat and in case of any other meeting, with the consent of members holding not less than 95percent of such part of the paid-up share capital of the Company as given a right to vote at the meeting, a meeting may be convened by a shorter notice. In the case of Annual General Meeting, if any business other than (in) the consideration of the Accounts, Balance-sheets and Reports of the Board of Directors and Auditors, (ii) the declaration of dividend, (iii) the appointment of Directors in place of those retiring, (iv) the appointment of, and fixing of the remuneration of the Auditors is to be transacted, and in the case of any other meeting, in any event, there shall be annexed to the notice of the Meeting a statement setting out all material facts concerning each such item of business, including in particular the nature or interest if any, therein of every Director of the concern, and the Manager (if any). Where any such item of special business relates to, or affects any other company, the extend of share-holding interest in other company of every Director, and the Manager if any, of the Company shall also be set out in the statement if the extent of such share-holding interest is not less than 20 per cent of the paid-up share capital of that other company. Where any item of business consists of according of approval to any document by the meeting, the time and place where the document: can be inspected shall be specified in the statement aforesaid.

83. The accidental omission to give any such notice as aforesaid to any of the members or the non-receipt thereof, shall not invalidate any resolution passed at any such meeting.

Omission to give notice not to invalidate a resolution passed.

84. No General Meeting, Annual or Extraordinary, shall be competent to enter upon discuss or transact any business which has not been mentioned in the notice or notices upon which the meeting was convened.

Meeting not to transact business not mentioned in the notice.

85. Five members present in person shall form a

Quorum at

quorum for a General Meeting.

General Meeting.

86. If at the expiration of half an hour from time appointed for holding a meeting of the Company, a quorum shall not be present, the Meeting if convened by or upon the requisition of Members, shall stand dissolved, but in any other case the Meeting shall stand adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a

If quorum not present meeting to be dissolved or adjourned.

public holiday at the same time and place or to such other day at such other time and place within the city town or village in which the Registered Office of the Company is situated as the Board may determine, and if at such adjourned meeting, a quorum is not present at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum, and may transact the business for which the Meeting was called. It shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

87. The chairman of the Board shall be entitled to take the chair at every General Meeting whether Annual or Extraordinary. If the chairman is unable or unwilling to take the chair or if he is not present within fifteen minutes of the time appointed for holding such meeting then the Vice-Chairman shall be entitled to take the chair at such meeting. If there be no such Chairman and / or Vice-chairman or if he / they are unable /unwilling in take the chair, or if he/they are not present within fifteen minutes of the time appointed for holding such meeting, then the Director is present shall elect another Director as Chairman, and if no Director is present, or if all the Directors present decline to take the chair, then the members present shall elect one of their number to be the Chairman'.

Business confined to election or Chairman whilst Chair vacant.

88. No business shall be discussed at any General Meeting except the election of a Chairman, whilst the Chair vacant.

Chairman with consent may adjourn meeting.

89. The Chairman with the consent of the members may adjourn any meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished

at the meeting from which the adjournment took place.

'Questions at
General Meeting
how decided'

90. Before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy, and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenths of the total voting power in respect of Resolution or on which an aggregate sum of not

less than fifty thousand rupees has been paid up. The demand for a poll may be withdrawn at any time by the person or persons making the demand.

Unless a poll is so demanded a declaration by the Chairman that a resolution has, on show of hands, been carried or carried unanimously or by a particular majority or lost; and an entry to that effect in the Minutes Book of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against of resolution.

91. In the case of an equality of votes, the Chairman shall both on show of hands of at a poll (if any) have a casting vote in addition to the vote or votes to which he may be entitled as a member.

Chairman's
casting vote.

92. If a poll is demanded as aforesaid the same shall subject to the provisions of these Articles be taken at such time(not later than forty-eight hours from the time when demand was made) and place in the city or town in which the Office of the Company is for the time being, situated and either by open voting or by ballot, as the Chairman shall direct, and either at once or after an interval or adjournment or otherwise and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for poll may be withdrawn at any time by the person or persons who made the demand.

93. Where a poll is to be taken the Chairman of meeting shall appoint two scrutineers to scrutinize the vote given on the poll and to report thereon to him. One of the scrutineers appointed shall always be a member (not being an offer or employee of the Company) present at the meeting., provided such a member is available and willing to be appointed. The chairman shall have power at any

Scrutineers at
poll.

time before the result of the poll is declared to remove scrutineer from office and fill vacancies in the office of scrutineer arising from such removal or from any other clause.

94. Any poll duly demanded on the election of a chairman of a meeting or on any question of adjournment shall be taken at the meeting forthwith. In what case poll taken without adjournment.

95. The demand for a poll except on the question of the election of the Chairman and of an adjournment shall Demand for poll not to prevent

Transaction of other business. not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

Passing resolution by postal ballot 95A. The Company may, and in case of resolutions relating to such business as the Central Government may, by notification declare to be conducted only by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in general meeting of the company in accordance with the provisions of Section 192A of the Companies Act, 1956 and the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 (including any statutory modification or re-enactment thereof, for the time being in force) or any amendments made thereto from time to time.

VOTES OF MEMBERS

Members in arrears not to vote. 96. No member shall be entitled shall be entitled to vote either personally or by proxy at General Meeting or Meetings of a class of shareholders either upon a show of hands or upon a poll in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has, and has exercised any right of lien.

Number of votes to which Member entitled. 97. Subject to the provisions of these Articles and without prejudice to any special privileges or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the Company, every member, not disqualified by the last preceding Article shall be entitled to be present and speak and vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll the voting right of every member present in person

or by proxy shall be in proportion to his share of the paid-up-equity share capital of the Company. Provided, however, if any preference shareholder be present at any meeting of the Company, save as provided in Section 87 (2) (b) of the Act, he shall have a right to vote only on resolution placed before the meeting which directly affects the right attached to his preference shares.

Casting of votes by a member entitled to more than one vote.

98. On a poll taken at a meeting of the Company a member entitled to more than one vote, or his proxy or other persons entitled to vote for him as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.

How members non-composment is and minor may vote.

99. A member of unsound mind or in respect of whom an order has been made by any Court having jurisdiction in lunacy may vote, whether on a show of hands or on a poll, by his committee or other legal guardian; and any such committee or guardian may, on poll vote by proxy, if any member be a minor to vote in respect of his share or shares shall be by his guardian, or any one of his guardian if more than one, to be selected in case of dispute by the Chairman of the meeting.

100. If there be joint registered holders of any shares, any one of such person may vote at any meeting or may appoint another person (whether a member or not) as his proxy in respect of such shares, as if he were solely entitled thereto but the proxy so appointed shall not have any right to speak at the meeting and, if more than one of such joint holders be present at any meeting that one of the said persons so present whose name stand higher on the Register shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint-holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased member in whose name shares stand for the purpose of these Articles be deemed joint-holders thereof.

Votes of joint-members.

101. Subject to the provisions of these Articles votes may be given either personally or by proxy. A body corporate being a member may vote either by a proxy or by a representative duly authorized in accordance with Section 187 of the Act and such representative shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the same body corporate which he represents as that body could exercise if it were an individual member.

Voting in person or by proxy.

102. Any person entitled under, the provisions of these Articles to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnity (if any) as the Directors may require or the Directors shall have previously admitted the right to vote at such meeting in respect thereof.

Votes in respect of shares of deceased and insolvent Member.

103. Every proxy (whether a member or not) shall be appointed in writing under the hand of the appointer or his attorney or if such appointer or his attorney or if such appointer is a corporate body under the common seal of such corporation, or be signed by an offer or any attorney duly authorized by it, and any committee or guardian may appoint such proxy. The proxy so appointed shall not have any right to speak at the meetings.

Appointment of proxy.

104. An instrument of proxy may appoint a proxy either for the purpose of a particular meeting specified in the instrument and any adjournment thereof or it may appoint for the purpose of every meeting of the Company, or of every meeting to be held before a date specified in the instrument and every adjournment of any such meeting.

Proxy either for specified meeting or for a period.

Proxy to vote only on a poll.

105. A member present by proxy shall be entitled to vote only on a poll.

Deposit of instrument of appointment.

106. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or notarially certified copy of that power or authority, shall be deposited at the office not later than forty-eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote, and in default the instrument of named in the instrument proposes to vote, and in default the instrument of proxy shall not be valid after the expiration of twelve months from the date of its execution.

Form of Proxy.

107. Every instrument of proxy whether for a specified meeting or otherwise shall as nearly as circumstances will admit, be in any of the forms set out in Schedule IX of the Act.

Validity of notes given by proxy not-withstanding

108. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of

death of member. the proxy or of any power of attorney under which such proxy was signed, or the transfer of the share in respect of which the vote is given provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting.

Time for objections or votes. 109. No objection shall be made to the validity of any vote, except at any meeting or poll at which such vote shall be tendered and every vote whether given personally or by proxy, not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.

Chairman of the meeting to be the judge of validity of any vote. 110. The chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

Minutes of General Meeting and inspection thereof by members. 111. (1) The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for the purpose with their pages consecutive numbered.

(2) Each page of every such book shall be

initialized or signed and the last page of the record of proceedings of each meetings in such book shall be dated and signed by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of the Chairman within that period, b a Director duly authorized by the Board for the purpose.

(3) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

(4) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.

(5) All appointments of Officers made at any meeting aforesaid shall be included in the minutes of the meeting.

(6) Nothing herein contained shall require or be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting (a) is or could necessarily be regarded as defamatory of any person, or (b) is irrelevant or immaterial to the proceedings, or (c) detrimental to the interest of the Company. The

Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds.

(7) Any such minutes shall be evidence of the proceedings recorded therein.

(8) The book containing the minutes of proceedings or General Meeting shall be kept at the office of the Company and shall be open during business hours, for such periods as the Directors may determine, for the inspection of any member without charge.

BOARD OF DIRECTORS

112. Until otherwise determined by the Company in General Meetings, the numbers of the Directors shall not be less than three and more than twelve. **Number of Directors.**

113. Subject to the provisions of the Act and within the overall limit prescribed under these Articles for the number of Directors on the Board, the Board may appoint any senior, Executive of the Company as a whole-time Director of the Company for such period ad upon such terms and conditions **Directors from amongst senior Executives of the Company.**

as the Board may decide. A senior Executive so appointed shall be governed by the following provisions:

(a) He shall be liable to retire by rotation as provided in the Act but shall be eligible for reappointment. His reappointment as a Director shall not constituted a break in his appointment as whole-time Director.

(b) He shall be reckoned as Director for the purpose of determining and fixing the number of Directors to retire by rotation.

(c) He shall cease to be a Director of the Company on the happening of any event specified in Sections 283 and 314 (2)&C) of the Act. He shall cease to be a Director of the Company, if for any reason whatsoever, he ceases to hold the position of senior Executive in the Company or ceases to be in the employment of the Company.

(d) Subject to what is stated hereinabove he shall carry out and perform all such duties and responsibilities as may, from time to time, be conferred upon or entrusted to him by the Managing Director/s and/or the Board shall exercise

such powers and authorities subject to such restrictions and conditions and/or stipulations as the Managing Director/s and/or the Board may, from time to time determine.

(e) His remuneration shall be fixed by the Board and shall be subject to the approval of the Company in the General Meeting and of the Central Government as may be required under the provisions of the Act.

114. Nothing contained in his Article shall be deemed to restrict or prevent the right of the Board to revoke, withdraw, alter, vary or modify all/or any such powers, authorities duties and responsibilities conferred upon or vested in or entrusted to such whole-time Directors.

Power to
appoint

115. Whenever Directors enter into a contract with any Government Central, State or Local, any bank or financial institution or any person or persons (hereinafter referred to as "the appointer") for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or for underwriting or entering into any other arrangement whatsoever, the Directors shall have, subject to the provisions of Section 255 of the Act, the power to agree that such appointer shall have the right to appoint or nominate by a notice in writing addressed to the Company one or more Directors on the Board for such period and upon such

conditions as may be mentioned in the agreement and that such Director or Directors may not be liable to retire by rotation nor be required to hold any qualification shares. The Directors may also agree that any such Director or Directors may be removed from time to time by the appointer entitled to appoint or nominate them and appointer may fill any vacancy that may occur as a result of any such Director or Directors ceasing to held that office for any reason whatsoever. The Directors appointed or nominated under this article shall be entitled to exercise and enjoy all or any of the rights and privileges exercised and enjoyed by the Directors of the Company including payment, remuneration and traveling expenses to such Director or Directors as may be agreed by the Company with the appointer.

116. If it is provided by the Trust Deed, securing or otherwise, in connection with any issue of debentures of the Company, that any person or persons shall have power to nominate a Director of the Company, then in the case of any such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to as Debenture Director. A Debenture

Debenture
Director.

Director may be removed from office at any time by the person or persons in whom for the time being is vested the power under which he is appointed and another Director may be appointed in his place. A Debenture Director shall not be bound to hold any qualification shares.

117. The Board may appoint an alternate Director who is recommended for such appointment by a director (hereinafter called the "Original Director") to act for him during his absence for a period of not less than three months from India. Every such alternate Director shall (subject to his giving to the Company address in India or elsewhere of such Alternate Director at which notice may be reserved on him) be entitled to notice of meeting of Directors and attend and vote as a Director and be counted for the purpose of a quorum and generally at such meetings to have and exercise all the powers and duties and authorities of the original Directors. The Board may at any time upon request in writing of the Original Director revoke the appointment of an Alternate Director and appoint another person recommended by the Original Director in his place. The alternate Director appointed under this Article shall vacate office as and when the Original Director returns to India. If the term of office of the Original Director is determined before he so returns to India, any provision in the Act or in

Appointment of
Alternate Director.

these Articles for the automatic reappointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.

Director's power
to add the Board.

118. Subject to the provisions of Section 260, 261 and 264, the Board shall have power at any time and from time to time to appoint any other qualified person to be an additional Director, but so that the total number of qualified person to be an additional Director, but so that the total number of Directors shall not at any time exceed the maximum fixed under the Provisions of these Articles Any such additional Directors shall hold office only up to the date of the next Annual General Meeting.

Directors' power
to fill casual
vacancies.

119. Subject to the provisions of Section 261, 264 and 284(4), the Board shall have power at any time and from time to time to appoint any other qualified person to be a Director to fill a casual vacancy. Any person appointed shall hold office only upto the date which the Director in whose place he is appointed would have held office if it had not been vacated by him.

Qualification of
Directors.

120. Directors shall not be required to hold any qualifications shares.

Remuneration of Directors.

121. (1) Subject to the provisions of the Act, a Managing Director or Director who is in the whole-time employment of the Company may be paid remuneration either by way of a monthly payment or at specified percentage of the net profits of the Company or Partly by one way and partly by the other.

(2) Subject to the provisions of the Act, a Director who is neither in the whole-time employment nor a Managing Director may be paid remuneration either:

(in) by way of monthly, quarterly or annual payment with the approval of the Central Government; or

(ii) by way of commission if the, Company by a special resolution authorized such payment

(3) "The fee payable to a Director (including a Managing or Wholetime Director, if any) for attending a meeting of the Board or Committee thereof shall be decided by the Board of Directors from time to time within the maximum limit of such a fee that may be prescribed by the Central Government under the provision to Section 310 of the Companies Act, 1956"

122. The Board may allow and pay to any Director, who is not a bonafide resident of the place where the meetings of the Board are ordinarily held and who shall come to such place for the purpose of attending any meeting, such sum as the board may consider fair compensation for traveling, boarding, lodging and other expenses, in addition to his fee for attending such meeting as above specified, and if any Director be called upon to go or reside out of the ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursement any traveling or other expenses incurred in connection with business of the Company.

Travelling expenses incurred by Director not a bonafied resident or by Director going out on Company's business.

123. The continuing Directors may act notwithstanding any vacancy in their body but if, and so long as their number is not reduced below the minimum number fixed by these Articles hereof, the continuing Directors not being less than two may act for the purpose of increasing the number of Directors to that number, or for summoning a General Meeting, but for no other purpose.

Director may act notwithstanding any vacancy.

124. Subject to Section 283 (2) and 314 of the Act, the office of a Director shall become vacant if:

When office of Directors to become vacant.

- (a) he is found to be an unsound mind by a Court of competent jurisdiction; or**
- (b) he applies to be adjudicated as an insolvent; or**
- (c) he is adjudged an insolvent; or**
- (d) he fails to pay any call made on him in respect of the shares held by him, whether alone or jointly with others, within six months from the date fixed for the payment of such call unless the Central Government has by notification in the Official Gazette removed the disqualification incurred by such failure; or**
- (e) he absents himself from three consecutive meetings of the Directors or from all meetings of the Directors for a continuous period of three months, whichever is longer, without leave of absence from the Board; or**
- (f) he becomes disqualified by an order of the Court under Section 203 of the Act; or**

- (g) he is removed in pursuance of Section 284; or**
- (h) he (whether by himself or by any person for his benefit or on his account) or any firm in which he is a partner or any private Company of which he is a Director, accepts a loan or any guarantee or security for a loan, from the Company in contravention of Section 295 of the Act; or**
- (in) he acts in contravention of Section 299 of the Act; or**
- (j) he is convicted by a Court of an offence involving moral turpitude and is sentenced in respect thereof to imprisonment for not less than six months; or**
- (k) having been appointed a Director by virtue of**

his holding any office or other employment in the Company he ceases to hold such office or other employment in the company; or

(l) he resigns his office by a notice in writing addressed to the Company.

125. (1) A Director or his relative, a firm in which such Director or relative is a partner, or any other partner in such firm or a private company of which the Director is a member or director may enter into any contract or services, or for underwriting the subscription of any shares in, or debentures of the Company provided that the sanction of the Board is obtained before or within three months of the date on which the contract is entered into in accordance with Section 297 of the Act.

(2) No sanction shall, however, be necessary for:

(a) Any purchase of goods and materials from the Company, by any such Director, relative, firm, partner or private company as aforesaid for cash at prevailing market prices; or

(b) any contract or contracts between the Company on one side and any such Director, relative, firm partner or private company on the other side for sale, purchase or supply of any goods, materials and services in which either the Company or the Directors, relative firm partner or private company, as the case may be regularly trades or does business, where the value of the goods and materials or the cost of such services does not exceed Rs.5000/- in the aggregate in any year comprised in the period of the contract or contracts.

Provided that in circumstances of urgent necessity, a Director, relative firm partner or private company as aforesaid may without obtaining the consent of the Board enter into any such contract with any Company for the sale, purchase or supply of any goods, materials or services even if the value of such goods or the cost of such services exceeds Rs.5000/- in aggregate in any year comprised in the period of the contract if the consent of the Board shall be obtained to such contract or contracts at a meeting within three months of

the date on which the contract was entered into.

Disclosure of interest.

126. A Director of the Company who is in any way – whether directly or indirectly – concerned or interested in a contract or arrangement, or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 299(2) of the Act, provided that it shall not be necessary for a Director to disclose his concern or interest in any contract or arrangement entered into or to be entered into with any other company where any of the Directors of the Company or two or more of them together holds or hold not more than two percent of the paid-up share capital in any such other company.

General Notice of Interest.

127. A general Notice given to the Board by the Director to the effect that he is a director or member of specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may after the date of notice be entered into with that body corporate or firm shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made. Any such general notice shall expire at the end of the financial year in which it would have otherwise expired. No such general notice, and no renewal thereof shall be of effect unless, either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

128. No Director shall as a director, take any part in the discussion of, or vote on any contract or an arrangement entered into or to be entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly, concerned or interested in such contract or arrangement, nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote and if he does vote, his vote shall be void, provided however, that nothing herein contained shall apply to;

Interested Directors not to participate or vote in Board's proceedings.

- (a) any contract of indemnity against any loss which the Directors or anyone or more of them, may suffer by reason of becoming or being sureties or surety for the Company;
- (b) any contract or arrangement entered into or to be entered into with a public company or a private company which is a subsidiary of a public company in which the interest of the

Director consists solely;

(in) in his being :

(a) a director of such company, and

(b) the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a Director thereof, he having been nominated as such director by the company; or

(ii) in his being a member holding not more than 2% of its paid-up capital.

129. The Company shall keep a Register in accordance with Section 301 (1) and shall within the time specified in Section 301 (2) enter herein such of the particulars as may be relevant having regard to the application thereto of Section 297 or Section 299 of the Act as the case may be. The Register aforesaid shall also specify, in relation to each Director of the Company the names of the bodies, corporate and firms of which notice has been given by him under Article 127. The Register shall be kept at the office of the Company and shall be open inspection at such office, and extracts may be taken therefrom and copies thereof may be required by any member of the Company to the same extent, in the same manner, and on payment of the same fee as in the case of Register of Members of the Company and the provisions of Section 163 of the Act shall apply accordingly.

Register of contracts in which Directors are interested.

Directors may be directors of companies promoted by the Company.

130. A Director may be become a Director of any company promoted by the Company or in which it may be interested as vendor, shareholder, or otherwise, and no such Director shall be accountable for any benefits received. as a director or shareholder of such company except in so far as Section 209 (6) or Section 314 of the Act may be applicable.

Retirement or rotation of Directors.

131. At every Annual General Meeting of the Company, one third of such of the Directors for the time being as are liable to retire or if their number is not three or a multiple of three, the number nearest to one-third shall retire from office. The Debenture Directors, if any shall not be counted in determining the rotation of retirement or the number of Directors to retire.

Ascertainment of Directors retiring by rotation and filling of vacancies.

132. Subject to Section 256 (2) of the Act, Directors to retire by rotation under these Articles at every Annual General Meeting shall be those who have been longest in office since their last appointment but as between persons who become Directors on the same day those who are to retire,

shall, in default of and subject to any agreement among themselves, be determined by lot.

Eligibility for re-election.

133. A retiring Director shall be eligible for re-election.

Company to appoint successors.

134. Subject to Section 258 of the Act, the Company at the General Meeting at which a Director retires in manner aforesaid may fill up the vacated office by electing a person thereto.

Provision in default of appointment.

135. (a) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill up the vacated office by electing a person thereto.

(b) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been reappointment at the adjourned meeting unless:

(i) at that meeting or at the previous meeting resolution for that reappointment of such Director has been put to the meeting and loss;

(ii) the retiring Director has, by a notice in writing addressed the Company or its Board, expressed his unwillingness to be so re-appointed;

(iii) he is not qualified or he is disqualified for reappointment;

(iv) a resolution, whether special or ordinary, is required for the appointment or re-appointment by virtue of any provisions of the Act; or

(v) the provision to sub-section (2) of Section 263 of the Act is applicable to the case.

136. Subject to Section 259 of the Act, the Company may by Ordinary Resolution from time to time, increase or reduce the number of Director, and may (subject to the provisions of Section 284 of the Act) remove any Director before the expiration of his period of office and appoint another qualified person in his stead. The person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.

Company may increase or reduce the number of Directors.

137. (1) No person not being a retiring Director, shall be eligible for appointment to the office of Director at any General Meeting unless he or some members intending to propose him has, not less than fourteen days before the meeting, left at the office of the Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member to propose him as candidate for that office along with a deposit of five hundred rupees which shall be refunded to such person or, as the case may be, to such member, if the person succeeds in getting elected as a Director.

(2) Every person (other than a director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under Section 257 of the Act signifying his candidature for the office of a Director) proposed as a candidate for the office of Director shall sign and file with the Company, the consent in writing to act as a Director, if appointed.

(3) A person other than a Director re-appointed after retirement by rotation or immediately on the expiry of his term of office, or an Additional or Alternate

Director, or a person filling a casual vacancy in the office of a Director under section 262 of the Act, appointed as a Director or reappointed as an Additional Director/Alternate Director, immediately on the expiry of his term of office, shall not act as a Director of the Company unless he has within 30 days of his appointment signed and filed with the registrar his consent in writing to act as such Director.

Register of Directors etc and notification of change to Registrar.

138. (a) The Company shall keep at its office a Register containing the particulars of its Director, Managing Director, Managers, and other persons mentioned in Section 303 of the Act, and shall otherwise comply with the provisions of the said Section in all respect.

Register of shares or debentures held by Directors.

(b) The Company shall in respect of its Director also keep at its Office Register, as required by Section 307 of the Act, and shall otherwise duly comply with the provisions of the said Section in all respects.

Disclosure by Director of appointment to any other body corporate.

139. (a) Every Director, Managing Director, Manager, or Secretary of the Company shall within twenty days of his appointment to any of the above office in any other body corporate, disclose to the Company the particulars relating to his office in the other body corporate which are required to be specified under sub-section (1) of Section 303 of the act.

Disclosure by a Director of his holding of shares and debentures of the company, etc.

(b) Every Director, and every person deemed to be a Director of the Company by virtue of sub-section (10) of Section 307 of the Act, shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provisions of that section.

MANAGING DIRECTORS

Board may appoint Managing Director or Managing Directors.

140. (a) Subject to the Provisions of the Act of these articles, the board shall have power to appoint from time to time any of its members as Managing Director or Managing Directors and/or whole time Directors and/or Special Director like Technical Director, Financial Director, etc. of the Company for a fixed term not exceeding five years at a time upon such terms and conditions as the board thinks fit, and the board may by Resolution vest in such

Managing Director or Managing Directors/ Wholtime Director(s), Technical Director(s) Financial Director(s) and special Director(s) such of the powers hereby vested in the board generally as it thinks fit , and such powers may be made exercisable for such period or periods and upon such conditions and subject to such restrictions as it may determine. The remuneration of such Director may be by way of monthly remuneration(s) and/or fee for each meeting and/or participation in profits, or by any or all of these modes, or any other mode not expressly prohibited by the Act.

(b) The Directors may whenever they appoint more than one Managing Director, designate one or more of them as "Joint Managing Director" or "Joint Managing Directors" or "Deputy Managing Directors", as the case may be.

- (c) The appointment and payment of remuneration to the above Director shall be subject to approval of general meeting and of the Central Government if the Provisions of the Act so required.

PROCEEDINGS OF THE BOARD OF DIRECTORS

141. The Directors may meet together as a Board for the purpose of business from time to time, and shall so meet at least once in every three months and at least four such meetings shall be held in every year. The Directors may adjourn and otherwise regulate their meeting as they think fit.

Meetings of Director.

142. Four clear day's notice at least of every meeting of the Board shall be given in writing to every Director at his usual address. Provided, however, that the Chairman of the Board shall have the powers to convene a meeting of the Board or to request Secretary of the Company to convene a Meeting of the Board by giving a shorter notice. Such notice or shorter notice may be sent by hand delivery or post or by cable or telegram depending upon the circumstances.

Notice of the Meetings.

143. Subject to Section 287 of the Act, the Quorum for a meeting of the Board shall be one – third of its total strength (excluding Directors, if any, whose places may be vacant at the time and any fraction contained in the one-third being rounded

Quorum.

off as one) or two Directors, whichever is higher provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength the number of the remaining Directors, that is to say, the number of Directors who are not interested, present at the meeting being not less than two, shall be the quorum during such time.

Adjournment of meeting for want of quorum.

144. If a meeting of the Board could not be held for want of quorum, then the meeting shall automatically stand adjourned to such other date and time (if any) as may be fixed by the Chairman not being later than seven days from the date originally fixed for the meeting.

When meeting to be convened.

145. The Secretary shall as and when directed by the Directors to do so, convene a meeting of the Board by giving a notice in writing to every other Director.

146. The Directors may from time to time elect from

among their number a Chairman and vice-Chairman of the Board and determine the period for which he/they are to hold office. If at any meeting of the Board, the Chairman is not present within fifteen minutes after the time appointed for holding the same or if the Chairman is unable or unwilling to take the chair at such meeting. If there be no such Chairman and/or Vice-Chairman or if he/they are unable or unwilling to take the chair, or if he/they are not present within fifteen minutes of the time appointed for holding the same then the Directors present may choose any one of their number to be the Chairman of the meeting.

Questions at Board Meetings how decided.

147. Questions arising at any meeting of the Board, shall be decided by a majority of vote and in the case of an equality of votes the Chairman shall have a second or a casting vote.

Powers of Board meeting.

148. A meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretion which by or under the Act or the Articles of the Company are for the time being vested in or exercisable by the Board generally.

Directors may appoint Committee.

149. Subject to restriction contained in Section 292 of the Act the Board may delegate any of their powers to Committee of the Board consisting of such member or members of its body as it thinks fit, and it may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to persons or purposes, but every committee of the Board so formed shall in the exercise of the power so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such

Committee of the Board in conformity with such regulations and in fulfillment of the purpose of their appointment but not otherwise, shall have the like force and effect as if done by the Board.

150. The meeting and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meeting and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.

Meeting of Committees how to be governed.

151. No Resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation unless the Resolution has been circulated in draft, together with the necessary papers if any to all the Directors or to all the members of the Committee, then in India (not being less in

Resolution by circulation.

number than the quorum fixed for a meeting of the Board or Committee, as the case may be), and so all other Directors or members of the Committee at their usual address in India and has been approved by such of the Directors or members of the Committee as are then in India, or by a majority of such of them, as are entitled to vote on the Resolution.

152. All acts done by any meeting of Board or by a Committee of the Board, or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as if every such person had been duly appointed and was qualified to be a Director and had not vacated his office or his appointment had not been terminated: provisions that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

Acts of Board or Committee not valid notwithstanding informal appointment.

153. (1) The Company shall cause minutes of all proceedings of every meeting of the Board and Company thereof to be kept by making within thirty days of the conclusion of every such meeting entries thereof in books kept for that purpose with their pages consecutively numbered.

Minutes of proceedings of the Board meetings.

(2) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the

(3) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

(4) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.

(5) All appointment of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.

(6) The minutes shall also contain:

(a) The names of the Directors present at the meeting; and

(b) In case of each Resolution passed at the meeting the names of the Directors if any, dissenting from, or not concurring in the Resolution .

(7) Nothing contained in sub-clause (1) to (6) shall be deemed to require the inclusion in any such minutes of any matter which, in the opinion of the Chairman of the meeting;

(a) is or could reasonably be regarded as defamatory any person;

(b) is irrelevant or immaterial to the proceedings; or

(c) is detrimental to the interest of the Company.

The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this sub-clause.

(8) Minutes of Meeting kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.

Powers of Directors.

154. The Board may exercise all such powers of the Company and do all such acts and things as are not by the Act, or any other Act or by the Memorandum or by the Articles of the Company required to be exercised by the Company in General Meeting, subject nevertheless to these Articles, to the

provisions of the Act, or any other Act and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made. Provided that the Board shall not, except with the consent of the Company in General Meeting accorded by an ordinary resolution :

(a) sell, lease or otherwise dispose of the whole or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole, or substantially the whole of any such undertaking.

- (b) remit or give time for the repayment of, any debt due by a Director;**
- (c) Invest otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertakings as is referred to in clause (a) or of any premises or properties used for any such undertaking and without which it cannot be carried on only with difficulty or only after a considerable time;**
- (d) borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose. Provided further that the powers specified in Section 292 of the Act shall subject to these Articles be exercised only at meeting of the Board unless the same be delegated to the extent therein stated, or**
- (e) contribute to charitable and other trusts not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year exceed twenty-five thousand rupees or five percent of its average net profits as determined in accordance with the**

provisions of the Section 349 and 350 of the Act during the three financial years immediately preceding, whichever is greater.

155. Without prejudice to the general powers conferred by the last preceding Article and so as not in way to limit or restrict those powers, and without prejudice to other powers conferred by these Article, but subject to the restrictions contained in the last preceding Article, it is hereby declared that the Directors shall have the following powers, that is to say power :

- (1) To pay cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.**

- (2) To pay and charge to the capital account of the company any commission, brokerage or interest lawfully payable thereon under the provisions of section 76 and 208 of the Act.
- (3) subject to sections 292 297 and 360 of the act to purchase or otherwise acquire for the company any property, rights or privileges which the company is authorized to acquire at or for such price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition to accept such title as the directors may believe or may be advised to be reasonably satisfactory.
- (4) At their discretion and subject to provision of the Act to pay for any property , rights, or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures, mortgages or other securities of the Company, and any such shares may be issued either as fully paid or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, mortgages or other securities may be either specially charged upon all or any part of the property of the Company and its uncalled capital or not so charged.
- (5) To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled
- (6) To accept from any member, as far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed.
- (7) To appoint any person to accept and hold in trust for the Company any property belonging to the Company, in which it is interested, or for any other purposes, and to execute and do all such deeds and things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees.

- (8) To institute, conduct, defend, compound, or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due and or any claim or demands by or against the Company and to refer any differences to arbitration, and observe and perform any awards made thereon.**
- (9) To act on behalf of the Company in all matters relating to bankruptcy and insolvency.**
- (10) To make and give receipts, releases, and other discharges for moneys payable to the Company and for the claims and demands of the Company.**
- (11) Subject to the provisions of Sections 292, 295, 369, 370 and 372 of the Act, to invest and deal with any moneys of the Company not immediately required for the purposes thereof upon such security (not being shares of this Company) or without security and in such manner as they may think fit, and from time to time to vary or realize such investments. Save as provided in Section 49 of the Act, investments shall be made and held in the Company's own name.**
- (12) To execute in the name and on behalf of the company in favour of any director or other person who may incur or be about to incur**

any personal liability whether as principal or surety, for he benefit, of the Company, such mortgages of the company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other power, provisions, covenants and agreements as shall be agreed upon.

- (13) To determine from time to time who shall be entitled to sign on the Company's behalf bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give them necessary**

authority for such purpose.

- (14) To distribute by way of bonus amongst the staff of the Company a share or shares in the profits of the Company and to give to any officer or other persons employed by the Company a commission on the profits of any particular business or transaction and to charge such bonus or commission as part of the working expenses of the Company.**
- (15) To provide for welfare of Director or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependants or any connection of such persons, by building or contributing to the building of houses, dwelling, or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments or by creating, and by providing or subscribing or contributing to provident fund and other associations, institutions, funds, trusts and by providing or subscribing or contributing to wards places of instruction and recreation, hospital and dispensaries, medical and other attendance and other assistance as the Board shall think fit, and to subscribe or contribute or otherwise to assist or to guarantee to charitable, benevolent, religious, scientific, national or institutions or objects which shall have any moral or other claim to support or aid by the Company either by reason of locality of operation, or of public and general utility or otherwise.**
- (16) Before recommending any dividend, to set aside out of the profits of the Company and for such other purposes including the purposes referred to in the preceding clause), as the Board may, in their absolute discretion, think conducive to the Company and subject to Section 292 of the Act; invest the several sums so set aside for so much thereof as required to be invested, upon such investments (other than shares of the Company as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit**

of the Company in such manner and for such purposes as the Board in their absolute discretion, think conducive to the interest of the Company notwithstanding that the matters to which the Board apply or upon they expend the same, or any part thereof may be matters to or upon which the capital monies of the Company might rightly be applied or expended, and to divide the Reserve Fund into such special funds as the Board may think fit with full power to transfer the whole or any portion of a Reserve Fund or Division of a Reserve Fund and with full power to employ the assets constituting all or any of the above funds, including the Depreciation fund, in the business of the Company or in the purchase or repayment of Debenture or debenture stock and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however to the Board at their discretion to allow to the credit of such funds interest at such rate as the Board may think proper, not exceeding nine percent per annum.

- (17) To appoint, and at their discretion remove or suspend such general managers, managers, secretaries, assistants, supervisors, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and fix their salaries or emoluments or remuneration, and to require security in such instances and to such amount as they may think fit. And also from time to time to provide for the management and transaction of the affairs of the Company in any specified localities in India or elsewhere in such manner as they think fit and the provisions contained in the four next following sub-clauses shall be without prejudice to the general powers conferred by this sub-clause.
- (18) To comply with the requirements of any local law which in their opinion shall be in the interests of the Company necessary or expedient to comply with.
- (19) From time to time at any time establish any

local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any persons to be members of such local Boards, and to fix their remuneration.

(20) Subject to Section 292 of the Act, from time to time and at any time to delegate to any persons so appointed any of the powers authorities and discretions for the time being vested in the Board, other than their power to make calls or to make loans or borrow moneys, and to authorize the Members for the time being of any such local Board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subjects to such conditions as the Board may think fit, and the Board may at any time remove any person so appointed, and may annual or vary any such delegation.

(21) At any time and from time to time by power of Attorney under the seal of the Company, to appoint any person or persons to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in/or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits, authorized by the Board the power to make loans and borrow moneys) and for such period subject to such conditions as the Board may from time to time think fit; and any such

appointment may (if the Board think fit) be made in favour of the members or any of the members of any local Board, established as aforesaid or in favour of any Company, or the shareholders, Directors, nominees, or managers of any Company or firms or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such power of Attorney may contain such Powers for the protection or convenience of the persons dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegates or attorneys as aforesaid to sub-

delegate all or any of the powers authorities and discretion for time being vested in them.

- (22) Subject to Section 294 and 297 of the Act, for or in relation to any of the matter aforesaid or otherwise for the purpose of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company**
- (23) From time to time to make, vary and repeal by-laws for the regulation of the business of the Company its officers and servants.**

MANAGEMENT

156. The Company shall not appoint or employ at the same time more than one of the following categories of managerial personnel, namely;

- (a) Managing Director and**
- (b) Manager.**

THE SECRETARY

157. The Director may from time to time appoint, and, at their discretion, remove any individual (hereinafter called "the Secretary") to perform any functions, which by the Act are to be performed by the Secretary, and to execute any other purely ministerial or administrative duties, which may from time to time be assigned to the Secretary the Directors.

The Directors may also at any time appoint some person (who need not be the secretary) to keep the registers required to be kept by the Company.

THE SEAL

- 158. (a) The Board shall provide a Common Seal for the purpose of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof and Board shall provide for the safe shall never be affixed to any instrument except by or under the prior authority of the Board or of a Committee of the Board authorized by it in the behalf.**

- (b) The Company shall also be at liberty to have Official Seal in accordance with Section 50 of the Act, for use in any territory, district or place outside India.

159. Every deed or other instrument, to which the Seal of the Company is required to be affixed shall unless the same is executed by a duly signed by any one Director or some other person appointed by the Board for the purpose provided that in respect of the Share Certificate the Seal shall be affixed in accordance with the provisions of these Articles.

Deeds how executed.

DIVIDENDS

Division profits.

160. The profits of the Company, subject to any special rights relating thereto created or authorized to be created by these Articles and subject to the provisions of these Articles, shall be divisible among the members, in proportion to the amount of capital paid up credited as paid up on the shares held by them respectively.

The Company in General Meeting may declare a dividend.

161. The Company in General Meeting may declare dividend to be paid to members according to their respective rights, but no dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a smaller dividend.

Dividends only to be paid out of profits.

162. No dividend shall be declared or paid otherwise than out of profits of the financial year arrived at after providing for depreciation in accordance with the provisions of Section 205 of the Act or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both provided that:

- (a) If the Company has not provided for depreciation for any previous financial year or years it shall, before declaring or paying a dividend for any financial year or out of the profits of any other previous financial years;
- (b) If the Company has incurred any loss in any previous financial year or years the amount of the loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the dividend is proposed to be declared or paid or against the profits

of the Company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with provisions of sub-section (2) of Section 205 of the Act or against both.

Interim dividend.

163. The Board may from time to time, pay to the Members such interim dividend as in their judgment the position of the Company justifies.

Capital paid-up in advance at interest not to earn dividend.

164. Where Capital is paid up in advance of calls such capital may carry interest but shall not in respect thereof confer a right to dividend or participate in profits.

Dividends in proportion to amount paid-up.

165. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any shares is issued on terms providing that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.

Retention of dividends until completion of transfer

166. The Board may retain the dividends payable upon shares in respect of which any person is, under provisions of these Articles entitled to become a Member or which any person under these Articles is entitled to transfer, until such person shall become a member, in respect of such shares or shall duly transfer the same.

Dividend etc to joint-holders.

167. Any one of several persons who are registered as the joint-holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends or bonus or other moneys payable in respect of such shares.

168. No member shall be entitled to receive payment of any interest or dividend in respect of his share or shares whilst any moneys may be due or owing from him to the Company in respect of such share or shares or otherwise howsoever, either alone or jointly with any other person or persons, and the Board may deduct from the interest or dividend payable to any member all sums of moneys so due from him to the Company.

No members to receive dividend whilst indebted to the Company and Company's right of reimbursement thereat.

169. A transfer of share shall not the right to any dividend declared thereon before the registration of the transfer.

Transfer of shares must be registered.

170. Unless otherwise directed any dividend may be paid

Dividends how remitted.

by cheque or warrant or by a payslip or receipt having the force of a cheque or warrant sent through the post of the registered address of the member or person entitled or in case of joint-holders to that one of them first named in the Register in respect of the joint-holdings. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant or payslip or receipt lost in transmission, or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the forged signature of any payslip or receipt or the fraudulent recovery of the dividend by any other means.

171. Where any instrument of shares has been delivered to the Company for registration and the transfer of such shares has not been registered by the Company, it shall

- (a) transfer the dividend in relation to such shares to the special account referred to in Section 205A of the Act, unless the Company is authorized by the registered holder of such shares in writing to pay such dividend to the transferee specified in such instrument of transfer; and
- (b) keep in abeyance in relation to such shares any offer of rights shares under clause (a) of subsection (1) of Section 81 and any issue of fully paid up bonus shares in pursuance of sub-section (3) of Section 205 of the Act.

'Right to Dividend, rights shares and bonus shares to be held in abeyance pending registration of transfer of shares.'

172. No unclaimed dividend shall be forfeited and the same shall be dealt with in accordance with the provisions of Section 205A, 205B, and 206A or other provisions, if any, of the Act as may be applicable, from time to time.

Unclaimed dividend.

173. Dividends unclaimed for one year after having been declared may be invested or otherwise used by the Board for the benefit of the Company until claimed. All dividends unclaimed no becoming barred by law may be forfeited by the Directors for the benefit of the Company. The Directors may remit the forfeiture whenever they may think proper.

No interest on dividends.

174. No unpaid dividend shall bear interest as against the Company.

Dividend and call together.

175. Any General Meeting declaring a dividend may on the recommendation of the Directors make a call on the members of such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him and so that the call may be made payable at the same time

as the dividend; and the dividend may, if so arranged between the Company and the member, be set off against the calls.

Capitalization.

176. (a) The Company in General Meeting may by a special Resolution resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of the Reserve Account or Fund, or any Capital Redemption Reserve Account, or in the hands of the Company and available for dividend (or representing premium received on the issue of shares and standing to the credit of the shares premium Account) be capitalized and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalized value or sum or fund be applied on behalf of such shareholders in paying up in full either at par or at such premium as the Resolution may provide, any unissued shares or debentures or debenture-stock of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares or debentures or debenture-stock and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalized sum, provided that a Share Premium Account and a Capital Redemption Reserve Account may, for the purpose of this Article, only be applied in the paying of any unissued shares to be issued to members of the Company as fully paid bonus shares.

(b) A General Meeting may resolve that any surplus moneys arising from the realization of any capital assets of the Company, or any investments representing the same, or any other undistributed profits of the Company not subject to charge for income tax be

distributed among the members on the footing that they receive the same as capital.

(c) For the purpose of giving effect to any Resolution under the preceding paragraphs of this Article, the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and in particular may issue fraction certificates and may fix the value for distribution of any specific assets, and may determine that such cash payments shall be made to any members upon the footing of the value so fixed or that fraction of less value than Rs.10/- may be

disregarded in order to adjust the rights of all parties and may vest any such cash or the specific assets in trustees upon such trusts for the person entitled to the dividends or capitalized fund as may seem expedient to the Board. Where requisite, a proper contract shall be delivered to the Registrar for registration in accordance with Section 75 of the Act, and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or on capitalized fund, and such appointment shall be effective.

ACCOUNTS

177. The Company shall keep at the Office or at such other place in India as the Board thinks fit proper Books of Account in accordance with Section 209 of the Act with respect to :

- (a) all sums of money received and expended by the Company and the matters in respect of which the receipts and expenditure take place.
- (b) all sales and purchases of goods by the Company; and
- (c) the assets and liabilities of the Company.

Where the Board decides to keep all or any of the Books of Accounts at any place other than the office of the Company, the Company shall within seven days of the

decision file with the Registrar a notice in writing the full address of that other place.

The Company shall preserve in good order the Books of Accounts relating to a period of not less than eight years proceeding the current year together with the vouchers relevant to any entry in such Books of Account.

Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article if proper Books of Accounts relating to the transaction effected at branch office are kept at the branch office and proper summarized returns, made up to dates at intervals of not more than three months, are sent by the

branch office to the Company at its office or other place in India, at which the Company's Books of Accounts are kept as aforesaid .

The Books of Accounts shall give a true and fair view of the state of the affairs of the Company or branch office, as the case may be and explain its transactions. The Books of Accounts and other books and papers shall be open to inspection by any Director during business hours.

178. The Board shall from time to time determine whether and to what extent and what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to inspection of members not being Directors, and no member (not being a Director) shall have any right of inspecting any account or books or document of the Company except as conferred by law or authorized by the Board.

Statement of Accounts to be furnished to General Meeting.

179. The Directors shall from time to time, in accordance with Sections 210, 211, 212, 215, 216 and 217 of the Act, cause to be prepared and to be laid before the Company in General Meeting such Balance Sheet, Profit and Loss Accounts and Reports as are required by these Sections.

Copies shall be sent to each Member.

180. A copy of every such Profit and Loss Accounts and Balance Sheet (including the Auditor's Report and every other document required by law to be annexed or attached to the Balance Sheet), shall at least twenty-one days before the meeting at which the same are to be laid before the members, be sent to the members of the Company to holders of debentures issued by the Company (not being debentures which ex facie are payable to the bearer thereof) to trustees for the holders of such debentures and to all persons entitled to receive notices of General Meeting of the Company.

181. Every Balance Sheet and Profit and Loss Account of the Company when audited and adopted by the Company in general meeting shall be conclusive except as regards any matters in respect of which modifications may from time to time be considered proper by the Board of Directors and approved by the shareholders at a general meeting.

182. A printed copy of every Balance Sheet (including every document required by law to be annexed or attached thereto) which is to be laid before the Company in Annual General Meeting together with a copy of the Auditor's Report or a statement containing salient feature of such documents in the prescribed form, as laid down under Section 219 of the Act as the Company may deem fit, shall not less than twenty

one days before the date of the Meeting, be sent to every person entitled thereto pursuant to the provisions of the said Section.

183. Auditors shall be appointed and their rights and duties regulated in accordance with Section 224 to 233 of the Act.

Account to be audited.

DOCUMENTS AND NOTICES

184. (1) A document or notice may be served or given by the Company or any member either personally or by sending it by post to him to his registered address or (if he has no registered address in India) to the address if any in India supplied by him to the Company for serving documents or notice on him. Simultaneously, with the dispatch of the notice or documents as the case may be, confirmation of the same shall be forwarded to all those members of the Company who may be outside India.

Service of the documents or notices on Members by Company.

(2) Where a document or notice is sent by-post, service of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that where a member has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing so; service of the document or notice shall not be deemed to be effected unless it is sent in the manner intimated by the member and, such service shall be deemed to have eight hours after the letter containing the document or notice is posted and in any other case at the time at which the letter would be delivered in

the ordinary course of post.

By advertisement

185. A document or notice advertised in a newspaper circulating in the neighborhood of the office shall be deemed to be duly served or sent on the day on which the advertisement appears on or to every member who has no registered address in India and has not supplied to the Company an address within India for the serving of documents on or the sending of notice to him.

On joint-holders.

186. A document or notice may be served or given by the Company on or to joint-holders of a Share by serving or

giving the document or notice on or to the joint-holder named first in the Register of the Member in respect of the Share.

On personal representatives etc.

187. A document or notice may be served or given by the Company on or to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in prepaid letter addressed to them by name or by the title or representatives of the deceased, or assignee of the insolvent or by any like description at the address (if any) in India supplied for claiming to be entitled or until such an address has been so supplied by serving the documents, or notice in any manner in which the same might have been given if the death or insolvency had not occurred.

To whom documents or notices must be served or given

188. documents or notices of every General Meeting shall be served or given in some manner herein before authorized on or to (a) every member, (b) every person entitled to a share in consequence of the death or insolvency of a member, and (c) the Auditor or Auditors for the time being of the Company.

Members bound by documents or notices served on or given to previous holders.

189. Every person who, by operation of law, transfer or other means whatsoever, shall become entitled to any share, shall be bound by every document or notice in respect of such share, which previously to his name and address being entered on the Register of members, shall have been duly served on or given to the person from whom he derived his title to such shares.

Documents or notices by Company and signature thereto.

190. Any documents or notices to be served or given by the Company may be signed by a Director or some person duly authorized by the Board of Directors for such purpose and the signature thereto may be written, printed or lithographed.

191. All documents or notices to be served or given by the members on or to the Company or any Officer thereto shall be served or given by sending it to the Company or Officer by post under a certificate or posing or by leaving it at the office.

Service of document or notice by member.

WINDING UP

192. The liquidator on any winding-up (whether voluntary, under supervision or compulsory) may with the

sanction of a Special Resolution, but subject to the rights attached to any preference share capital, divide among the contributories in specie any part of the assets of the Company and may with the like sanctions, vest any part of the assets of the Company in trustees upon such trust for the benefit of the contributories as the liquidator, with the like sanction, shall think fit.

INDEMNITY AND RESPONSIBILITY

193. (a) Every officer or Agent for the time being of the Company shall be indemnified out of the asset of the Company against all liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under Section 633 of the Act, in which relief is granted to him by the Court.

Directors and others' right of indemnity.

SECURITY CLAUSE

194. (a) Every Director, Manager, Auditor, Treasurer, Member of a Committee, servant, agent, accountant or other person employed in the business of the Company shall, if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Directors or by the law or by any person to whom such matter relate and except and so far as may be necessary in order to comply with any of the provisions in these presents contained.

Secrecy clause.

(b) No members shall be entitled to visit or inspect any works of the Company without the permission of the Directors or to require discovery of or any information respecting any details of the Company's trading, or any matter which is or may be in the nature of a trade secret, mystery of trade, process of any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be inexpedient in the interest of the Company to disclose.

Notes :

- 1. The old Article 2(a) relating to Authorised Share Capital was substituted pursuant to the Resolution passed at the Extra Ordinary General Meeting held on 23rd May, 1991, whereby Authorised Share Capital was increased from Rs. 5,00,000/- (Rupees five lacs only) to the present Rs. 1,03,00,000/- (Rupees One Crore Three Lacs only).**
- 2. The new set of Articles of Association has been adopted by the Shareholders at the Annual General Meeting held on 12th July, 1991.**
- 3. The Authorised Share Capital of the Company has been raised to 3,03,00,000/- (Rupees Three Crore and Three Lacs only) pursuant to the Resolution passed at the Annual General Meeting of the Company held on 12th July, 1991.**
- 4. The old Article 2(a) relating to authorized Share Capital was substituted pursuant to the Resolution passed at the Annual General Meeting held on 12th July,1991, whereby Authorised Share Capital was increased from 1,03,00,000/- (Rupees One Crore and Three Lacs only) to the present Rs. 3,03,00,000/- (Rupees Three Crore and Three Lacs only).**
- 5. The Authorised Share Capital of the Company has been raised to 7,00,00,000/- (Rupees Seven Cores only) pursuant to the Resolution passed at the Annual General Meeting held on 23rd September, 1992.**
- 6. The old Article 2(a) has been substituted pursuant to the Special Resolution passed at the Annual General Meeting held on 23rd September, 1992.**
- 7. The old Article 87 has been substituted pursuant to the Special Resolution passed at the Annual General Meeting held on 23rd September, 1992.**
- 8. The old Article 146 has been substituted pursuant to the Special Resolution passed at the Annual General Meeting held on 23rd September, 1992.**
- 9. The old Article 36 has been substituted pursuant to the Special Resolution passed at the Annual General Meeting held on 13th August, 1993.**
- 10. The old Article 56 has been substituted pursuant to the Special Resolution passed at the Annual General Meeting**

held on 13th August, 1993.

11. The old Article 158 has been substituted pursuant to the Special Resolution passed at the Annual General Meeting held on 13th August, 1993.
12. The old Article 2(a) has been substituted pursuant to the Special Resolution passed at the Annual General Meeting held on 24th July, 1995.
13. The old Article 31 has been substituted pursuant to the Special Resolution passed at the Annual General Meeting held on 23rd September, 1996.
14. Article 1(a) was amended pursuant to the Special Resolution passed at the eleventh Annual General Meeting held on 23rd August 1997, and new definitions for Beneficial owner, Depositories were added to the existing Article 1(a).
15. The definition of Member in Article 1(a) was amended pursuant to the Special Resolution passed at the Annual General Meeting held on 23rd August, 1997.
16. New Articles 2(c) has been inserted after the Article 2(b) pursuant to the Special Resolution passed at the Annual General Meeting held on 23rd August, 1997.
17. The old Article 11 of the Articles of Association was substituted pursuant to the Special Resolution passed at the Annual General Meeting held on 23rd August, 1997.
18. The old Article 12 of the Articles of Association was substituted pursuant to the Special Resolution passed at the Annual General Meeting held on 23rd August, 1997.
19. Article 19(a) was amended pursuant to the Special Resolution passed at the Annual General Meeting held on 23rd August, 1997.
20. The old Article 22 of the Articles of Association was substituted pursuant to the Special Resolution passed at the Annual General Meeting held on 23rd August, 1997.
21. The old Article 50 of the Articles of Association was substituted pursuant to the Special Resolution passed at the Annual General Meeting held on 23rd August, 1997.
22. New Article 50-A was inserted pursuant to the Special Resolution passed at the Annual General Meeting held on 23rd August, 1997.

- 23. The Old Article 40 of Article of Association was Substituted pursuant to the Special Resolution passed at Annual General Meeting held on 3rd September, 1998**
 - 24. New Article 64A inserted pursuant to the Special resolution at the Annual General Meeting on 10th September, 1999.**
 - 25. New Article 76A inserted pursuant to the Special Resolution passed at the Annual General Meeting held on 28th June 2013.**
 - 26. One Equity shares of Rs.10/- each fully paid has been sub-divided into 2 equity Shares of Rs.5/- each fully paid pursuant to the resolution passed at the Annual General Meeting of the Company held on 28th June 2013**
 - 27. The Authorised Share Capital of the Company stand increased without any act, instrument or deed on the part of the company including payment of stamp duty and fees payable to Ministry of Corporate Affairs / Registrar of Companies upon the Scheme of Amalgamation of Apcotex Solutions India Private Limited becoming effective. The Scheme of Amalgamation was pronounced by Hon'ble High Court of Bombay on 27th October 2016 and certified copy of the order was filed with Ministry of Corporate Affairs/Registrar of Companies on 1st December 2016.**
 - 28. One Equity shares of Rs.5/- each fully paid has been sub-divided into equity Shares of Rs.2/- each fully paid pursuant to the resolution passed at the Annual General Meeting of the Company held on 4th June 2019**
-

We, the several persons whose names, addresses and description and occupation are hereunder subscribed are desirous of being formed into a Company in pursuance of this Articles of Association.

Sl. No.	Names, address, description, occupation and signature of each subscriber	No. of shares taken by each subscriber	Name, address, description, occupation and signature of witness
1.	<p>HEMENDRA NARANDAS SHAH S/o. Narandas Shah 3C, Maker Bhavan – 2, 18, New Marine Lines, Bombay – 400 020.</p> <p>OCC. : CHARTERED ACCOUNTANT</p> <p>Sd/-</p>	1 (One) Equity	<p>KRISHNAMURTHY NARAYAN IYER S/o. Late M. R. Narayanan 2, Divyapuri Society, Srinagar Colony Road, Goregaon (West), Bombay – 400 062.</p> <p>SERVICE Sd/-</p>
2.	<p>GUNVANTILAL CHANDULAL PARIKH S/o. Chandulal Parikh C – 37, Bihari Baug, 3rd Bhoiwada, Bombay – 400 002.</p> <p>OCC. : CHARTERED ACCOUNTANT</p> <p>Sd/-</p>	1 (One) Equity	
		2 (Two) Equity	

Dated : 17th February, 1986.

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY PETITION NO.445 OF 1990
CONNECTED WITH
COMPANY APPLICATION NO 131 OF 1990

In the matter of the companies act, 1956

And

In the matter of sections 391 and 394 of the said act

And

In the matter of the scheme of arrangements between of Asian Paints (India) Limited and Apcotex Lattices Limited.

Apcotex Lattices Limited a Company Incorporated under the Companies Act, 1956 and having its Registered Office at Ilmal, Nariman Point, Bombay 400 021

Petitioners

Corem: D.R.Dhanuke J.
Dated: 27th March 1991,

Upon the Petition of Apcotex Lattices Limited the Petitioner Company above named (hereinafter referred to as "ALL") presented to this Hon'ble Court on 30th day of July 1990 for sanction of arrangement embodied in the scheme of Arrangement between Asian Paints (India) Limited (hereinafter referred to as "Asian Paints") and "ALL" and for other consequential reliefs as mentioned in the Petition AND the said Petition being this day called on for hearing and final disposal AND UPON READING the said Petition and the affidavit of Shri Gunwant C. Parkh, a Director of "ALL" solemnly affirmed on 24th day of the July 1990 verifying the said Petition AND UPON READING the affidavit of Om Prakash Sharma solemnly affirmed on the 5th day of October 1990 proving publication of the Notices of the date of the hearing of the said petition as directed by the Order herein dated 3rd day of August 1990 AND UPON READING the order dated the 19th day of April 1990 made by this Hon'ble Court in Company Application No. 131 of 1990 whereby convening and holding of a Meeting of the Equity Shareholders of "ALL" for the purpose of considering and if thought fit approving with or without modification the arrangement embodied in the Scheme of

Arrangement between Asian Paints and "ALL" was disoensed with as all the Shareholders of "ALL" had already given their consent in writing to the said Scheme of Arrangement AND UPON READING the affidavit of Mohanlal Sharma Joint Director (Legal) in the Office of the Regional Director, Company Law Board dated 20th day of March 1991 showing cause against the Petition AND UPON READING affidavit of Shri Tushar H. Shah a Director of "ALL" dated the 25th day of March 1991 in rejoinder AND UPON HEARING Shri R.A.Dada Senior Counsel with Counsel Vinay V. Tulzapurkar for "ALL" and Shri Guraj M. Shah, Advocate for the Regional Director, Company Law Board on behalf of the Central Government who shows cause against the Petition AND no other person entitled to appear at the hearing of the said petition appearing this day either in support or to show cause against the same THIS COURT DOETH HEREBY SANCTION the arrangement embodied in the Scheme of Arrangement between Asian Paints (India) Limited and Apcotex (India) Limited, set forth in Exhibit 'C' to the said petition as also in the schedule hereto annexed subject to and conditional upon the Petitioner Company obtaining the approval of central Government under Section 23(4) of the Monopolies and Restrictive Trade Practices Act, 1969 to the said Scheme of Arrangement AND THIS COURT DOETH DECLARE the same to be binding on the Members of 'ALL' holding Equity Shares of 'ALL' as also be binding on 'ALL' AND THIS COURT DOETH FURTHER ORDER that 'ALL' do within 30 days after the date of sealing of the Order cause a certified copy of the order to be delivered to the Registrar of companies, Maharashtra-state, Bombay for registration AND THIS COURT DOETH FURTHER ORDER that the parties to the Arrangement embodied in the Scheme of Arrangement sanctioned herein or any other person or persons interested therein shall be at liberty to apply to this Hon'ble Court for any directions that may be necessary in regard to the working of the arrangement embodied in the Scheme of arrangement sanctioned herein and set forth in the Schedule hereto in the above matter AND THIS COURT DOETH LASTLY ORDER that 'ALL' do pay a sum of Rs.500/- (Rupees five hundred only) to the Regional Director, Company Law Board, Western Region Bench, Bombay as cost of the said petition.

IN WITNESS, SHRI PRABODH DINKARRAO DESAI, Chief Justice at Bombay aforesaid this 27th day of March 1991.

By the Court,

For Prothonotary & Senior Master.

ORDER sanctioning the Arrangement under sections 391 and 394 of the Companies Act, drawn on the application of MS Kanga & Co. Advocates for the Petitioners having their office at Readymoney Mansion, 45, Readymoney Mansion, Veer Nariman Road, Bombay 400 023.

SCHEDULE:

SCHEME OF ARRANGEMENT BETWEEN M/S ASIAN PAINTS (INDIA) LIMITED AND M/S APCOTEX LATTICES LIMITED UNDER SECTION 391 READ WITH SECTION 394 OF THE COMPANIES ACT, 1956 AND THEIR RESPECTIVE SHAREHOLDERS IN RESPECT OF THE APCOTEX DIVISION OF M/S ASIAN PAINTS (INDIA) LIMITED

PART I

1. DEFINITION:

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

The "Act" means the Companies Act, 1956.

"The Appointed Day" means the commencement of the business of M/S. Apcotex Lattices Limited on 1st day of April, 1990.

"The Effective Date" means the last of the dates on which the sanctions, approvals or orders specified in clause 20 of this Scheme are obtained.

"Asian Paints" means Asian Paints (India) limited, a Company incorporated under the Companies Act, 1956 having its registered office at Nirmal, Nariman Point, Bombay 400 021.

"ALL" means Apcotex Lattices Limited, a Company incorporated under the Companies Act, 1956 and having its registered office at Nirmal, Nariman Point, Bombay 400 021.

"Apcotex Division of Asian Paints" means the Apcotex Division and shall mean and include:

- (a) All assets, movable or immovable including plant and machinery the particulars of which are specified in Annexure 'A' hereto (but not those mentioned in Annexure 'B' hereto) as also all the liabilities and debts appertaining to the said Division (the particulars of which are specified in Annexure 'C' hereto);
- (b) A lease right, tenancy rights, permits, quota rights, industrial and other licences, trademarks, all the privileges and benefits of all Contracts, agreements and all other rights, licences, powers and facilities of every kind, nature and description whatsoever pertaining to Apcotex Division.

- (c) All permanent employees of Asian Paints engaged in or in relation to the Apcotex Division at their factory at MIDC Industrial Estate, Taloja in the State of Maharashtra as also at their office at Nirmal, 5th floor, Nariman Point, Bombay-400 021.
- (d) All earnest moneys and/or security deposits paid by Asian Paints in connection with or relating to Apcotex Division.

2. SHARE CAPITAL:

A. The authorised, issued and Subscribed Share Capital of Asian Paints as on the Appointed Day as on the Appointed Day is as under:

Authorised:

195,00,000 Equity Shares of Rs. 10 each	Rs.19,50,00,000
50,000-11% Redeemable Cumulative Preference Shares of Rs.100/- each	Rs.50,00,000
	Rs.20,00,00,000

Issued Subscribed and Paid-up:

(i) 1,24,44,444 Equity Shares of Rs.10/- Rs. 10/- each fully paid up	Rs.12,44,44,000
(ii) 50,000-11% Redeemable Cumulative Preference Shares of Rs. 100/- each Fully paid up	Rs.50,00,000
	Rs.12,94,44,000

B. The Authorised, Issued and Subscribed Shared Capital of ALL as on the Appointed Day is as under:

Authorised:

20,000 Equity Shares of Rs.10/-each	Rs.2,00,000
500 Preference Shares of Rs.100/-each	Rs.50,000
25,000 Unclassified Shares of Rs.10/-each	Rs.2,50,000
	Rs.5,00,000/-

Issued, Subscribed and Paid-up:

(i) 2510 Equity Shares of Rs.10/-each fully paid-up	Rs.25,100/-
(ii) 10-13.5% Non-cumulative Redeemable Preference Shares of Rs.100/-each Fully paid-up	Rs.1000
	Rs.36,100

PART II

- J. (a)** With effect from the Appointed Day the Apcotex Division of Asian Paints except for the portions specified in clauses (b), (c) and (d) below, as also mentioned in clause 5 below together and in particular with all the immovable assets of whatsoever nature and incapable of passing by manual delivery shall under the provisions of Sections 391 and 394 of the Companies Act, 1956 without any further act or deed, but subject to the charge, if and, affecting the same be transferred to and vested in or deemed to be transferred to and vested in ALL so as to become property of ALL with effect from the Appointed Day:
- (b) All the movable assets including inventories and cash on hand pertaining to the Apcotex Division be physically handed over by Asian Paints by manual delivery to ALL to the end and intent that the property therein passes to ALL. Such Delivery Shall be made on a date mutually agreed upon between the respective Board of Directors of Asian Paints and ALL within fifteen days from the date of the Order of the High Court sanctioning this scheme under section 391 and 394 of the Companies Act:
- (c) In respect of moveable other than those specified in sub-clause (b) above, including sundry debtors, outstanding loans and advances recoverable in cash or in kind or for value to be received, bank balances and deposits with Government, Semi-Government, Local & other authorities and bodies in relation to/pertaining to the Apcotex Division the following modus operandi shall be followed:
- (i) ALL shall give notice in such form as it may deem fit and proper, to each party, debtor or deposits as the case may be that pursuant to High Court having sanctioned the arrangement between Asian Paints and ALL and their members, and creditors, under Sections 391 and 394 of the Companies Act, 1956, the said debt, loan, advance, etc. be paid or made good or held on account of ALL as the person entitled thereto to the end and intent that the right of Asian Paints to recover

or realise the same do stand extinguished and that appropriate entry should be passed in their books to record the aforesaid change:

(2) Asian Paints shall also give notice in such form as it may deem fit and proper to each person, debtor or depositee that pursuant to the High Court having sanctioned the arrangement between Asian Paints and ALL and their members and creditors under Sections 391 and 394 of the Companies Act, 1956, the said person, debtor or depositee should pay the debt, loan or advance or made good the same or hold the same on account of ALL and that the right of Asian Paints to recover or realise the same stands extinguished.

(d) It is hereby clarified that the rest of the assets, if any, of the Apcotex Division other than those specified in clause 3 of Part II hereto shall continue to be vested in Asian Paints.

4. For the purpose of clause 3 of Part II of this Scheme, (a) all depreciable fixed assets shall be transferred at their written down value under Income Tax Act; (b) non-depreciable fixed assets shall be transferred at cost; and (c) both current assets and all liabilities shall be transferred at book values.
5. The machinery and equipments of the Apcotex Division of Asian Paints (the particulars of which are specified in Annexure 'B' hereto) shall continue to remain the property of Asian Paints but ALL shall be permitted to use such machinery and equipment on leave and licence basis upto the dates specified in column 3 of Page 17 of Annexure 'B' upon payment of annual licence fee as specified in column 2 Page 17 of the Annexure, after which dates (but within three months), ALL shall have the option to purchase the said items at or for the price specified respectively in column 4 of Page 17 of the said Annexure* and upon ALL exercising the option, the said items shall, without any further act or deed, vest in ALL upon ALL paying the said price to Asian Paints. During the period of such Leave and Licence, ALL shall, at its own cost, run, maintain, and operate the said items, it being the intent that Asian Paints shall not be responsible for meeting any cost or expenses in that behalf and if any such cost is incurred by Asian Paints the same will be reimbursed to them by ALL.
6. All debts, liabilities, duties and obligations of Asian Paints relating to its Apcotex Division upto and as on the close of business on 31st day of March, 1990 and provided for in the books of accounts pertaining to the Apcotex Division shall pursuant to the provisions of Section 391 and 394 of the Companies Act be transferred without further act or deed to ALL so as to become the debts, liabilities, duties and obligations on ALL.
7. It is hereby clarified that all debts, liabilities, duties and obligations relating to the Apcotex Division which may accrue or arise on or after the Appointed Day, and are not provided for in the books of accounts but which relate to the period upto the

close of business on 31st March, 1990 other than those referred to in clause 6 above, shall be debts, liabilities, duties and obligations of Asian Paints.

6. Without prejudice to the generally of the provisions contained in clause 6 above:

A) The liability under 15% Secured Non-convertible Debentures of Rs.100/- each and 14% Secured Non-convertible Debentures of the denomination of Rs.100 each both issued under and Secured by Trust Deeds dated 19th February, 1987 and 30th June, 1989 comprising of the properties of Asian Paints (India) Limited pertaining to its Automotive Refinishes Plant and Paints Plant both at Ankleshwar in the State of Gujarat and also secured by deposit of title of deeds relating to properties of Asian Paints (India) Limited on the first day of November, 1989 pertaining to its Paints Plant at Bhandup and commercial premises at Goregaon both in the State of Maharashtra and on the Eighth day of November, 1989 pertaining to its Paints Plant at Patancheru in the State of Andhra Pradesh as may be outstanding on the Appointed Day shall stand sub-divided as follows:

(i) ASIAN PAINT'S LIABILITY;

15% Non-convertible Debentures of face value of Rs.265 lacs out of an aggregate face value of Rs.300 lacs i.e. excluding Debentures of face value of Rs. 35 lacs subscribed by Unit Trust of India (UTI) and

14% Secured Non-convertible Debentures of face value of Rs.835 lacs out of an aggregate face value of Rs.900 lacs i.e. excluding Debentures of face value of Rs. 15 lacs subscribed by Unit Trust of India and Debentures of face value of Rs. 50lacs subscribed by Life Insurance Corporation of India (LIC) (hereinafter collectively referred to as "the Asian Paints Debentures").

(ii) ALL'S LIABILITY

15% Secured Non-convertible Debentures of face value of Rs.35 lacs subscribed by Unit Trust of India.

and

14% Secured Non-convertible Debentures of an aggregate face value of Rs.65 lacs comprising of Debentures of face value of Rs.15 lacs subscribed by Unit Trust of India and Debentures of face value of Rs.50 lacs subscribed by Life Insurance Corporation of India (hereinafter collectively referred to as "the ALL Debentures").

With proportionate interest, premium on redemption, cost, charges and expenses in the same proportion as above but otherwise on the same terms and conditions with such modifications as may be deemed necessary. ALL's assets shall stand charged for repayment

of the principal, premium on redemption, interest and other moneys payable by ALL respect of the ALL Debentures.

- (B) Upon the Scheme becoming effective, Asian Paints shall file such forms as may be deemed necessary with the Registrar of Companies, Maharashtra, with respect to the charges and mortgages created/to be created.
 - (C) Asian Paints and ALL hereby jointly agree to retain the Industrial Credit and Investment Corporation of India Limited (ICICI) as Trustees from the Appointed Day and shall duly and punctually redeem the instalments of debentures, pay interest, premium on redemption and other moneys payable on the due dates and pay their respective share of Trusteeship Remuneration as required to be paid. In case of default by Asian Paints or ALL, the Debentureholders can, subject to para D & E below proceed against the defaulting company only and its assets alone charged as above and not against the other company or their assets.
 - (D) The Debenture Certificates in respect of the ALL Debentures will be endorsed by ALL in such form and manner as may be agreed to by UTI, LIC and ICICI as the Trustees. Asian Paints shall if required stand as co-obligor for payment of the amounts due in respect of the ALL Debentures including interest, premium or redemption and other moneys payable.
 - (E) The liability of ALL arising out of the ALL Debentures shall be guaranteed by Asian Paints so long as the Financial Institutions continue to hold such Debentures.
9. All legal or other proceedings by or against Asian Paints pending on the Effective Date and relating to the Apcotex Division of Asian Paints or property, assets, rights, powers, liabilities, obligations and duties of Asian Paints in relation to its Apcotex Division shall be continued and enforced by or against ALL in the same manner and to the same extent as it would or might have been continued and enforced by or against Asian Paints.
10. With effect from the Appointed Day and upto and including the Effective Date, Asian Paints:
- (a) Shall be deemed to have been carrying on and shall be carrying on all business and activities relating to the Apcotex Division of Asian Paints and stand possessed of the properties so to be transferred, or and on account of and in trust for ALL;
 - (b) All profits accruing to Asian Paints or losses arising by it relating to its Apcotex Division shall for all purposes, be treated as the profits or losses as the case may be of ALL.
11. Asian Paints hereby undertakes from the Appointed Day upto and including the Effective Date:

ALL shall pay, satisfy, discharge, perform, undertake and fulfill all obligations in relation to and pertaining to the ApcoTex Division of Asian Paints and shall indemnify and keep indemnified Asian Paints against all actions, proceedings, costs, damages, claims and demands in respect thereof.

15. In terms of Scheme of Arrangement entered into between Asian Paints and ALL:
- (a) Every member of Asian Paints or his nominee/nominees, holding equity shares in Asian Paints on a record date to be fixed by the Board of Directors of ALL shall in respect of every 13 fully paid equity shares of Rs.10/- each held by him in Asian Paints be allotted by ALL one equity share of Rs.10/- each of ALL credited as fully paid;
 - (b) In case any members shareholding in Asian Paints is such that on the basis of the aforesaid exchange ratio of shares he becomes entitled to a fraction of a share of ALL of a face value not less than one-half share of ALL, such member shall be allotted by ALL one equity share of ALL of Rs.10/- each credited as fully paid up. On the other hand, if the shareholding of any member in Asian Paints is such that he would consequent upon the aforesaid exchange ratio stand to be allotted by ALL a fraction of a share of ALL then such fraction shall be ignored and such members shall not be allotted any fraction of a share by ALL.
16. The new equity shares of ALL shall rank for dividend, voting rights and in all other respect paripassu with the existing equity shares of ALL.

PART III

17. Asian Paints and ALL shall with reasonable dispatch, apply to the High Court of Judicature at Bombay for sanctioning this Scheme under Section 391 of the Act and for an order or orders under Section 394 of the Act for carrying this Scheme into effect.
18. Asian Paints by its Managing Director and ALL by its Directors may, in their full and absolute discretion, assent to any alteration or modification of this Scheme which the Court and/or any other competent Authority may deem fit to approve or impose and may give such directions as they may consider necessary to settle any questions or difficulty arising under the Scheme or in regard to its implementation or in any matter connected therewith, (including any question or difficulty arising in connection with any deceased or insolvent shareholder of the respective Companies). In the event that any conditions are imposed by any Competent Authority which Asian Paints or ALL find unacceptable for any reason whatsoever then Asian Paints and/or ALL shall be entitled to withdraw from this Scheme.
19. The Scheme is conditional upon and subject to:

- (a) To carry on the business of Apcotex Division with proper prudence and not (without the prior written consent of ALL) to alienate, charge or otherwise deal with or dispose off its Apcotex Division or any part thereof (except in the ordinary course of business);
- (b) Not to utilize the profits, if any, relating to the Apcotex Division for the purposes of declaring or paying any dividend in respect of the period falling on and after the Appointed Day.
12. (a) ALL undertakes to engage, on and from the Effective Date, all permanent employees of Asian Paints engaged in its Apcotex Division at their factory at MIDC Industrial Estate at Talaja, in the state of Maharashtra and also at their office at Niramal, Nariman Point, Bombay 400 021 and who are in the employment of Asian Paints on the same terms and conditions on which they are engaged as on the Effective Date by Asian Paints without any interruption of services as a result of the transfer. ALL agrees that the services of all such employees with Asian Paints upto the Effective Date shall be taken into account for purposes of all retirement benefits to which they may be eligible in Asian Paints on the Effective Date. ALL further agrees that for the purpose of payment of any retrenchment compensation, such past services with Asian Paints shall also be taken into account;
- (b) The accounts of the employees, who are employed by Asian Paints under sub-clause (a) above in Asian Paints relating to Superannuation, Provident and Gratuity Funds shall be identified and determined and transferred to the Trustees of the respective Funds of ALL as and when these are created and in accordance with such statutory regulations as may be applicable;
- (c) Notwithstanding anything contained in sub-clauses (a) and (b) above, as regards those employees of Asian Paints engaged in its Apcotex Division who are holding managerial position, Asian Paints and ALL shall mutually decide as to which of such employees will be transferred from Asian Paints and ALL. Provided however that the service conditions of such those employees who will be transferred to ALL shall be same on which they are engaged by Asian Paints on the Effective Date.
13. Notwithstanding the provisions of the above clause of this part ALL shall accept all acts, deeds and things relating to the Apcotex Division of Asian Paints done and executed by and/or on behalf of Asian Paints on or after the Appointed Day as acts, deeds and things done and executed by and/or on behalf of ALL.
14. Subject to other provisions of this Scheme all contracts, deeds, bonds, agreements, licences, insurance policies and other instruments of whatsoever nature relating to the Apcotex Division of Asian Paints to which Asian Paints is a party subsisting or having effect on or before the Effective Date shall be in full force and effect against or in favour of ALL and may be enforced by or against ALL as fully and effectually as if, instead of Asian Paints, ALL had, at all material time, been a party thereto and

- (a) The Scheme being agreed to by the respective requisite majorities of members on behalf of Asian Paints and ALL and that the requisite order or orders being obtained from the High Court.
 - (b) The approval of the controller of Capital Issues under the Capital Issues (control) Act, 1947 if required, to the issue and allotment of equity shares in ALL to the Equity Shareholders of Asian Paints in terms of this Scheme.
 - (c) The approval of the Reserve Bank of India under the Foreign Exchange Regulation Act, 1973, if required, to the issue and allotment of Equity Shares of ALL to the non-resident Equity Shareholders of Asian Paints in terms of this Scheme.
 - (d) Such other sanctions and approvals as may be required by law in respect of the Scheme being obtained.
20. This Scheme although to come into operation from the Appointment Day shall not become effective until the last of the following dates, namely,
- (a) That on which the last of the aforesaid consents, approvals, permissions, resolutions and orders shall be obtained or passed; or
 - (b) That on which all necessary certified copies of orders under Sections 391 and 394 of the said act shall be duly filed with the appropriate Registrar of Companies;
- The last of such dates shall be the "Effective Date" for the purpose of this Scheme.
21. All costs, charges and expenses including stamp duty and registration fee of any deed, document, instrument or Court's order of Asian Paints and also of ALL respectively in relation to or in connection with negotiations leading upto the Scheme and of carrying out and implementing the terms and provisions of this Scheme and incidental to the completion of arrangement shall be borne and paid entirely by Asian Paints.
22. In the event of this Scheme falling to take effect finally before 31st day of March, 1991, or within such further period or periods as may be agreed upon between Asian Paints (by its Directors) and ALL (by its Directors) this Scheme shall become null and void and in that event no rights and liabilities whatsoever shall accrue to or be incurred inter se to or by the parties or any of them.

ANNEXURE 'A'

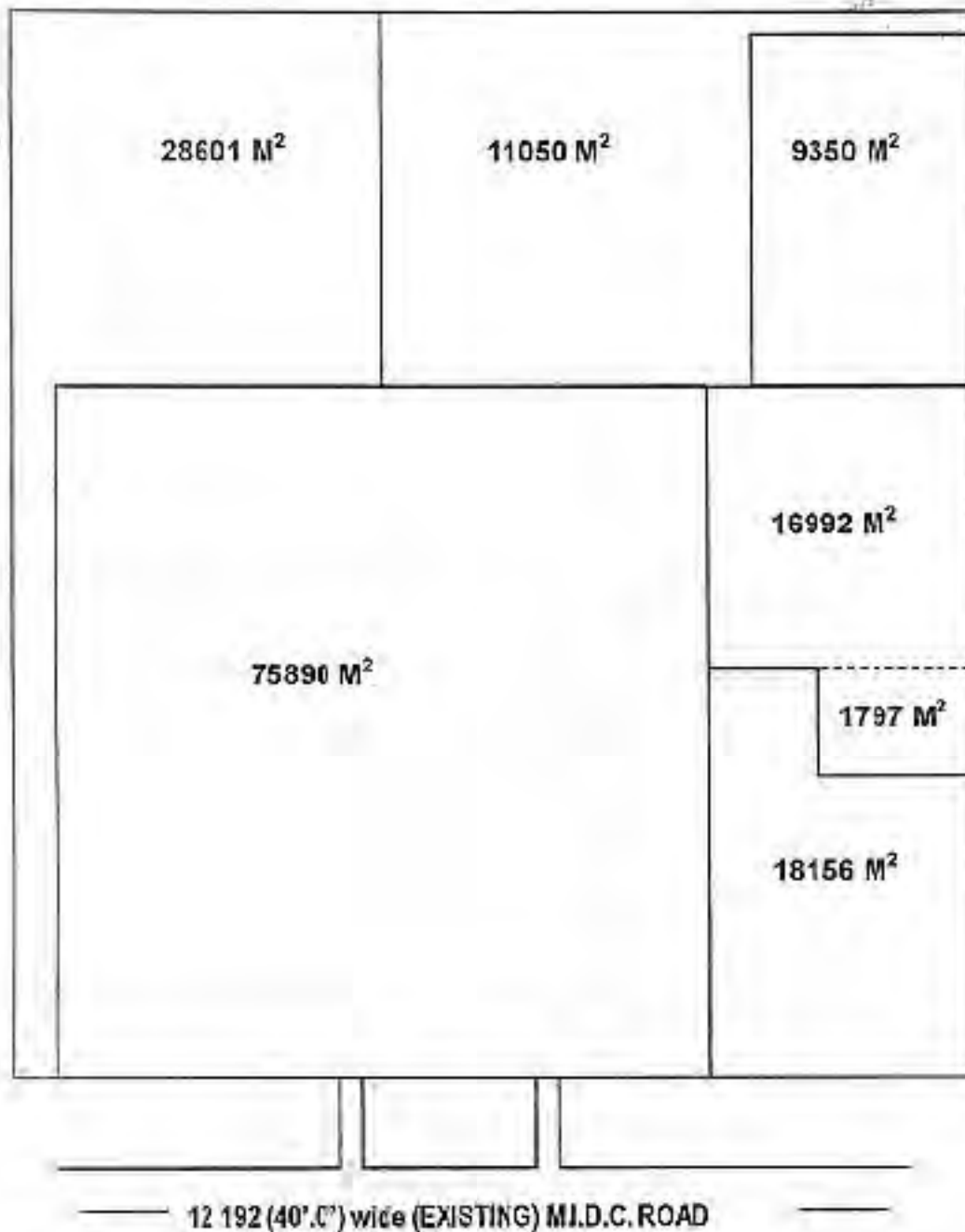
ASSETS OF APCOTEX DIVISION OF ASIAN PAINTS (INDIA) LIMITED TO BE VESTED IN APCOTEX LATTICES LIMITED

IMMOVABLE:


1. Land: Leasehold land at Talaja Industrial Estate of the MIDC admeasuring 75,891 sq. mtrs. as described in the Plot Plan attached.
2. Buildings: All the buildings standing on the plot of land at Talaja described above.

MOVABLE:

1. Plant and Machinery (including Electrical and Pipe Fitting) operating in the aforesaid buildings and on the plot described above used in the business of manufacture and sale of synthetic rubber latexes (except those mentioned in Annexure 'B').
2. Furniture & Fixture and Office Equipments in the aforesaid buildings in the plot described above.
3. Vehicle Nos. MAS 3497, MMH 9894, MMH 8907.
4. Inventories of Raw and Packing Materials, Work in Process, Finished Goods and Stores and Spares in the factory premises.
5. Sundry Debtors, Loans, Advances and other Current Assets pertaining to the business of manufacture and sale of Synthetic Rubber Latexes.



SITE PLAN FOR PLOT NO.3, M.I.D.C. AREA AT
 TALOJA, DIST. RAIGAD.
 M/S. ASIAN PAINTS (I) LTD. AFCOTEX DIV
 PLOT NO.3 M.I.D.C. AREA AT TALOJA, DIST.
 RAIGAD.



ANNEXURE 'B' PART I

Sr. No.	Description
1)	3 nos. soda acid 9 litres. fire extinguishers complete 5 nos. 30 kg. Cap dry chemical powder fire extinguishers
2)	8 nos. 6.31 kg Co2 fire extinguishers and 12 nos. fire buckets painted red, black, white.
3)	Crompton make 1 HP 1440 RPM tefc flameproof induction motor suitable for 3 phase 50 cycles AC supply.
4)	Heater for Furnace oil.
5)	1 chemflo centrifugal pump model 1-1/2 x 17 in CI type and accessories, pump Sr. No. 09422.
6)	1 No. Chemflo centrifugal pump model 4x3-9 in CI type CHP group M, pump provided with 1/2 " BSPT and with accessories.
7)	1 No. Horizontal aftercooler Sl. No. PAC 834 with moisture separator.
8)	1 No. Model 242C type air compressor S. No. 8103301.
9)	1 KEC make double bearing Alternator conforming to BSS 2613/1970.
10)	Accessories of KEC make alternator.
11)	Shutdown solenoid valve 1 no.
12)	Crompton make 30 HP 2900 RPM TEFC sq. cage induction motor for 1 phase 50 cycles 400/440 volts one number.
13)	Crompton make 15 HP 1440 rpm TEFC flameproof motor 2 nos.
14)	Crompton make 5 HP 3000 M3 cap. CS Butadiene storage tank.
15)	55-M3 cap. C.S Butadiene storage tank.
16)	1 No. IR Model 4x5 ESH -1 single stage, double acting, water cooled Butadiene gas compressor.
17)	One centrifugal blower with mild steel casing & impeller.
18)	1 Chemflo full bore ball valves in CS with 316 ball 2 nos.
19)	1 No. chemflo full bore ball valves in CS 316 ball.

- 20) 3 Nos. chemflo full bore ball valves in CW with 316 ball, fire safe design size 60mm.
- 21) 4 Nos. chemflo full bore ball valves in CS and 316 ball.
- 22) 1 No. chemflo centrifugal pump model 3 x 1-1/2-9 in CS type with accessories.
- 23) 1 No. coupling guard in A1.
- 24) Fire Hydrant system.
- 25) Excess flow valve for Butadiene storage tank and 1 "NPT S.S. Rotoguage complete with extension piece.
- 26) 1 No. SLM-Maneklal waering vacuum pump type NV 30 No. 14647 complete with std. accessories.
- 27) 310 KVA Diesel generator.
- 28) Alternator control panel.
- 29) Equipments for generator.
- 30) Foundation to Butadiene compressor.
- 31) Aluminium armoured cable.
- 32) Wiring of lighting, receptacles & ex-fans and black enameled steel conduits.
- 33) 15A/way 4 ways TPN lighting.
- 34) Tata make MS 'C' Class pipe-2".
- 35) Tata make MS as above and MS Washers.
- 36) Tata make MS 'C' class pipes.

ANNEXURE 'B' PART – II

Sr. No.	Description
1)	Pumps
2)	1 No. MS Condenser
3)	3 Nos. Kirloskar make 5 HP TEFC FP Electrical Motors
4)	Control centre
5)	1 No. Bahubali Drum Jockey Model DRJ-6.

- 6) Cold Insulation of Butadiene tank no. V-51B
- 7) Drilling Machine
- 8) IMP Make projection type three vector meter
- 9) 100 KVA CTPT Metering unit

ANNEXURE 'B' PART-III

Sr.No.	Description
1)	Agitator

ANNEXURE 'B' PART-IV

Sr.No.	Description
1)	High pressure water jetting equipment alongwith accessories and spare parts.
2)	1 No. Lutz B70SR with ex-proof elec motor.

ANNEXURE 'B' PART-V

Sr.No.	Description
1)	1 No. Motor Control Centre
2)	1 No. Crompton make 25 HP, 1500 rpm, flameproof motor suitable for use on AC, 3 Phase, 400/440 V, 50 Cycle, horizontal foot mounting type
3)	3 Nos. 3" RB 90 Rupture Disks and 1 No each of safety head and Tell tale indicator assembly.
4)	1 No. Main LT Panel as per drawing No. ESF/APX/10.22/EL/PA-SI
5)	1 No. Flameproof squirrel cage 3000 rpm, 11KW, 15HP 2 pole electric motor.
6)	1 No. Flameproof squirrel cage 1500 rpm 18 KW 25HP 4 pole motor.
7)	80 nos. of flameproof cast alu. Plugs for 3/4" E.T. cable entry and 285 nos FCG make double compression type flameproof / weather proof with neopren washers bass nickel plated glands
8)	1 No. each of Fainger make safety relief valves of size 3"x4" and 1"x2".
9)	1 No. Simplex Basket filter og size 100 mm

- 10) 58 nos. of Saturn Brand Three piece design cast iron ball valves with SS16 ball Teflon renewable seals of different sizes.
- 11) 1 No. 2" Foot Valve in Gun Metal and 3nos. 4"MS seamless elbow.
- 12) 1 No.Switzer Meriam DP Indicator
- 13) Spirax make Gm DP type pressure reducing valve 1 no.
- 14) 1 No. Indicating Temperature Transmitter.
- 15) 1 No.RAVI Watering Vacuum Pump Model RV-6 (GBZ Construction) with Air Ejector Unit and Standard accessories.
- 16) Thermal insulation of:3Nos. Reactor with 6"vapour riser with 2"thick glass wool and Alu. Cladding for a length of 2.5 M.; and 1" dia pipeline with 2" thk. glass wool + Alu. cladding for the length of 29.6 Mtr.
- 17) 3 Nos. of Reflex type Liquid Level Guages with a pair of auto shut off ball check valves of different sizes.
- 18) 1 No. Flameproof Squirrel type 1500 rpm 11 KW 15 HP 4 pole electric motor.
- 19) 1 No. packing vessel eqpt. No. V-217.
- 20) 1 No. initiator Solution Vessel
1 No. Distillate Collection Vessel; and
1 No. snort stop Solution Vessel; and
1 No. TDM Charging Vessel
- 21) MS beams, MS Channels, Chequered Plates MS flats, MS pipes, MS angles and elbows
- 22) 95 Kgs. of MS Channel 100 x 50 mm and 6 nos. of 4 MS S/O flanges.
- 23) MS chequered plates, Beams, Angles MS pipes, elbows, coupling, House Nipples, S/O flanges and MS shafts
- 24) Aqueous charges solution preparation vessel (item no. V-121) – 1 no.
- 25) 5 Nos. Model Gm-07-F-S-V-E 3/4" Oval G gear meter with Mech. batching system; 3 nos. Model GM-10F-S-V-E 1" Oval gear meter with mech. batching system and 1 no. Back pressure valve.
- 26) Systems tank (1 No.)

- 27) 1 No. Wadcon single seated control valve with VF and FRP of size 4" sr 1 no 14588
- 28) 2 nos. styrene storage tank
- 29) 1000 meters of PVC armoured cable with copper conductors of INCAB make core x 1.5 sq. mm 1.1 KV grade and 823 meters of PVC armoured cable with aluminium conductors of INCAB make of different types/sizes.
- 30) 1000 mtrs. of 4 core x 1.5 sq. mm PVC armoured cable with copper conductors of INCAB make.
- 31) 1 No. Gauge Pressure Transmitter part no. 333TF0221 and 2 nos. Air Set Part No. 1004FA0116
- 32) 1 no. each of spares for 01J+406R viz., Blue pen (Part No. 40P601), act pointer scale and chart drive belt (75P61)
- 33) 1 No. Seal type 1507-28 with TC/ Sealide for Akay Model CHP-MT 2x1-10 1/2
- 34) 1 no. Electric Digital platform scale model 8434FM, fixure base, capacity 400kg x 100gm with mild steel rollers on platform, platform size 75cm x 75cms fitted with microprocessor digital indicator with push button tare and auto zero tracking S. no. A660.
- 35) Zenith 2 AT6 Computer System comprising of Intel 80286 processor, 640 KB RAM, One VDU with keyboard disk drive, 1 dot matrix printer, etc.
- 36) 2 nos agitator assembly for effluent hold tanks and 1 no. agitator assembly for floatation tank.
- 37) Effluent drain line
- 38) Certain electrification in block and BSR.

ANNEXURE 'B' PART-VI

Sr.No.	Description
1)	50 Kgs. of each MS Hex bolts of size 5/8x2", 1/2x2" and 5/8"
2)	2 Pcs. MS Eccentric Seamless reducers, 24 Nos. MS Concentric reducer and 12 pcs. of MS Forged steel couplng.
3)	45 pcs. MS bends of size 3", 30 Pcs. of 4" and 5 Pcs of 6"
4)	1 no. SS Flush Bottom valve in SS-316 construction
5)	1 no. Thermosyphon System Ts-3

- 6) 1520 Mtrs. of 4 Core x 1.5sq. mm. PVC armoured cable 156 Mtrs. of 4Core x 6 sq. mm. PVC armoured cable 250 Mtrs of 4 Core x 10 sq. mm. PVC armoured cable.
- 7) 37.50 Mtrs. of steel Tubes of size 1"
- 8) TATA make steel tubes of size 1-1/2" – 53.67 Mtrs. of B Class and 37.60 Mtrs. of C Class
- 9) 250 Mtrs. of Polycab make PVC armoured cable
- 10) 1 No. Reactor condenser
- 11) 43 Nos. of Flourik lever operated fire safe full bore ball valves of Three different sizes
- 12) Flourik lever operated fire safe full bore ball valves (6 Nos) of different size, and 2 Nos. Gear operated full bore ball valves of diff. Size.
- 13) 120 Mtrs. of 4 Core x 50 mm PVC armoured cable
- 14) 117.61 Mtrs. of SS Pipes of different size and length
- 15) 862.84 Mtrs. of TATA make MS pipes of sizes ranging from 4/2" to 8" in different lengths
- 16) 639.40 Mtrs. of TATA make of MS pipes of sizes ranging from 1/2" to 3" in different lengths
- 17) 37.71 Mtrs. of TATA make MS pipes of size 3"
- 18) 50.17 Mtrs. of TATA make MS pipes of size 1-1/2"
- 19) Delstar Indl. Vaccum Cleaner Model Monovac II with accessories
- 20) 1 set of double mechanical seal
- 21) 166.13 Mtrs. of Zenith/GST make GI Pipes of size ranging from 2" to 3" in different lengths and 6 Nos. GI Union of 2" and 3 Nos. Elbow of size 2"
- 22) 820 Kgs. of Torsteel bar; – 8mm
- 23) 345 Kgs. GI branded wire
- 24) 110 Nos. of MS slip on flanges of diff. Size
- 25) 2'-5" SS 316 pipe
- 26) 2 Nos Stub ends
- 27) 145 Pcs. Pcs. MS bends, reducers, tees etc.

- 28) 50 Kgs. of MS Hex bolt Nut
- 29) 120 Mtrs. of 4 Core x 50sq.mm PVC armoured cable
- 30) Wooden fume chamber over the existing RCC/Tilex platform
- 31) 1 No. Khimline Series CC Centrifugal Pump model 40-250 in SS 316 construction
- 32) Thermal Insulation of piping and equipments in the plant
- 33) 283 Ft. of ss 304 Seamless pipe
- 34) 1 No. spool assembly
- 35) Roto Screw Pump Types Model 'TNA-40' with MS base plate with couplings
- 36) 1 No. Crompton make 3 HP/960 RPM/TEFC/FLP electric motor SL, AE 1331
- 37) 1 No. Uday made speed variator
- 38) Auxillary packing Unit of SS 304
- 39) 6 Mtrs. High Pressure Hose/Pipe
- 40) 500 Mtrs. of Tropodur PVC copper armoured cable
- 41) 68.0 ft of SS 304 Seamless pipe
- 42) 1 No. Neel 2 KVA Servo Controlled Voltages Stabiliser and 1 no. Neel 2KVA Ultra Isolation Transformer
- 43) 1 No. Nucleonic Level Detector & Controller
- 44) 706 Mtrs. of 4 Core x 1.5 sq. mm PVC armoured cable with copper conductors.
- 45) 1 No. each of Seal Type 1508 sH-22 with TC sealide faces, gland plate for above in SS 316 and Shaft sleeve
- 46) 1 No. Main lighting panel
- 47) 125 Mtrs. of Tropodur PVC insulated and PVC sheathed armoured power cable aluminium conductors.
- 48) 20 Cu. Mtr. Capacity SS Reactor
- 49) 2 Nos. 3-way Manifold suitable for Taylor 303 Difipressure transmitter
- 50) 9 Nos. 1/4" SS Needle valve, 24 Nos. 1/4" brass and fitting 3 Nos. Taylor Recorder Scales

- 51) MS coupling, Hex Nipples, Al. Strip, Brass ferrules Brass T
- 52) Structurals, MS & SS pipe lines
- 53) Foundations and supporting structures pertaining to plant and machinery for Extension to process plant
- 54) 1 No. each Pilling Tester, Crockmeter, Crease recovery tester, stiffness tester
- 55) 4 nos of Voltas Crystal 1501 Model 1.5 Ton room Airconditioners
- 56) ETP

ANNEXURE 'B' PART-VII

Sr. No.	Description
1)	Gravity Roller Conveyor
2)	Crompton make Electric Motor 3 HP 2900 RpPM 3 Phase 50 HZ Power supply
3)	2" x 2" size Pomona brand self priming centrifugal pump monoblock coupled with 1.67 HP Villers 12 SPK self priming pumping set mounted on base plate.
4)	Tropodur make PVC armoured cable type AYFY, alu. Conductor 580 mtrs.
5)	TATA make M.S. Seamless 'C' class pipe 67.53 mtrs.
6)	Zenith/Guj make M.S 'B' Class pipe size 40 mm 24.02 mtrs.
7)	-do- 'c' class size 15 mm 23.90 mtrs.
8)	M.S.sort flange ASA 150 size 150 mm 24 nos.
9)	M.S.Seamless Heavy duty elbow 1.5 D size 150 mm. 16 Nos.
10)	Flexible copper cable 3 core 100 yard
11)	Tropodur PVC armoured Cable AYFY aluminium conductor 1.1 KV grade. 135 mtr.
12)	S.S.Pipe line
13)	Electrosystem 500VA sine Wave ON LINE UPS system.
14)	S.S.321 Seamless Pipe Schedule 40 size 44.51 mtr.
15)	Street light, flame proof installation lighting distribution,

- 16) 630 A Siemens switch fuse unit inclusive of suitable bus bar connections for incoming and outgoing of feeder.
- 17) 1000 A ACB cubical panel
- 18) Insulation work in Refrigeration plant
- 19) Temp. Transmitter
- 20) MS pipe lines
- 21) MS pipe lines for new chilling plant
- 22) Tropodur make PVC Insulated armoured and PVC sheathed cable 1.1 KV grade aluminium conductor AYYF
- 23) Zenith/Gujrat make M.S. 'E' class pipe size 50 mm 17.75 mtr
- 24) M.S. Sort flanged drilled as per ASA 150 size 50 mm 9 Nos.
- 25) ASA 150 Size 40 mm 4 Nos. M.S. Elbow Sch. 40 size 50 mm 6 Nos.
- 26) M.S.'C' Class pipe of Zenith/Gujarat size 1 1/4 x 62 Nos.
- 27) MS 'B' class pipe of Zenith/Gujarat make size 3"80 mm
- 28) M.S.S/O Flanges ASA 150 Size 3"10 Nos.
- 29) TATA make M.S.'C' class pipe size 1"84.10 mtr
- 30) M.S. Flanges drilled As per ASA 150 size 18 Nos.
- 31) M.S.Seamless Sch. 40 elbow size 1 18 Nos.
- 32) Refrigeration plant
- 33) Capacitor bank of 100 KVA capacity, comprising of two banks of 40 KVA and one bank of 20 KVA.
- 34) Insulation work at Refrigeration plant
- 35) Machinery with all the necessary accessories for cold storage/brine chilling plant.
- 36) Civil foundation and other miscellaneous civil work related to new cold storage
- 37) Civil work at New Refrigeration plant bldg.
- 38) Electric fittings with necessary fabrication
- 39) Insulation, fabrication, erection, etc.

- 40) Demineralised water treatment plant together with inter-connecting piping, valves, accessories, fill media, etc.
- 41) Effluent Pump and pipeline
- 42) Radicon size V 800 Ratio 20:1 LV
- 43) Roto Screw Pump type TNA 30., MS Fabricated Industrial type trolley mounted overhead drive baseplate with V belt, pulley and guard
- 44) Indef make triple spur gear chain pulley block 1 No. and Elephant make gear trolley 1 No.
- 45) Radicon Size V 1000 Sr.No. R 24037
- 46) Steel used in erection of Refrigeration plant.
- 47) Steel used in erection of cold storage.
- 48) Fire Hydrant System for Styrene Plant
- 49) Cable etc., for chilling plant
- 50) Mono rail
- 51) Frick make Heavy duty industrial type ammonia compressor complete with manifold fabricated and accessories.

**SUMMARY OF THE ASSETS TO BE LEASED BY APCOTEX LATTICES LIMITED FROM
ASIAN PAINTS (INDIA) LIMITED**

Item	Annual Licence Fee (Rs.)	Proposed date of transfer to ALL	Sale Price (Rs.)
Part I	29,840	1.4.1991	59,687
Part II	4,654	1.4.1992	7,404
Part III	310	1.4.1993	391
Part IV	19,909	1.4.1994	19,608
Part V	70,431	1.4.1995	59,101
Part VI	1,76,642	1.4.1996	1,01,923
Part VII	1,34,947	1.4.1997	58,746

ANNEXURE 'C'**STATEMENT OF DEBTS AND LIABILITIES OF THE APCOTEX DIVISION OF****ASIAN PAINTS (INDIA) LIMITED AS ON 31ST MARCH, 1990****TO BE VESTED IN ALL****(Rs. In lacs)****SECURED LOAN**

15% Non-Convertible Debentures

35.00

14% Non-Convertible Debentures

65.00

110.00

UNSECURED LOAN

Inter-corporate Deposit

10.00

ESTIMATED CURRENT LIABILITIES AND PROVISIONS:

87.00

217.00

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY PETITION NO.12 OF 2005
CONNECTED WITH
COMPANY APPLICATION NO 345 OF 2004

IN THE MATTER OF THE COMPANIES ACT, 1956

AND

IN THE MATTER OF SECTIONS 391 AND 394 OF THE COMPANIES
ACT, 1956

AND

IN THE MATTER OF APCOTEX LATTICES LIMITED

AND

IN THE MATTER OF THE SCHEME OF AMALGAMATION OF

APCOTEX SECURITIES LIMITED

WITH

APCOTEX LATTICES LIMITED

APCOTEX LATTICES LIMITED

a Company duly registered under the
Companies Act, 1956 and having its Registered
Office at Plot No 3/1 M.I.D.C. Industrial Area
Taloja-410208, District Raigad

.....Petitioner

Coram : S.U. Kamdar.J

Date : 1st April 2005

Upon the Petition of Apcotex Lattices Limited, the Petitioner Company above named presented to this Hon'ble Court on the 15th October 2004, for sanctioning of the arrangement embodied in the proposed Scheme of Amalgamation of Apcotex Securities Limited (hereinafter referred to as "the Transferor Company") with Apcotex Lattices Limited (hereinafter referred to as the Transferee Company" or

"the Petitioner") and for other consequential reliefs as mentioned in the petition AND the said Petition being this day called on for hearing and final disposal AND UPON READING the said Petition and the Affidavit of Mr. Anand V. Kumashi, Manager- Accounts, Finance & Company Secretary and the Constituted Attorney of the Petitioner Company dated the 14th October 2004 verifying the said Petition AND UPON READING the affidavit of Mr. Anand V. Kumashi, Manager- Accounts, Finance & Company Secretary and the Constituted Attorney of the Petitioner Company dated the 23rd March 2005 proving the service notice of hearing of the Petition upon the Regional Director, Western Region, Department of Company Affairs, Maharashtra, Mumbai AND UPON READING the Affidavit of Mr. Anand V. Kumashi, Manager- Accounts, Finance & Company Secretary and the Constituted Attorney of the Petitioner Company dated the 23rd March 2005 proving the publication of the notice of the date of hearing of the said Petition in the issue of Free Press Journal and Navshakti both dated the 11th February 2005, pursuant to the order dated the 28th January 2005 passed in the above Petition AND UPON READING the affidavit dated 23rd March 2005 of Mr. Anand V. Kumashi annexing thereto consent of the only one Secured Creditor of the Petitioner Company as Exhibit 'E' to the said affidavit and also proving service of notice of hearing of the Petition to remaining Unsecured Creditors whose consent have not been obtained AND UPON READING the order dated 19th August 2004 passed by this Hon'ble Court in Company Application No 345 of 2004 whereby the convening and holding of the meeting of the Secured Creditors of the Petitioner Company for the purpose of considering and if thought fit approving with or without modification the Scheme of Amalgamation of Apcotex Securities Limited with Apcotex Lattices Limited, the Petitioner Company was dispensed with in view of the averment made in para 20 of the affidavit in support of Company Application No 345 of 2004 and the undertaking given by the Petitioner Company to file the consent letter of the Secured Creditor of the Petitioner Company at the time of filing the Petition AND the convening and holding of the meeting of the Unsecured Creditors of the Petitioner Company for the purpose of considering and if thought fit, approving with or without modification

the Scheme of Amalgamation of Apcotex Securities Limited with Apcotex Lattices Limited, the Petitioner Company was dispensed with in view of the averment made in para 20 of the affidavit in support of Company Application No 345 of 2004 and the undertaking given by the Applicant company to file the consent letters of 75% in the value and majority in number of the creditors at the time of filing the petition before this Hon'ble Court and giving notice to the balance unsecured creditors AND Petitioner Company was directed to hold and convene the meeting of the Equity Shareholders of the Petitioner Company purpose of considering and approving with or without modifications the arrangement embodied in the Scheme of Amalgamation of Apcotex Securities Limited with Apcotex Lattices Limited, the Petitioner Company AND UPON READING of the affidavit of Shri. Anand V. Kumashi; the Constituted Attorney of the Petitioner Company, dated 8th October, 2004, proving the publication of the notice convening the meeting of the Equity Shareholders in the issue of Free Press Journal and Navshakti Edition both dated 28th August 2004, pursuant to the order dated the 19th day of August 2004 passed in the above Company Application AND UPON READING the Report dated 30th September 2004 of Mr. Atul C. Choksey, Chairman appointed for the meeting of the Equity Shareholders of the Petitioner Company as to the result of the said meeting AND UPON READING the affidavit dated 8th October 2004 of Mr. Atul C. Choksey verifying the Chairman's Report AND IT APPEARS from the Chairman's Report that the Scheme of Amalgamation has been approved by all the Equity Shareholders of the Petitioner Company present at the meeting and voting in favour of the Scheme AND UPON PURSUING the Consent Letters of the Creditors of the Petitioner Company annexed as Exhibit '1-2' to '1-58' to the Petition AND UPON READING the affidavit dated the 31st March 2005 of Mr. Chakradhar Palk, the Regional Director Western Region, Ministry of Company Affairs stating that the Scheme is not prejudicial to the interest of the creditors and Shareholders of the Petitioner Company AND UPON HEARING Mr. S.A.P. Thomas Advocate for the Petitioner Company in Support of the Petition and Mr. G.J. Joy with Mr. R.C. Master and Mr. M.M. Goswami, the Panel Counsel instructed by Dr. T.C. Kaushik for the Regional

Director, Department of Company Affairs, Maharashtra, Mumbai, who submits to the order of the court and no other person or persons entitled to appear at the hearing of the said Petition appearing this day either in support of the said Petition or to show cause against the same THIS COURT DOTH HEREBY SANCTION that the Scheme of Amalgamation of APCOTEX SECURITIES LIMITED, the Transferor Company with APCOTEX LATTICES LIMITED, the Petitioner Company as set forth in EXHIBIT – 'E' to the Petition and in the Schedule annexed hereto AND THIS COURT DOTH AND HEREBY DECLARE that the said Scheme to be binding on all the members and creditors of both the Transferor and the Petitioner Company AND THIS COURT DOTH ORDER that with effect from 1st April, 2004 (hereinafter referred as "the Appointed date") entire undertaking of the Transferor Company more particularly described in the Scheme of Amalgamation being Exhibit 'E' to the Petition and in the Schedule hereto shall without any further act or deed stand transferred to and vested in the Transferee Company pursuant to the provisions of Section 394 of the Companies Act 1956 so as to become the property of the Transferee Company AND THIS COURT DOTH FURTHER ORDER that with effect from the Appointed Date, all debts, liabilities, duties and obligations of the Transferor Company (hereinafter referred to as "the said Liabilities") shall also be and stand transferred or deemed to be transferred, without any further act, instrument or deed to the Petitioner Company, pursuant to the provisions of section 394 of the said Act so as to become as and from the Appointed Date, the debts, liabilities, duties and obligations of the Petitioner Company and further that it shall not be necessary to obtain the consent of the third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause AND THIS COURT DOTH FURTHER ORDER that with effect from the Appointed Date upto Effective Date, the Transferor Company shall carry on and shall be deemed to have carried on all their business and activities in respect of the undertakings and stand possessed of its properties and assets for and on account of and in trust of the Petitioner Company AND THIS COURT DOTH FURTHER

ORDER that with effect from the Appointed Date upto Effective Date, all profits or income accruing or arising to the Transferor Company or expenditure or losses arising or incurred by the Transferor Company shall for all purposes be treated and be deemed to be and accrue as, the profits or income or expenditure/losses of the Petitioner Company, as the case may be AND THIS COURT DOTH FURTHER ORDER that all suits, actions and proceedings by or against the Transferor Company pending and/or arising on or before the date on which this Scheme shall finally take effect shall be continued and be enforced by or against the Petitioner Company as effectually as if the same had been pending and/or arising by or against the Petitioner Company AND THIS COURT DOTH ORDER that subject to the provisions of the said Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature to which the Transferor Company are parties or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date shall be in full force and effect against or in favour of Petitioner Company as the case may be, and may be enforced as fully effectually as if, instead of the Transferor Company and the Petitioner Company had been a party or beneficiary thereto AND THIS COURT DOTH FURTHER ORDER that upon the Scheme coming into effect, the Transferor Company being a wholly-owned subsidiary of the Petitioner Company no ordinary shares or other shares of the Petitioner Company shall be allotted in lieu or exchange of holdings of the shares in the Transferor Company by Transferor Company and its nominees and the Share Capital of the Transferor Company shall stand cancelled AND THIS COURT DOTH FURTHER ORDER that on the Scheme becoming effective, all assets and liabilities of the Transferor Company as appearing in their Books of Accounts shall be incorporated and dealt with in the Books of Accounts of the Petitioner Company at the Book Value on the Appointed Date on the basis of the audited Balance Sheet as on 31st March 2004 and the Equity Share Capital of the Transferor Company which is cancelled shall be adjusted against investments shown in the books of the Petitioner Company and the excess of the net assets as reduced by the liabilities shall be transferred to General reserve

AND THIS COURT DOTH FURTHER ORDER that within 30 days of the sealing of this Order, a certified copy thereof be delivered by the Petitioner Company to the Registrar of Companies, Maharashtra, Mumbai for registration and upon such certified copy order being so delivered the Registrar of Companies, Maharashtra, shall place all documents relating to the Transferor Company and registered with him on the files maintained by him in relation to the Transferee Company so as to consolidate the files relating to the said Petitioner Company and the Petitioner Company AND THIS COURT DOTH FURTHER ORDER that Liberty to the Petitioner Company and all other person or persons interested in this petition to apply to this Hon'ble Court for any direction that may be necessary for the purpose of working of the Scheme of Amalgamation sanctioned herein and annexed as Schedule hereto. AND THIS COURT DOTH LASTLY ORDER that Apcohex Lattices Limited the Petitioner Company do pay the sum of Rs.2,500/- (Rupees Two Thousand Five Hundred only) to the Regional Director Department of Company Affairs, Maharashtra, Mumbai towards the cost of the aforesaid Petition, WITNESS SHRI. DALVEER BHANDARI, Chief Justice of High Court at Bombay aforesaid this 1st day of April, 2005.

By the Court,

For Prothonotary & Senior Master,

Order sanctioning the Scheme of
Amalgamation drawn on the
Application of Shri. S.A.P. Thomas
Advocates for the Petitioner
Company having his office at 711,
Maker Chamber, V, Nariman Point,
Mumbai - 400021.

SCHEDULE

SCHEME OF AMALGAMATION

Apcotex Securities Limited

...TRANSFEROR COMPANY

With

APCOTEX LATTICES LIMITED

...TRANSFeree COMPANY

PART 1. GENERAL

1. This Scheme of Amalgamation (hereinafter referred to as the "Scheme") provides for the amalgamation of Apcotex Securities Limited with Apcotex Lattices Limited, pursuant to Sections 391 to 394 and other relevant provisions of the Companies Act, 1956.

2. In this Scheme, unless repugnant to the context or meaning thereof, the following expressions shall have the following meanings:-

"Act" means the Companies Act, 1956

"Appointed Date" means the first day of April 2004

"Effective date" means the date on which the last of all consents, approvals, permissions, sanctions and orders have been obtained, passed and completed and the date on which the certified copies of the orders of the High Court at Bombay are filed with the Registrar of Companies, Maharashtra, Mumbai under Section 391(3) of the Act (or such other date as the court may direct) whichever is earlier. Reference in this Scheme to the date of "coming into effect of this Scheme" or "effectiveness of this Scheme" shall mean the Effective Date.

"Scheme" means this Scheme of Amalgamation for amalgamation of the Transferor Company with the Transferee Company.

"Transferee Company" means APCOTEX LATTICES LIMITED a Company incorporated under the Companies Act, 1956 and having Registered office at Plot no. 3/1, MIDC Industrial Area, Talaja -410 208, Dist. Raigad, Maharashtra

"Transferor Company" means Apcotex Securities Limited, a Company incorporated under the Companies Act, 1956 and having Registered office

at Plot no. 3/1 MDC Industrial Area, Talaja -410 208, Dist. Raigad, Maharashtra

"Undertaking" means the undertaking and the entire business and all the movable and immovable properties, including residential flat, tangible and intangible properties, all stocks, assets, buildings, offices, deposits, investments of all kinds, leases and hire purchase contracts, lending contracts, benefit of any security arrangements, reversions, powers, authorities, allotments, approvals, consents, licences, registrations, contracts, engagements, arrangements of all kinds, rights, titles, interests, benefits and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company including but without being limited to trademarks, patents, copyrights, trade names and other intellectual property rights of any nature whatsoever, permits, approvals, authorisations, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of all agreements and all other interests, if any.

1. The Scheme, although operative from the appointed date, shall become the effective from the Effective Date.

PART II – SHARE CAPITAL

1. (a) The share capital of the Transferor Company as on 31st March 2004 is as under:

	Rupees (In lacs)
Authorised 32,50,000 Equity Shares of Rs.10/- each	325.00
Issued, Subscribed and Paid-up 17,50,000 Equity Shares of Rs.10/- each	175.00

Notes 1. All the Equity Shares are held by Apcotex Lattices Limited, the Holding Company, some shares jointly with Nominees, who are the Second holders.

- (b) The share capital of the Transferee Company as on 31st March 2004 was as under:

	Rupees (In lacs)
Authorised 1,49,70,000 Equity Shares of Rs.10/- each 500 Preference Shares of Rs.100/- each 25,000 Unclassified Shares of Rs.10/- each	1497.00 6.50 2.50
	1506.00
Issued, Subscribed and paid up* 55,27,352 Equity Shares of Rs.10/- each	552.74
	552.74

Note: Out of the above 9,58,909 Equity Shares had been issued to the shareholders of Asian Paints (I) Limited for consideration other than cash pursuant to the terms of Scheme of Arrangement sanctioned by the Honorable High Court of Mumbai.

PART III – TRANSFER AND VESTING OF UNDERTAKING

5. (a) Upon the coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme, including in relation to the mode of transfer and vesting the Undertaking of the Transferor Company shall be and stand transferred to and vested in and/or deemed to be and stand transferred to and vested in the Transferee Company pursuant to the applicable provisions of the Act, including Section 391 to 394 of the Act, so as to become as and from the Appointed Date the properties, assets, estate, rights, titles and interests of the Transferee Company without any further act, instrument or deed.
- (b) The Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company to carry out or perform all such formalities or compliances, referred to above on the part of the Transferor Company to be carried out or performed.
6. Upon the coming into effect of this Scheme and with effect from the Appointed Date:
- (a) All secured and unsecured debts, liabilities, duties and obligations of the Transferor Company along with any charge, encumbrance, lien or security thereon (hereinafter referred to as "the said

Liabilities") if any, shall be also be and stand transferred or deemed to be transferred, without any further act, instrument or deed, to the Transferee Company, pursuant to the provisions of Section 394 of the Act so as to become as and from the Appointed Date, the debts, liabilities, duties and obligations of the Transferor Company, and further that it shall not be necessary to accept the consent of any third party or person who is a party or person to any contract or arrangement by virtue of which such debts, liabilities, duties and obligation have arisen in order to give effect to the provisions of this clause. To the extent there are any loans, outstanding or balances due from the Transferor Company to the Transferee Company or vice-versa, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of account and records of the Transferee Company.

- (b) All debts, outstanding and receivables of the Transferor Company shall accordingly, on and from the Appointed Date, stand transferred to and vested in the Transferee Company without any notice or other intimation to the debtors (though the Transferor Company may, if it so deems appropriate, give notice the debtors that the debts do stand transferred to and vested in the Transferee Company) and the debtors shall be obliged to make payment to the Transferee Company on and after the Appointed Date.

7. With effect from the Appointed Date upto the Effective Date:

- (a) The Transferor Company shall carry on and be deemed to have carried on all its business and activities and shall hold and stand possessed of and shall be deemed to have held and stood possessed of the said Undertaking for and account of, and in trust of the Transferee Company.
- (b) All the profits or incomes accruing or arising to the Transferor Company or expenditure or losses arising or incurred by the Transferor Company shall for all purposes be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses of the Transferee Company, as the case may be;
- (c) The Transferor Company shall carry on its business and activities with reasonable diligence and business prudence and shall not, without the consent of the Transferee Company, undertake any additional financial commitments of any nature whatsoever, borrow any amounts nor incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letter of comfort or commitments either for itself or behalf of group companies or any third party, or save as expressly permitted by this Scheme or with consent of the Transferee Company, or in the ordinary course of business, or pursuant to any pre-existing obligation undertaken by the Transferor Company prior to the Appointed Date alienate, charge, mortgage, encumber or otherwise deal with the said undertaking or any part thereof;

8. Upon the coming into effect of this Scheme, all suits, actions and other legal proceedings by or against the Transferor Company pending and/or arising on or before the Effective Date shall be continued and be enforced by or against the Transferee Company as effectually as if the same had been pending and/or arising by or against the Transferee Company.
9. Upon the coming into effect of this Scheme and subject to the provisions on this Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature to which the Transferor Company is a party or to benefit which the Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect against or in favour of the Transferee Company, as the case may, be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a part or beneficiary thereof. The Transferee Company shall, wherever necessary, enter into and/or issue and/or execute deeds, writing or confirmation at any time prior to the Effective Date, enter into any tripartite arrangement, confirmations or novations to which the Transferor Company will, if necessary, also be a party in order to give formal effect to the provisions of this Clause.

PART IV – CANCELLATION OF THE SHARE CERTIFICATES

10. Upon the coming into effect of this Scheme, the Transferor Company being a wholly-owned subsidiary of the Transferee Company, no ordinary shares or other shares of the Transferee Company shall be allotted in lieu or exchange of holding of the shares in the Transferor Company by the Transferee Company and its nominees and the share capital of the Transferor Company shall stand cancelled.

PART V – GENERAL TERMS AND CONDITIONS

11. (a) The transfer of the said assets and the said liabilities of the Transferor Company to the Transferee Company and the continuance of all the contracts or proceedings by or against the Transferee Company shall not affect any contract or proceedings relating to the said assets or the said liabilities already conducted by the Transferor Company on or after the Appointed Date.
(b) On the scheme being effective, the Transferor Company shall be dissolved without winding up.
12. The Transferor Company and the Transferee Company shall with all reasonable dispatch, make application / petition under Section 391 and 394 and other applicable provisions of the said Act to the High Court of Judicature at Bombay for sanctioning of the Scheme of Amalgamation and for dissolution of the Transferor Company without winding up and apply for such other approvals, if any, required under the provisions of law.

- 13 (a) The Transferor Company and Transferee Company may assent from time to time on behalf of all persons concerned to any modifications or amendments or additions to this Scheme or to any conditions or limitations which High Court of judicature at Bombay and/or the other competent authorities, if any, may impose under the law and do and execute all acts, deeds, matters and things necessary for bringing the Scheme into effect. The aforesaid powers of the Transferor Company and the Transferee Company may be exercised by their respective Boards of Directors, a committee or committees of concerned Board or any employee(s) or other person(s) authorised in the behalf by the concerned Board of Directors (hereinafter referred to as "delegates")
- (b) For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the respective Boards of Directors, a Committee or Committees of the concerned Board or any employee(s) or other person(s) authorised in this behalf may give and are hereby authorised to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties in the same manner as if the same were specifically incorporated in this Scheme.
- 14 This Scheme is specifically conditionally upon and subject to:-
- (a) The sanction or the approval under any law or of the Central Government or any other Agency, Department or Authorities concerned being obtained and granted in respect of which such sanction or approval is required;
- (b) The Scheme being agreed to by the requisite majorities of such classes of persons of the Transferor Company and the Transferee Company as may be directed by the High Court of the Judicature at Bombay on the applications made for directions under Section 391 of the said Act calling meetings and necessary resolutions being passed under the said Act for the purpose;
- (c) The sanctions of the High Court of judicature at Bombay being obtained under Section 391 and 394 and other applicable provisions of the said Act, if so required, on behalf of the Transferor Company and the Transferee Company.
- 15 In the event of any of the said sanctions and approvals referred to hereinabove not being obtained and/or the Scheme not being sanctioned by the High Court and/or the order or orders not being passed as aforesaid before 30th September 2005 or within such further period or periods as may be agreed upon by the Transferor Company by its Directors and by the Transferee Company by its Directors (and which the Board of Directors of both the Companies are hereby empowered

and authorised to agree to and extend from time to time without any limitations), the Scheme of Amalgamation shall stand revoked, cancelled and be of no effect, save except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

- 10 All costs, charges, taxes, duties and all other expenses, if any (save as otherwise expressly agreed) of the Transferor Company and the Transferee Company arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto, shall be borne and paid by the Transferee Company.

The Balance Sheet as at 31st March 2004 and the Profit and Loss Account for the Year ended on that date of the Transferor Company and the Transferee Company

(Rupees in Lacs)			
	Pre-merger		Post-merger
	ALL	ASL	ALL
BALANCE SHEET			
Liabilities :			
Equity Share Capital	5,56.64	1,75.00	5,54.64
Reserves and Surplus	44,39.86	0	45,02.19
Shareholder's Funds	49,96.50	1,75.00	50,58.83
Secured Loans	0.17	0	0.17
Unsecured Loans	47.48	0	32.48
Loan Funds	47.65	0	32.65
Deferred Tax Liability	3,08.63	0	3,08.63
Total Funds Employed	53,52.78	1,75.00	54,00.11
Assets:			
Fixed Assets	24,01.45	1.58	24,03.03
Investments (at book value)	8,81.78	12.15	7,64.79
Current Assets, Loans and Advances	28,19.08	1,24.43	29,26.11
Less : Current Liabilities and Provisions	7,76.62	9.02	7,20.91
Net Current Assets	20,42.46	1,15.41	22,05.20
Miscellaneous Expenditure	27.09	45.86	27.09
Total Assets	53,52.78	1,75.00	54,00.11

PROFIT AND LOSS ACCOUNT			
Income:			
Sales and Operating Income	65,33.16	0	65,33.16
Other Income	56.92	5.36	53.29
Total Income	65,90.08	5.36	65,91.45
Expenses:			
Operating Expenses	61,90.68	0.93	61,91.60
Interest	9.15	0	8.36
Depreciation	3,77.06	0.78	3,77.65
Exceptional Items	0	0	0
Total Expenses	65,76.89	1.71	65,77.81
Profit before Tax	13.19	3.65	13.64
Less: Tax (including deferred tax)	0.98	0.43	0.55
Profit after Tax	14.17	3.22	14.19
Earning per Share (Equity Shares of Rs.10/-paid up) (in Rupees)	0.26	0.18	0.26

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SCHEME PETITION NO. 574 OF 2016
CONNECTED WITH
COMPANY SUMMONS FOR DIRECTION NO. 628 OF 2016
APCOTEX SOLUTIONS INDIA PRIVATE LIMITED Petitioner

In the matter of the Companies Act, 1956 (1 of 1956) (and the rules made thereunder or any other Section for the time being in force)

AND

In the matter of Sections 391 to 394 of the Companies Act, 1956 and other relevant provisions of the Companies Act, 2013;

AND

In the matter of Scheme of Amalgamation of Apcotex Solutions India Private Limited (“Transferor Company”) with Apcotex Industries Limited (“Transferee Company”) AND their respective Shareholders

Mr. Hemant Sethi i/b Hemant Sethi & Co., Advocates for the Petitioners.

Mr. D R Shah i/b Mr. Pankaj Kapoor for Regional Director.

Mr. Vinod Sharma Official Liquidator, present in all the Company Scheme Petitions

CORAM: A.K. Menon, J.

DATE: 27th October, 2016

1. Heard the Learned Advocate for the Petitioner Company. No objector has come before the court to oppose the Scheme and nor any party has controverted any averments made in the petition.
2. The sanction of the Court is sought under Sections 391 to 394 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956 / Companies Act, 2013 to the Scheme of Amalgamation of Apcotex Solutions India Private Limited with Apcotex Industries Limited and their respective Shareholders.
3. The learned Advocate for the Petitioner states that the Petitioner in Company Scheme Petition No. 574 of 2016 is presently engaged in business of manufacture of Nitrile Rubber and Nitrile Powder and Nitrile/PVC Blends and High Sterene Rubber.
4. The rationale for the merger is that the amalgamation of Petitioner Company with the Transferee Company will result in reducing the multiple layer inefficiencies, consolidation and synergies of operations, administrative convenience and reduction in administrative cost and overheads.
5. The learned Advocate for the Petitioner further states that the Petitioner Company is a wholly owned subsidiary of the Transferee Company and all the shares of the Petitioner Company are presently held by the Transferee Company, Apcotex Industries Limited and its nominee and after the Scheme being sanctioned, no new shares are required to be issued to the members of the Petitioner Company by the Transferee Company and the entire share capital of the Petitioner Company will stand cancelled and also in view of the judgement of this Court in Mahaamba Investments Limited Vs IDI Limited (2001) Company Cases 105, filing of a separate Company Summons for Direction and Company Scheme for Petition by Apcotex Industries Limited, the Transferee Company was dispensed with, by order dated 22nd July, 2016 passed in CSD NO. 628 of 2016.

6. The Petitioner Company/Transferee Company approved the said Scheme by passing Board Resolutions which are annexed to the Company Scheme Petition of the Petitioner Company.
7. The learned Advocate for the Petitioner states that Petitioner Company has complied with all directions passed in Company Summons for Directions and that the Scheme has been filed in consonance with the order passed in Company Summons for Directions.
8. The learned Advocate for the Petitioner further states that the Petitioner Company has complied with all requirements as per directions of this Court and has filed necessary affidavit of compliance in the Court. Moreover, Petitioner Company undertakes to comply with all statutory requirements if any, as required under the Companies Act, 1956/2013 and the Rules made thereunder. The said undertaking is accepted.
9. The Regional Director has filed an Affidavit on 21st October, 2016 stating therein that save and except as stated in paragraph 6(i) and 6(ii) of the said affidavit, it appears according to Regional Director that the Scheme is not prejudicial to the interest of shareholders and public.

In paragraph 6(i) and 6(ii) of the said affidavit it is stated that:

(i) That the Petitioner Companies had accepted the Purchase Method of accounting as set out in AS 14 however the Petitioner Companies should also shall pass accounting entries as mentioned in AS-5 of the Accounting Standards. Therefore, Deponent prays that the Hon'ble Court may pass such orders as deem fit.

(ii) The Office of the Asstt. Commissioner Income Tax, Circle 3(2)(2), Mumbai sent letter to this Directorate vide Letter No. ACIT 3 (2) (2)/Scheme of Amalgamation/2016-17 dated 23/08/2016, they have mentioned in the respective letter as mentioned at point (xiii) above. That the Deponent further submits that the Tax issue if any arising out of this scheme shall be subject to final decision of Income Tax Authority and approval of the scheme by Hon'ble High Court may not deter

the Income Tax Authority to scrutinize the tax returns filed by the Petitioner Companies after giving effect to the amalgamation. The decision of the Income Tax Authority is binding on the Petitioner Companies.

10. In-so-far as observations made in paragraph 6(i) of the Affidavit of the Regional Director are concerned, the Petitioner Company through its Counsel submits that the Transferee Company will comply with all applicable Accounting Standards. Further, in addition to compliance with the applicable Accounting Standards, the Transferee Company shall pass such accounting entries as may be necessary in connection with the Scheme of Amalgamation to comply with any other applicable Accounting Standard.
11. In-so-far as observations made in paragraph 6(ii) of Affidavit of the Regional Director are concerned, the Petitioner Company submits that the Transferee Company is bound to comply with all applicable provisions of the Income Tax Act and all tax issues arising out of the Scheme of Amalgamation will be met and answered in accordance with law.
12. The Learned Counsel for the Regional Director on instructions of Mr. R. K.. Dalmia, Joint Director in the office of Regional Director, Ministry of Corporate Affairs, Western Region, Mumbai, states that they are satisfied with the undertakings and submissions given by the Petitioner Company. The said undertakings given by the Petitioner Company are accepted.
13. The Official Liquidator has filed his report on 24th October, 2016 in the Company Scheme Petition No 574 of 2016 stating that the affairs of the Transferor Company have been conducted in a proper manner and that Transferor Company may be ordered to be dissolved without being wound up.
14. From the material on record, the Scheme appears to be fair and reasonable and does not appear to be violative of any provisions of law or contrary to public policy.

15. Since all the requisite statutory compliances have been fulfilled, the Company Scheme Petition is made absolute in terms of prayer clauses (a) to (c) of the Petition.
16. The Petitioner Company/Transferee Company to lodge a copy of this order and Scheme, duly authenticated by the Company Registrar, High Court (O.S.), Bombay with the concerned Superintendent of Stamps, for the purpose of adjudication of stamp duty payable, if any, on the same within 60 days from the date of issuance of Order.
17. Petitioner Company/Transferee Company are directed to file a copy of this order along with a copy of the Scheme with the concerned Registrar of Companies, electronically, along with E-Form 21 / E-Form INC 28 in addition to physical copy as per the provisions of the Companies Act 1956 / 2013.
18. The Petitioner Company to pay costs of Rs.10,000/- each to the Regional Director, Western Region, Mumbai and to the Official Liquidator, High Court, Bombay. Costs to be paid within four weeks from the date of the order.
19. Filing and issuance of the drawn up order is dispensed with.
20. All concerned regulatory authorities to act on a copy of this order along with Scheme duly authenticated by the Company Registrar, High Court (O. S.), Bombay.

(A.K. Menon, J.)

CERTIFICATE

I certify that this Order uploaded is a true and correct copy of original signed order.

Uploaded by: - Shankar Gawde, Stenographer

**SCHEME OF AMALGAMATION
OF
APCOTEX SOLUTIONS INDIA PRIVATE LIMITED
(EARLIER KNOWN AS OMNOVA SOLUTIONS INDIA PRIVATE
LIMITED)
WITH
APCOTEX INDUSTRIES LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS
UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956
AND THE RULES MADE THEREUNDER OR ANY OTHER
SECTION FOR THE TIME BEING IN FORCE**

The Scheme of Amalgamation is presented under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 for amalgamation of Apcotex Solutions India Private Limited (“Apcotex Solutions”), earlier known as OMNOVA Solutions India Private Limited with Apcotex Industries Limited (“Apcotex”). This Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

The purpose and rationale of this Scheme is as under:

- Reducing the multiple layer inefficiencies
- Consolidation and synergies of operations
- Administrative convenience
- Reduction in administrative cost and overheads

The Scheme is divided into following parts:

- (i) **Part A** – deals with definitions and Share Capital;
- (ii) **Part B** – deals with the amalgamation of Apcotex Solutions India Private Limited with Apcotex Industries Limited
- (iii) **Part C** - deals with General Terms and Conditions.

PART A

1. DEFINITIONS

In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the following meaning:

- 1.1 **“Act” or “the Act”** means the Companies Act, 1956 and Companies Act, 2013 (to the extent applicable) and rules made thereunder and shall include any statutory modifications, amendments or re-enactment thereof for the time being in force. Any references to the provisions of the Companies Act, 1956 shall be construed to be references to the corresponding provisions in the Companies Act, 2013.
- 1.2 **“Apcotex” or “Transferee Company”** means Apcotex Industries Limited, a Company incorporated under the Companies Act, 1956 and having its registered office at Plot No3/1, MIDC Industrial Area, Taloja, 410208, Maharashtra
- 1.3 **“Apcotex Solutions” or “Transferor Company”** means **Apcotex Solutions India Private Limited (earlier known as OMNOVA Solutions India Private Limited)**, a Company incorporated under the Companies Act, 1956 and having its registered office at Plot No3/1, MIDC Industrial Area, Taloja, 410208, Maharashtra
- 1.4 **"Appointed Date"** means 31st March, 2016 or such other date as may be fixed by the High Court or such other competent authority as may be applicable.
- 1.5 **“Board of Directors” or “Board”** means the board of directors of Apcotex Solutions and Apcotex or of any one or the relevant one of Apcotex Solutions or Apcotex, as the case may be, and shall include a duly constituted committee thereof.

- 1.6 **“Court”** or **“High Court”** means the High Court of Judicature at Bombay and shall include the National Company Law Tribunal or any other like judicial body, if applicable.
- 1.7 **“Effective Date”** means the date on which the certified copies/authenticated copies of the orders sanctioning this Scheme of Amalgamation, passed by the High Court of Judicature at Bombay or such other competent authority, as may be applicable, are filed with the Registrar of Companies, Mumbai.
- 1.8 **“Government”** means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court or tribunal, board, bureau, instrumentality, judicial or arbitral body having jurisdiction over the territory of India.
- 1.9 **“Scheme”** or **“the Scheme”** or **“this Scheme”** means this Scheme of Amalgamation in its present form or with any modification(s) made under clause 16 of this scheme as approved or directed by the High Court of Judicature at Bombay or any other appropriate authority.
- 1.10 **“Stock Exchange”** means BSE Limited and National Stock Exchange of India Limited.
- 1.11 All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contract (Regulation) Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be, or any statutory modification or re-enactment thereof from time to time.

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

The Scheme set out herein in its present form or with any modification(s) and amendment(s) made under clause 16 of the

Scheme shall be effective from the Appointed Date but shall be operative from the Effective Date.

3. SHARE CAPITAL

3.1 The share capital of Apcotex Solutions as on 30th November, 2015 is as under:

Particulars	Amount (in Rs.)
Authorised Capital	
16,160,000 Equity Shares of Rs. 10/- each	161,600,000
Total	161,600,000
Issued, Subscribed and Paid-up Capital	
16,099,272 Equity Shares of Rs. 10/- each fully paid up	160,992,720
Total	160,992,720

Subsequent to 30th November, 2015 there is no change in the issued, subscribed and paid-up capital of Apcotex Solutions. As on date, Apcotex Solutions is a wholly-owned subsidiary of Apcotex as The entire share capital of Apcotex Solutions is held by Apcotex and its nominees.

3.2 The share capital of Apcotex as on 31st March, 2015 is as under:

Particulars	Amount (in Rs.)
Authorised Capital	
29,940,000 Equity Shares of Rs 5/- each	149,700,000
500 Preference Shares of Rs 100/- each	50,000
50,000 Unclassified Shares of Rs 5/- each	250,000
Total	150,000,000
Issued, Subscribed & Paid up Capital	
10,368,992 Equity Shares of Rs.5/- each (Including Rs 390,255 towards 78,051 shares forfeited at Rs 5/-each)	52,235,215
Total	52,235,215

Subsequent to 31st March, 2015, there is a change in the issued, subscribed and paid up capital of Apcotex. Accordingly, the issued, subscribed and paid up share capital of Apcotex as on 31st December 2015 is as under:

Particulars	Amount (in Rs.)
Authorised Capital	
29,940,000 Equity Shares of Rs 5/- each	149,700,000
500 Preference Shares of Rs 100/- each	50,000
50,000 Unclassified Shares of Rs 5/- each	250,000
Total	150,000,000
Issued, Subscribed & Paid up Capital	
20,737,984 Equity Shares of Rs.5/- each	103,689,920
Amount forfeited on 78,051 shares at Rs 5/- each	390,255
Total	104,080,175

Subsequent to 31st December, 2015 there has been no change in the issued, subscribed and paid up capital of Apcotex.

The shares of Apcotex are currently listed on the Bombay Stock Exchange and the National Stock Exchange.

PART B

4 TRANSFER AND VESTING OF UNDERTAKING OF APCOTEX SOLUTIONS

4.1 Upon coming into effect of this Scheme and subject to the provisions of this Scheme, with effect from the Appointed Date, the entire business and whole of the undertaking of Apcotex Solutions shall be vested in and/or be deemed to have been vested in and amalgamated with Apcotex, as a going concern, without any further deed or act, together with all its assets, liabilities, properties, rights, benefits and interest therein, subject to existing charges thereon in favour of banks and financial institutions or otherwise, as the case may be and subject to the provisions of the Scheme in accordance with Sections 391-394 of the Act and all other applicable provisions of law, if any. The immovable assets forming part of the undertaking of Apcotex Solutions shall stand legally transferred to and vested in Apcotex with effect from the Appointed Date under and pursuant to order of the High Court approving the Scheme, without requiring the execution or registration of any other deed or document or instrument of conveyance, and the order of the High Court shall for all purposes be treated as an instrument conveying such immovable assets to Apcotex.

4.2 Without prejudice to the generality of the foregoing:

(a) the assets of Apcotex Solutions shall include, without limitation:

(i) all properties and assets (whether real or personal, in possession or reversion, corporeal or incorporeal, movable or immovable, tangible or intangible) of whatsoever nature, and wherever situated, including but not limited to immovable properties, plant and machinery, furniture and fixtures, office equipment, other equipment, computers, air

- conditioners and refrigerators, investments, cash on hand, stock in trade, advances, claims whether recognized or not;
- (ii) all licenses, permissions, approvals and consents including environmental approvals and approvals of various regulatory bodies;
 - (iii) all intellectual property rights including copy rights, trade marks, logos and brands whether registered or not and other intellectual property rights;
 - (iv) all rights relating to property including allotments, registrations, lease/tenancy rights, sublicensing, subleasing rights or rights to grant sub tenancy, easement rights, permissions, approved use, title, interest, contracts, consents, approvals or powers of every kind, nature and descriptions whatsoever and wherever situated as on the Appointed Date;
 - (v) all rights and benefits under any contracts with customers, suppliers, sellers, shareholders and other counterparties; and
 - (vi) all tax incentives, minimum alternate tax credit, tax losses and unabsorbed depreciation under the Income-tax Act, accumulated book losses and depreciation, CENVAT credit, sales tax credit, all other rights.
- (b) the liabilities shall include all debts, liabilities, contingent liabilities, duties and obligations of Apcotex Solutions as on the Appointed Date, whether or not provided in the books of Apcotex Solutions which shall be deemed to be the debt, liabilities, duties and obligations of Apcotex as the case may be, and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.

Provided that the Scheme shall not operate to enlarge the security for the said liabilities of Apcotex Solutions which shall vest in Apcotex by virtue of the Scheme and Apcotex shall not be obliged to create any further, or additional security thereof after the amalgamation has become effective or otherwise. The transfer / vesting of the assets of Apcotex Solutions as aforesaid shall be subject to the terms and conditions of the existing charges / hypothecation / mortgages over or in respect of the assets or any part thereof of Apcotex.

- 4.3 (a) All the assets, licenses, permits, quotas, allotments, registrations including approvals of various regulatory bodies, permissions, incentives, benefits, loans, subsidies, concessions, grants, rights, claims, leases, tenancy rights, copy rights, trade marks, logos, brands, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by and all rights and benefits that have accrued to Apcotex Solutions upto the Appointed Date or after the Appointed Date and prior to the Effective Date in connection with or in relation to the operations of Apcotex Solutions shall, pursuant to the provisions of Section 394(2) of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and or be deemed to have been transferred to and vested in and be available to Apcotex so as to become as and from the Appointed Date the assets, licenses, permits, quotas, allotments, registrations approvals including permissions, exemptions, exclusions, incentives, loans, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of Apcotex and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible under law.

Provided that notwithstanding anything contained in any document, papers or writings executed by Apcotex Solutions, this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by or available to Apcotex Solutions which shall vest in Apcotex by virtue of the Scheme and Apcotex shall not be obliged to create any further, or additional security therefor as a condition for approval of the Scheme, after the Scheme has become effective or otherwise.

- (b) On the scheme becoming effective, all moveable assets including cash in hand, if any, of Apcotex Solutions, capable of passing by manual delivery or constructive delivery or by endorsement and delivery, shall be so delivered or endorsed and delivered, as the case may be to Apcotex.
- (c) In respect of all movables other than those specified in sub clause (b) above, including sundry debtors, outstanding loans and advances, if any recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with government, semi government, local and other authorities and bodies, customers and other persons, shall, without any further act, instrument or deed, be transferred to and stand vested in and, or be deemed to be transferred to and stand vested in Apcotex under the provisions of Sections 391 to 394 of the Act.
- (d) The entitlement to various benefits under incentive schemes and policies in relation to Apcotex Solutions shall stand transferred to and be vested in and/or be deemed to have been transferred to and vested in Apcotex together with all benefits, entitlements and incentives of any nature whatsoever. Such entitlements shall include (but shall not be limited to) income tax (including, but not limited to available tax losses and unabsorbed depreciation) sales tax, value added tax, excise duty, service tax, customs and other incentives in relation to Apcotex Solutions to be claimed

by Apcotex with effect from the Appointed Date as if Apcotex was originally entitled to all such benefits under such incentive scheme and/or policies, subject to continued compliance by Apcotex of all the terms and conditions subject to which the benefits under such incentive schemes were made available to Apcotex Solutions.

- (e) All cheques and other negotiable instruments, payment orders received in the name of Apcotex Solutions after Effective Date shall be accepted by the bankers of Apcotex and credited to the account of Apcotex. Similarly, the bankers of Apcotex shall honour the cheques issued by Apcotex Solutions for payment after the Effective Date.
- (f) The provisions of this Scheme as they relate to the merger of Apcotex Solutions with Apcotex, have been drawn up to comply with the conditions relating to “amalgamation” as defined under Section 2(1B) of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section of the Income-tax Act, 1961, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income-tax Act, 1961, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income-tax Act, 1961. Such modification will, however, not affect the other parts of the Scheme.

5 CONSIDERATION

As on the Appointed Date, the entire issued, subscribed and paid-up share capital of Apcotex Solutions is directly held by Apcotex along with its nominees. Upon the Scheme becoming effective, no shares of Apcotex shall be allotted in lieu or exchange of its holding in Apcotex Solutions and Apcotex’s investment in the entire share

capital of Apcotex Solutions shall stand cancelled in the books of Apcotex. Upon the coming into effect of this Scheme, the share certificates, if any, and/or the shares in electronic form representing the shares held by Apcotex in Apcotex Solutions shall be deemed to be cancelled without any further act or deed for cancellation thereof by Apcotex, and shall cease to be in existence accordingly.

6 ACCOUNTING TREATMENT

On the Scheme becoming effective, Apcotex shall account for the amalgamation of Apcotex Solutions in its books of accounts with effect from the Appointed Date as per the 'Purchase Method', as prescribed in Accounting Standard-14 "Accounting for Amalgamations" issued by the Institute of Chartered Accountants of India such that:

- 6.1 All the assets and liabilities (including intangibles not recorded), being the net assets excluding reserves of Apcotex Solutions transferred to and vested in Apcotex pursuant to the Scheme shall be recorded by Apcotex, at their respective fair values, to be decided by the Board of Directors of Apcotex, as on the Appointed Date
- 6.2 With effect from the Appointed Date and upon the Scheme becoming effective, the investment held by Apcotex in Apcotex Solutions shall stand cancelled.
- 6.3 Loans, advances, amount receivable or payable inter-se between Apcotex and Apcotex Solutions as appearing in the books of accounts of Apcotex and Apcotex Solutions, if any, shall stand cancelled. Further no interest shall be provided on loan and advances or outstanding, if any, after Appointed Date.
- 6.4 The excess of net assets of Apcotex Solutions as per clause 6.1 above, after adjustment of the cancellation of investments in Apcotex Solutions as per clause 6.2 above and inter company loans and advances or outstanding obligation as mentioned clause 6.3 above

would be recorded as Capital Reserve. The shortfall, if any shall be debited to the Goodwill Account of Apcotex.

- 6.5 In case of any difference in accounting policy between Apcotex and Apcotex Solutions, the impact of the same till the Appointed Date will be quantified and adjusted in the reserves of Apcotex to ensure that the financial statements of Apcotex reflect the financial position on the basis of consistent accounting policy.

7 DISSOLUTION WITHOUT WINDING UP

On the Scheme becoming effective, Apcotex Solutions shall stand dissolved without being wound-up.

8 CONDUCT OF BUSINESSES UNTIL EFFECTIVE DATE

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

(a) Apcotex Solutions shall carry on and be deemed to have been carrying on its business and activities and shall stand possessed of and hold all of its properties and assets for and on account of and in trust for Apcotex. Apcotex Solutions hereby undertakes to hold the said assets and discharge liabilities with utmost prudence until the Effective Date.

(b) Apcotex Solutions shall carry on its businesses and activities with reasonable diligence, business prudence and shall not without the prior written consent of Board of Directors of Apcotex, make any further issue of shares by way of rights or bonus or otherwise, alienate, charge, mortgage, encumber or otherwise deal with or dispose of its undertaking or any part thereof except in the ordinary course of business nor shall undertake any new business or a substantial expansion of its existing business, nor shall it create any new financial liabilities without the consent of Board of Directors of Apcotex except in the ordinary course of business.

- (c) All the profits or income accruing or arising to Apcotex Solutions or expenditure or losses arising to or incurred by Apcotex Solutions, with effect from the said Appointed Date shall for all purposes and intents be treated and be deemed to be and accrue as the profits or income or expenditure or losses of Apcotex.
- (d) Apcotex Solutions shall be entitled to declare and pay dividends to its shareholders subject to prior approval of the Board of Directors of Apcotex.
- (e) Apcotex Solutions and Apcotex shall co-operate with each other for smooth transfer of the undertaking from Apcotex Solutions to Apcotex and Board of Directors of Apcotex Solutions and Apcotex shall be empowered to give effect to the Scheme in all aspects as may be necessary or expedient including settling any question or difficulties arising in relation to the Scheme in such manner as they deem fit to attain the objectives of this Scheme and their decision in this regard shall be final and binding.

9 LEGAL PROCEEDINGS

- 9.1 All legal proceedings, including arbitration proceedings, of whatsoever nature, by or against Apcotex Solutions pending and / or arising at or after the Appointed Date, as and from 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 Apcotex in the manner and to the same extent as would or might have been continued and enforced by or against Apcotex Solutions.
- 9.2 After the Appointed Date, if any proceedings are taken by or against Apcotex Solutions the same shall be defended by and at the cost of Apcotex.
- 9.3 Apcotex undertakes to have all legal or other proceedings initiated by or against Apcotex Solutions referred to in clause 9.1 above

transferred into its name and to have the same continued, prosecuted and enforced by or against Apcotex after the Effective Date.

10 CONTRACTS, DEEDS AND OTHER INSTRUMENTS

- 10.1 Subject to other provisions contained in this Scheme all contracts, deeds, bonds, agreements, arrangements, schemes, insurance policies, indemnities guarantees and other instruments of whatever nature to which Apcotex Solutions is party subsisting or having effect immediately before amalgamation shall be in full force and effect against or in favour of Apcotex and may be enforced fully and effectively as if instead of Apcotex Solutions, Apcotex had been the party thereto.
- 10.2 With effect from the Appointed Date, all permits, quotas, rights, entitlements, industrial and other licences, branches, brand registrations, offices, depots and godowns, trademarks, trade names, know-how and other intellectual property, patents, copyrights, privileges and benefits of all contracts, agreements and all other rights including lease rights, licenses, powers and facilities of every kind, nature and description whatsoever to which Apcotex Solutions is party or to the benefit of which Apcotex Solutions may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be and remain in full force and effect in favour of or against Apcotex as the case may be, and may be enforced as fully and effectually as if, instead of Apcotex Solutions, Apcotex had been a party or beneficiary or obligee thereto.
- 10.3 With effect from the Appointed Date, any transferable statutory licenses, no objection certificates, permissions, or approvals or consents required to carry on operations of Apcotex Solutions shall stand vested in or transferred to Apcotex without further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of Apcotex upon the vesting and transfer of undertaking of Apcotex Solutions pursuant to the Scheme.

The benefit of all transferable statutory and regulatory permissions, environmental approvals and consents including the statutory licenses, permissions or approvals or consents required to carry on the operations of Apcotex Solutions shall vest in and become available to Apcotex pursuant to the Scheme.

10.4 Apcotex at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, will execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to the undertaking of Apcotex Solutions to which Apcotex Solutions is a party in order to give formal effect to the above provisions. Apcotex shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of Apcotex Solutions and to carry out or perform all such formalities or compliances referred to above on the part of Apcotex Solutions.

10.5 Upon the coming into effect of this Scheme, the resolutions, if any, of Apcotex Solutions, which are valid and subsisting on the Effective Date shall continue to be valid and subsisting and be considered as resolutions of Apcotex and if any such resolutions have upper monetary or other limits being imposed under the provisions of the Act, or any other applicable provisions, then the said limits shall be added and shall constitute the aggregate of the said limits in Apcotex.

11 TAXES

11.1 Upon coming into effect of this Scheme, from the Appointed Date, all tax payable by Apcotex Solutions under Income-tax Act 1961, Customs Act, 1962, Service tax, Value Added Tax, Sales tax provisions or other applicable laws/ regulations dealing with taxes/duties/levies (hereinafter referred to as “tax laws”) shall be to the account of Apcotex. Similarly all credits for tax deduction at source on income of Apcotex Solutions, or obligation for deduction of tax at source on any payment made by or to be made by Apcotex

Solutions shall be made or deemed to have been made and duly complied with by Apcotex if so made by Apcotex Solutions. Similarly any advance tax payment required to be made for by the specified due dates in the tax laws shall also be deemed to have been made by Apcotex if so made by Apcotex Solutions. Further Minimum Alternate Tax paid by Apcotex Solutions under Income tax Act 1961, shall be deemed to have been paid on behalf of Apcotex and Minimum Alternate Tax Credit (if any) of Apcotex Solutions as on or accruing after the Appointed Date shall stand transferred to Apcotex and such credit would be available for set off against the tax liabilities of Apcotex. Any refunds/credit under the tax laws due to Apcotex Solutions consequent to assessments made on Apcotex Solutions and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by Apcotex.

- 11.2 Further any tax holiday/deduction/exemption/ tax losses and unabsorbed depreciation enjoyed by Apcotex Solutions under Income-tax Act 1961 would be transferred to Apcotex.
- 11.3 On or after the Effective Date, Apcotex Solutions and Apcotex are expressly permitted to revise their financial statements and returns along with prescribed forms, filings and annexures under the Income tax Act, 1961(including for the purpose of re-computing tax on book profits and claiming other tax benefits), service tax law and other tax laws, and to claim refunds and/or credits for taxes paid, and to claim tax benefits etc. and for matters incidental thereto, if required to give effect to the provisions of the Scheme from the Appointed Date.
- 11.4 All taxes (including income tax, sales tax, excise duty, service tax, value added tax etc.) paid or payable by Apcotex Solutions in respect of the operations and/or profits of the business before the Appointed Date shall be on account of Apcotex Solutions and in so far it related to the tax payment (including without limitation, sales tax, excise

duty, custom duty, income tax, service tax, value added tax etc.) whether by way of deduction at source, advance tax or otherwise by Apcotex Solutions in respect of profits or activities or operations of the business after the Appointed Date, the same shall be deemed to be the corresponding item paid by Apcotex and shall in all proceedings be dealt with accordingly.

12 TREATMENT OF STAFF AND EMPLOYEES

- 12.1 On the Scheme becoming operative, all employees of Apcotex Solutions in service on the Effective Date shall be deemed to become employees of Apcotex without any break in their service and on the basis of continuity of service, and on the basis that their employment terms are not less favourable than in Apcotex Solutions.
- 12.2 Apcotex agrees that the services of all such employees with Apcotex Solutions up to the Effective Date shall be taken into account for purposes of all retirement benefits (including retrenchment compensation and other terminal benefits) to which they may be eligible in Apcotex Solutions as on the Effective Date.
- 12.3 Any disciplinary action initiated by Apcotex Solutions against any of its employees shall have full force effect and continuity as if it was initiated by Apcotex instead of Apcotex Solutions.
- 12.4 It is expressly provided that, on the Scheme becoming effective, the provident fund, gratuity fund, superannuation fund or any other special fund or trusts created or existing for the benefit of the staff, workmen and employees of Apcotex Solutions shall become the trusts/ funds of Apcotex for all purposes whatsoever in relation to the administration or operation of such fund or funds or in relation to the obligation to make contributions to the said fund or funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of Apcotex Solutions in relation to

such fund or funds shall become those of Apcotex. It is clarified that the services of the staff, workmen and employees of Apcotex Solutions will be treated as having been continuous for the purpose of the said fund or funds.

12.5 Additionally, the contributions and all accretions thereto, in provident fund account, super annuation fund, gratuity fund and other benefit funds if any, of which the employees of Apcotex Solutions are members or beneficiaries till the Effective Date shall with the approval of the concerned authorities, be transferred to the relevant funds of Apcotex for the benefit of the employees of Apcotex Solutions on terms no less favourable. In the event that Apcotex has its own funds in respect of any of the funds referred to above, such investments shall, subject to necessary approvals and permissions, be transferred to the relevant funds of Apcotex. In the event that Apcotex does not have its own fund in respect of any of the aforesaid matters, Apcotex may subject to necessary approvals and permissions continue to contribute in respect of employees of Apcotex Solutions to the relevant fund or accounts of Apcotex Solutions. Such contributions and other balances pertaining to the employees of Apcotex Solutions shall be transferred to the funds or accounts created by Apcotex on creation of relevant funds or accounts by Apcotex.

12.6 With effect from the first of the dates of filing of this Scheme with the High Court and upto the Effective Date, Apcotex Solutions shall not vary or modify the terms and conditions of employment of any of its employees, except with the written consent of Apcotex, unless it is in the ordinary course of business. However, the terms and conditions of their employment with Apcotex shall be no less favourable than those on which they were engaged in Apcotex Solutions.

13 SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of businesses under clause 4 above and the continuance of proceedings by or against Apcotex Solutions above shall not affect any transaction or proceedings already concluded by Apcotex Solutions on or after the Appointed Date till the Effective Date, to the end and intent that Apcotex accepts and adopts all acts, deeds and things done and executed by Apcotex Solutions in respect thereto as done and executed on behalf of itself.

PART C – GENERAL TERMS & CONDITIONS

14 COMBINATION OF AUTHORISED SHARE CAPITAL AND AMENDMENT OF MEMORANDUM AND ARTICLES OF ASSOCIATION

14.1 The authorised share capital of Apcotex Solutions aggregating to Rs 161,600,000 divided into 16,160,000 equity shares of Rs 10/- each shall stand transferred to and combine with the authorised share capital of Apcotex and shall be re-classified without any further act or deed. The filing fees and stamp duty already paid by Apcotex Solutions on its authorised share capital shall be deemed to have been so paid by Apcotex on the combined authorised share capital and accordingly Apcotex shall not be required to pay any fees/stamp duty on the authorised share capital so increased.

14.2 It is hereby provided that the aforesaid combination of authorised share capital shall become operative on the scheme becoming effective and subject to the requisite resolutions passed at the annual general meeting of Apcotex.

14.3 Pursuant to the Scheme, the authorised share capital of Apcotex will be as under:

Particulars	Amount (in Rs.)
Authorised Capital	
62,260,000 Equity Shares of Rs 5/- each	311,300,000
500 Preference Shares of Rs 100/- each	50,000
50,000 Unclassified Shares of Rs 5/- each	250,000
Total	311,600,000

14.4 Clause V of the Memorandum of Association of Apcotex be substituted by the following clause:

“The Authorised Share Capital of the Company is Rs 311,600,000 (Rupees Thirty One Crore and Sixteen Lakhs Only) divided into 62,260,000 (Six Crore Twenty Two Lakhs and Sixty Thousand) Equity Shares of Rs 5/- (Rupees Five Only) each and 500 (Five Hundred) Preference Shares of Rs 100/- (One Hundred) each and 50,000 (Fifty Thousand) Unclassified Shares of Rs 5/- (Rupees Five) each.”

- 14.5 Clause 2(a) of the Articles of Association of Apcotex be substituted by the following clause:

“The Authorised Share Capital of the Company is Rs 311, 600,000 (Rupees Thirty One Crore and Sixteen Lakhs Only) divided into 62,260,000 (Six Crore Twenty Two Lakhs and Sixty Thousand) Equity Shares of Rs 5/- (Rupees Five Only) each and 500 (Five Hundred) Preference Shares of Rs 100/- (One Hundred) each and 50,000 (Fifty Thousand) Unclassified Shares of Rs 5/- (Rupees Five) each.”

- 14.6 Apcotex shall file the requisite documents/information with the Registrar of Companies or any other Applicable Authority for such increase of the authorised share capital and amendment of its Memorandum of Association and Articles of Association.

15 APPLICATION TO THE HIGH COURT

Apcotex Solutions shall make applications / petitions under Sections 391 to 394 and other applicable provisions of the Act to the High Court for sanction of this Scheme and for dissolution of Apcotex Solutions without being wound-up. Apcotex shall, if required, make and file applications / petitions to the High Court, under whose jurisdiction the registered office of Apcotex is situated, for sanctioning this Scheme. Any such application shall upon constitution of the National Company Law Tribunal under Section 10FB of the Act, be made and/or pursued before the National Company Law Tribunal, if so required. In such event references in this Scheme to the High Court shall be construed as references to the National Company Law

Tribunal and/or appropriate Benches thereof as the context may require.

16 MODIFICATION / AMENDMENT TO THE SCHEME

16.1 The Board of Directors or any committee thereof authorised in this behalf of Apcotex Solutions and Apcotex, may consent, on behalf of respective companies, to any modifications or amendments of the Scheme or to any conditions or limitations that the High Court may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e. the Board of Directors) and solve all difficulties that may arise for carrying out the Scheme and do all acts, deeds and things necessary for putting the Scheme into effect. No modification or amendment to the Scheme will be carried out or effected by the Board without approaching the High Court.

16.2 For the purpose of giving effect to this Scheme or to any modification thereof the Board of Directors, or any committee thereof authorised in this behalf of Apcotex may give and is authorised to give such directions including directions for settling any question of doubt or difficulty that may arise.

16.3 If the event of any of the conditions that may be imposed by the High Court or other authorities is unacceptable for any reason by Apcotex Solutions or Apcotex, then Apcotex Solutions and Apcotex are at liberty to withdraw the Scheme.

17 CONDITIONALITY OF THE SCHEME

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

17.1 The Scheme being approved by the requisite majority of the members and/or creditors of Apcotex Solutions and Apcotex and /or by such

other persons as may be required under the Act and as directed by the High Court;

- 17.2 The requisite sanctions and approvals of any Government Authority including Stock Exchange and Securities and Exchange Board of India, as may be required by law, in respect of the Scheme being obtained; and
- 17.3 The sanction of this Scheme by the High Court and copies of the order of the High Court sanctioning the Scheme being filed with the Registrar of Companies, Maharashtra.

18 EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS

In the event of any of the said sanctions and approvals referred to in Clause 17 not being obtained or for any other reason, the Scheme cannot be implemented on or before 31st December 2017 or within such further period(s) that the Boards of Apcotex Solutions and Apcotex may mutually agree upon, and/or Apcotex Solutions and/or Apcotex withdraw from this Scheme pursuant to Clause 16 above, the Scheme shall become null and void and in such event no rights or liabilities whatsoever shall accrue to or be incurred by Apcotex Solutions and Apcotex. In such event, each party shall bear and pay its respective costs, charges and expenses for and/or in connection with the Scheme unless otherwise mutually agreed.

19 COSTS, CHARGES & EXPENSES

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed), incurred in carrying out and implementing this Scheme and matters incidental thereto, shall be borne by Apcotex.

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH

CSP NO 1086 OF 2017
AND
CSP NO 1085 OF 2017

SALDHAR INVESTMENTS AND TRADING COMPANY PRIVATE LIMITED
...Transferor /Petitioner Company

APCOTEX INDUSTRIES LIMITED
...Transferee /Petitioner Company

Under Sections 230 to 232 of the Companies Act, 2013
And

In the matter of Scheme of Amalgamation between
Saldhar Investments and Trading Company Private
Limited having CIN U67120MH1979PTC021881
(‘Transferor Company’ or ‘Saldhar’) and Apcotex
Industries Limited having CIN
L99999MH1986PLC039199 (‘Transferee Company’
or ‘Apcotex’) and their respective Shareholders

Order delivered on 1st February, 2018

Coram:

Hon’ble : B.S.V. Prakash Kumar, Member (J),

Hon’ble : V. Nallasenapathy, Member (T)

For the Petitioner(s): Mr. Hemant Sethi i/b M/s. Hemant Sethi & Co., for the
Petitioner.

Mr. S. Ramakantha , Joint Director in the office of Regional Director.

Mr. Manjesh Jadhav, Assistant Registrar of Companies, Mumbai

Mr. Santosh Dalvi, Assistant in the office of Official Liquidator.

Per: B.S.V. Prakash Kumar, Member (J)

ORDER

1. Heard learned counsel for parties. No objector has come before this Hon’ble
Tribunal to oppose the Scheme nor has any party controverted any averments
made in the Petition.
2. The sanction of the Tribunal is sought under Sections 230 to 232 of the
Companies Act, 2013 to the Scheme of Amalgamation between Saldhar
Investments And Trading Company Private Limited and Apcotex Industries
Limited and their respective shareholders.



3. Learned Counsel for the Petitioners states that the Transferor Company has been carrying on the business of investment in shares and securities. Learned Counsel for the Petitioners further states that the Transferee Company is one of the leading producers of Synthetic Rubber (High Styrene Rubber, Nitrile Butadiene Rubber, NBR Powder, and Nitrile Polyblends) and Synthetic Latex (Vinyl Pyridine Latex, Carboxylated Styrene Butadiene Latex, Styrene Acrylic Latex, Nitrile Latex, etc.) in India.
4. Learned Counsel for the Petitioners further states that the scheme envisages the amalgamation of the Transferor Company with the Transferee Company and the amalgamation shall have the following benefits: i. Saldhar forms part of the Promoter Group of Apcotex. It presently holds 1,07,24,300 equity shares in Apcotex constituting 51.72% of Apcotex's paid up share capital; ii. It is proposed to amalgamate Saldhar into Apcotex by this Scheme, as a result of which, shareholders of Saldhar viz. the promoters of Saldhar (who are also the promoters of Apcotex), shall directly hold shares in Apcotex; iii. This will lead not only to simplification of the shareholding structure and reduction of shareholding tiers but also demonstrate the promoter group's direct commitment to and engagement with Apcotex; iv. The amalgamation would result in more effective utilization of resources of both Saldhar and Apcotex, including pooling of financial resources of Saldhar and Apcotex, leading to more effective and centralized management of funds, greater economies of scale and reduction in administrative expenses, which are presently being multiplied being separate entities, v. Pursuant to the amalgamation, there would be no change in the promoter shareholding of Apcotex. The promoters would continue to hold the same percentage of shares in Apcotex, pre and post amalgamation of Saldhar in Apcotex.
5. The Petitioner Companies have approved the said Scheme of Amalgamation by passing respective Board Resolutions which are annexed to the respective Company Scheme Petitions.
6. The Learned Counsel appearing on behalf of the Petitioner Companies states that the Petitions have been filed in consonance with the order passed in



Company Scheme Application Nos. 884 of 2017 and 883 of 2017 of the Hon'ble Tribunal.

7. The Learned Counsel appearing on behalf of the Petitioners states that the Petitioner Companies have complied with all requirements as per directions of the Hon'ble Tribunal and they have filed necessary Affidavits of compliance with Hon'ble Tribunal. Moreover, Petitioner Companies undertake to comply with all statutory requirements, if any, as required under the Companies Act, 2013 and the Rules made there under. The said undertaking is accepted.
8. The Regional Director, Western Region, Mumbai has filed his Report dated 29th December, 2017, stating therein that save and except as stated in paragraph IV of the said Report, it appears that the Scheme is not prejudicial to the interest of shareholders and public:-
- (a) *As per Clause 1.3 of Par-A "Definitions" of the Scheme. "The Appointed Date" means March 31, 2017 or such other date as may be fixed by the National Company Law Tribunal. In this regard, it is submitted in terms of provisions of Section 232(6) of the Companies Act, 2013 it should be specific as 31st March, 2017;*
- (b) *In addition to compliance of AS-14 (IND AS-103), the Transferee Company shall pass such Accounting Entries which are necessary in connection with the Scheme to comply with other applicable Accounting Standards such as AS-5 (IND AS-8) etc.;*
- (c) *It is stated in Para No. 12.3 of the Scheme amongst others that the Reserves created in the Books of Saldhar as per the Reserve Bank of India Act will be taken over and merged in General Reserves in the Books of Apcotex. In this regard, the Transferee Company may ensure compliance of Rules & Regulation, if any applicable in the matter and approval of Reserve Bank of India, if any required;*
- (d) *As regards Para No. 16 of the Scheme, the Transferee Company may be allowed in respect of fees payable by the Transferee Company on its Authorized Share Capital, subsequent to the Amalgamation for setting-off of fees paid by the Transferor Company on its Authorized Share Capital in accordance to the provisions of Section 232(3)(i) of the Companies Act, 2013;*
- (e) *The tax Implication, if any arising out of the Scheme is subject to final decision of the Income Tax Authorities. The approval of the Scheme by this Hon'ble Court may not deter the Income Tax Authority to scrutinize the tax return filed by the Transferee Company after giving effect to the Scheme.*



The decision of the Income Tax Authority is binding on the Petitioner Company;

- (f) *ROC, Mumbai has reported In his Report that the Transferee Company does not contain objectives of the Transferor Company to continue business of the Transferor Company. The Transferee Company may be directed to make compliance of Section 12 of the Companies Act, 2013 and rules made thereunder by filing requisite e-forms paying requisite fees with the Office of the Registrar of Companies, Mumbai in respect of alteration of objects of the said Company, after approval of the Scheme by the Hon'ble NCLT;*
- (g) *ROC, Mumbai has reported that the Transferor Company has not filed its Financial Statements for the year 2016-17. In this regard, the Petitioners must ensure filing of its Audited Financial Statements for the Financial year 2016-17 with Registrar of Companies, Mumbai under Section 137 of the Companies Act, 2013 in the prescribed e-form and payment of fees, before filing of order for merger, if any with the said ROC.*
- (h) *In accordance to proviso to Section 232(3) of the Companies Act, 2013, the Company may be directed to file a Certificate from the Company's Auditors to the effect that the Accounting Treatment as proposed In the Scheme is in conformity with the Accounting Standards as prescribed under Section 133 of the Companies Act, 2013.*

9. As far as the observation of the Regional Director, Western Region, Mumbai, as stated in paragraph IV (a) of his report is concerned, the Petitioner Companies submits that the Appointed Date shall be 31st March, 2017.
10. As far as the observation of the Regional Director, Western Region, Mumbai, as stated in paragraph IV (b) of his report are concerned, Transferee Company through their Counsel undertakes that in addition to compliance of AS-14 (IND AS-103), the Transferee Company shall pass such Accounting Entries which are necessary in connection with the Scheme to comply with other applicable Accounting Standards such as AS-5 (IND AS-8) etc., to the extent applicable.
11. As far as the observation of the Regional Director, Western Region, Mumbai, as stated in paragraph IV (c) of the report is concerned, the Transferee Company through its Counsel undertakes that it shall comply with all the applicable rules, regulation, to the extent applicable, for merging the Reserves of the Transferor Company created as per Reserve Bank of India Act, 1934, with the General Reserves of the Transferee Company.



12. As far as the observation of the Regional Director, Western Region, Mumbai, as stated in paragraph IV (d) of the report is concerned, the Transferee Company through its Counsel undertakes that the Authorized Share Capital of Transferor Company shall be merged with that of the Transferee Company in terms of Para No. 16 of the Scheme in accordance with the provision of Section 232(3)(i) of the Companies Act, 2013.
13. As far as the observation of the Regional Director, Western Region, Mumbai, as stated in paragraph IV (e) of his report is concerned, the Transferee Company through its Counsel undertakes that it shall comply with all applicable provisions of the Income-tax Act and all tax issues arising out of the Scheme of Amalgamation will be met and answered in accordance with law.
14. As far as the observation of the Regional Director, Western Region, Mumbai, as stated in paragraph IV (f) of his report is concerned, the Transferee Company through its Counsel submits that in the event the Transferee Company continues with the business of the Transferor Company, in that event it will suitably amend its object clause in accordance with law by complying with the relevant provisions of the Companies Act, 2013 and rules made thereunder.
15. As far as the observation of the Regional Director, Western Region, Mumbai, as stated in paragraph IV (g) of his report is concerned and the observation made by Registrar of Companies, Mumbai in their report which forms a part of the report of the Regional Director, the Transferor Company through its Counsel submits that it has filed its standalone and consolidated financial statements for the financial year ended 31st March, 2017, with the Office of the Registrar of Companies, Mumbai, on 10th January, 2018 and 11th January, 2018 vide SRN No. G73173700 and SRN No. G73279234 respectively.
16. As far as the observation of the Regional Director, Western Region, Mumbai, as stated in paragraph IV (h) of his report is concerned, the Transferee Company through its Counsel submits that the certificate from the Statutory Auditors of the Transferee Company has been annexed to the Company Scheme Application No. 883 of 2017 as Exhibit F and a copy of the said



certificate has also been filed by the Transferee Company with the Regional Director's office via letter dated 27th October, 2017.

17. The observations made by the Regional Director have been explained by the Petitioner Companies in Para 9 to 16 above. The clarifications and undertakings given by the Petitioner Companies are accepted.
18. The Official Liquidator has filed his report dated 3rd January, 2018 *inter alia*, stating therein that the affairs of the Transferor Company have been conducted in a proper manner and that the Transferor Company may be ordered to be dissolved without being wound up.
19. From the material on record, the Scheme appears to be fair, reasonable and is not violative to any provisions of law nor is contrary to public interest.
20. Since all the requisite statutory compliances have been fulfilled, the Company Scheme Petition Nos. 1086 and 1085 of 2017 are made absolute in terms of prayer clauses (a) to (f).
21. The Petitioner Companies are directed to file a copy of this order along with a copy of the Scheme of Amalgamation with the concerned Registrar of Companies, electronically, along with e-Form INC-28, in addition to physical copy, within 30 days from the date of receipt of the order from the Registry.
22. The Transferee Company to lodge a copy of this order and the Scheme duly certified by the Deputy Director, National Company Law Tribunal, Mumbai Bench, with the concerned Superintendent of Stamps for the purpose of adjudication of stamp duty payable, within a period of 60 days from the date of receipt of the order.
23. The Petitioner Companies to pay costs of Rs. 25,000/- each to the Regional Director, Western Region, Mumbai. The Transferor Company to pay costs of Rs. 25,000/- to the Official Liquidator, High Court, Bombay.
24. Costs to be paid within four weeks from the date of the receipt of the order.
25. All authorities concerned to act on a copy of this order along with the Scheme duly certified by the Deputy Director, National Company Law Tribunal, Mumbai

Bench

Sd/-

V. Nallaseranapathy, Member (T)

Date:- 1.02.2018

Sd/-

B.S.V. Prakash Kumar, Member (J)



Certified True Copy
Date of Application: 01.02.2018
Number of Pages: 6
Fee Paid Rs: 30
Applicant called for collection copy: 09.02.2018
Copy prepared on: 09.02.2018
Copy issued on: 09.02.2018



Deputy Director
National Company Law Tribunal, Mumbai Bench

**SCHEME OF AMALGAMATION
BETWEEN
SALDHAR INVESTMENTS AND TRADING COMPANY PRIVATE
LIMITED
AND
APCOTEX INDUSTRIES LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS
(UNDER SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013 AND
THE RULES MADE THEREUNDER)**

This Scheme of Amalgamation ('Scheme') is presented under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 for amalgamation of Saldhar Investments and Trading Company Private Limited ('Saldhar') into Apcotex Industries Limited ('Apcotex'). The equity share capital of Apcotex is listed on the National Stock Exchange of India and on the Bombay Stock Exchange.

I. OBJECT OF THE SCHEME

Saldhar forms part of the Promoter Group of Apcotex. It presently holds 1,05,98,300 equity shares in Apcotex constituting 51.1% of Apcotex's paid up share capital.

It is proposed to amalgamate Saldhar into Apcotex by this Scheme, as a result of which, shareholders of Saldhar viz. the promoters of Saldhar (who are also the promoters of Apcotex), shall directly hold shares in Apcotex.

This will lead not only to simplification of the shareholding structure and reduction of shareholding tiers but also demonstrate the promoter group's direct commitment to and engagement with Apcotex.

The amalgamation would result in more effective utilization of resources of both Saldhar and Apcotex, including pooling of financial resources of Saldhar and Apcotex, leading to more effective and centralized management of funds, greater economies of scale and reduction in administrative expenses, which are presently being multiplied being separate entities.



Pursuant to the amalgamation, there would be no change in the promoter shareholding of Apcotex. The promoters would continue to hold the same percentage of shares in Apcotex, pre and post amalgamation of Saldhar in Apcotex.

All costs and charges of any nature arising of or incurred in connection with and implementing this Scheme shall be borne by Saldhar and/or its shareholders.

Further, the Scheme also provides that promoters shall indemnify Apcotex and keep Apcotex indemnified for any contingent liabilities and obligations including all demands, claims, suits, proceedings and the like which may be made or instituted by any third party(ies) including Government authorities on Apcotex which are directly relatable to Saldhar or which may devolve on Apcotex on account of this amalgamation.

In consideration of the abovementioned rationale and related benefits, this Scheme between Saldhar and Apcotex is being proposed in accordance with the terms set out hereunder.

II. PARTS OF THE SCHEME

This Scheme of Amalgamation is divided into the following parts:-

- (i) **Part A** - Definitions of the terms used in this Scheme of Amalgamation and the share capital of Saldhar and Apcotex;
- (ii) **Part B** - dealing, inter alia, with the merger of Saldhar with Apcotex;
- (iii) **Part C** - dealing with the general terms and conditions and other matters consequential to and integrally connected with the Scheme of Amalgamation.



PART A

DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

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

- 1.1 “Act” or “the Act” means the Companies Act, 2013 and the rules and regulations made thereunder as the case may be, and shall include any statutory modifications, re-enactment or amendments thereof for the time being in force.
- 1.2 “Apcotex” or “Transferee Company” means Apcotex Industries Limited incorporated under the Companies Act, 1956, having its registered office at Plot No 3/1, MIDC Industrial Area, Taloja, 410208, Maharashtra.
- 1.3 “Appointed Date” means March 31, 2017 or such other date as may be fixed by the National Company Law Tribunal.
- 1.4 “Board of Directors” or “Board” in relation to Saldhar and Apcotex as the case may be, means the board of directors of Saldhar and Apcotex and shall include a duly constituted committee thereof.
- 1.5 “Effective Date” means the last of the dates on which all of the conditions specified in Clause 20 of this Scheme are satisfied or complied with and any reference in this Scheme to “upon this Scheme becoming effective” or “effectiveness of this Scheme” means and refers to the Effective Date.
- 1.6 “Government” means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau, instrumentality, judicial or arbitral body having jurisdiction over the territory of India.
- 1.7 “Income Tax Act” means the Income Tax Act, 1961, including any statutory modifications, re-enactments or amendments thereof for the time being in force.
- 1.8 “Record Date” means the date fixed by the Board of Directors or a committee thereof of Apcotex for the purpose of determining the members



of Saldhar to whom New Equity Shares will be allotted pursuant to the Scheme.

- 1.9 **“Saldhar” or “Transferor Company”** means Saldhar Investments and Trading Company Private Limited incorporated under the Act, having its registered office at N K Mehta International House, 178 Backbay Reclamation, Babubhai M Chinnai Marg, Mumbai 400020.
- 1.10 **“Scheme” or “the Scheme of Amalgamation” or “this Scheme”** means this Scheme of Amalgamation in its present form or with any modification(s) made under Clause 19 of this Scheme as approved or directed by the Tribunal.
- 1.11 **“SEBI”** means Securities and Exchange Board of India.
- 1.12 **“SEBI Circular”** means circular no CFD/DIL3/CIR/2017/21 issued on March 10, 2017 by SEBI, subject to modification, if any, in accordance with any subsequent circulars and amendments that may be issued by SEBI from time to time.
- 1.13 **“Stock Exchange”** means BSE Limited and National Stock Exchange of India Limited.
- 1.14 **“Tribunal”** means the National Company Law Tribunal, Bench at Mumbai.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contract (Regulation) Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be, or any statutory modification or re-enactment thereof from time to time.

2. DATE OF TAKING EFFECT AND OPERATIVE DATE

The merger of Saldhar into Apcotex, pursuant to and in accordance with this Scheme, shall take place with effect from the Appointed Date, but shall be operative from the Effective Date. Therefore, for all regulatory and tax purposes, the merger would be effective from the Appointed Date of the Scheme. Notwithstanding the above, the accounting treatment to be adopted to give effect to the provisions of the Scheme would be in consonance with Indian Accounting Standards, 103 (Ind AS 103) and the mere adoption of



such accounting treatment will not in any manner affect the vesting of the merger from the Appointed Date.

3. SHARE CAPITAL

3.1 The share capital of Saldhar as per the latest audited balance sheet as on March 31, 2016 is as under:

Authorized Capital	Amount (Rs.)
96,000 Equity Shares of Rs. 10/- each	9,60,000
400 Non-Cumulative Redeemable Preference Shares of Rs. 100/- each	40,000
Total	10,00,000
Issued, Subscribed and Paid-up Capital	Amount (Rs.)
10,000 Equity Shares of Rs. 10/- each, fully paid up	1,00,000
Total	1,00,000
Share Suspense Account	4,02,320

Subsequent to March 31, 2016, there is a change in the authorized, issued and subscribed share capital of Saldhar. Accordingly, the authorized, issued and subscribed share capital of Saldhar as on December 31, 2016 is as under:

Authorized Capital	Amount (Rs.)
4,46,000 Equity Shares of Rs.10/- each	44,60,000
400 Non-Cumulative Redeemable Preference Shares of Rs. 100/- each	40,000
Total	45,00,000
Issued, Subscribed and Paid-up Capital	Amount (Rs.)
50,232 Equity Shares of Rs. 10/- each, fully paid up	5,02,320
Total	5,02,320



3.2 The share capital of Apcotex as per the latest audited balance sheet as on March 31, 2016 is as under:

Authorized Capital	Amount (Rs.)
2,99,40,000 Equity Shares of Rs 5/- each	14,97,00,000
500 Preference Shares of Rs 100/- each	50,000
50,000 Unclassified Shares of Rs 5/- each	2,50,000
Total	15,00,00,000
Issued, Subscribed and Paid-up Capital	Amount (Rs.)
2,07,37,984 Equity Shares of Rs.5/- each	10,36,89,920
Amount forfeited on 78,051 shares at Rs 5/- each	3,90,255
Total	10,40,80,175

Subsequent to March 31, 2016, there is a change in the authorized share capital of Apcotex. Accordingly, the authorized, issued and subscribed share capital of Apcotex as on December 31, 2016 is as under:

Authorized Capital	Amount (Rs.)
6,22,60,000 Equity Shares of Rs 5/- each	31,13,00,000
500 Preference Shares of Rs 100/- each	50,000
50,000 Unclassified Shares of Rs 5/- each	2,50,000
Total	31,16,00,000
Issued, Subscribed and Paid-up Capital	Amount (Rs.)
2,07,37,984 Equity Shares of Rs.5/- each	10,36,89,920
Amount forfeited on 78,051 shares at Rs 5/- each	3,90,255
Total	10,40,80,175



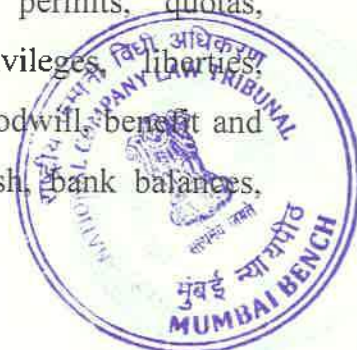
PART B

TRANSFER AND VESTING OF THE BUSINESS AND UNDERTAKING OF SALDHAR INTO APCOTEX

4. TRANSFER AND VESTING OF UNDERTAKING OF SALDHAR

4.1 With effect from the Appointed Date and upon the Scheme becoming effective, the entire business and undertakings including all its properties and assets (whether movable or immovable, tangible or intangible, present or future or contingent of whatsoever nature) of Saldhar shall, under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, and pursuant to the orders of the Tribunal, sanctioning the Scheme shall without any further act, deed, matter or thing, stand transferred to and vested in and/or deemed to be transferred to and vested in Apcotex so as to become the properties and liabilities of Apcotex free from all encumbrances, but subject to subsisting charges and pledges, if any.

4.2 With effect from the Appointed Date, the whole of the undertaking of Saldhar as a going concern, including its business, all secured and unsecured debts, liabilities, duties and obligations and all the assets, properties, rights, titles and benefits, whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but without being limited to land and building (whether owned, leased, licensed), all fixed and movable plant and machinery, vehicles, fixed assets, work in progress, current assets, reserves, provisions, funds, licenses, registrations, copyrights, brands, trade and service names, patents, trademarks and other rights and licenses in respect thereof, applications for copyrights, patents, trademarks, leases, licenses, tenancy rights, premise, hire purchase and lease arrangements, lending arrangements, joint venture agreements, benefits of security arrangements, computers, office equipment, telephones, telexes, facsimile connections, communication facilities, equipment and installations and utilities, electricity, water and other service connections, benefits of agreements, contracts and arrangements, powers, authorities, permits, quotas, entitlements, allotments, approvals, consents, privileges, liberties, advantages, easements and all rights, title, interest, goodwill, benefit and advantage, deposits, advances, receivables, funds, cash, bank balances,



accounts (including demat accounts with depository participants) and all other rights, benefits of all agreements, subsidies, grants, tax credits (including but not limited to benefits of tax relief including under the Income-tax Act, 1961 such as credit for advance tax, minimum alternate tax, taxes deducted at source etc), software license, domain/website etc all files, papers, records engineering and catalogues, data quotations sales/advertisement materials and former customers (price information)/suppliers (credit information) other records whether in physical, electronic form in connection/relating to Saldhar and other claims and powers, of whatsoever nature and wheresoever situated belonging to or in the possession of or granted in favour of or enjoyed by Saldhar whether in India or abroad as on the Appointed Date, shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions, if any, of the Act, and without any further act or deed, be transferred to and vested in and / or be deemed to be transferred to and vested in Apcotex as a going concern so as to become as from the Appointed Date the undertaking of Apcotex and to vest in Apcotex all the rights, title, interest or obligations of Saldhar therein.

- 4.3 Without prejudice to the generality of Clause 4.1 and 4.2 above, it is expressly provided that such of the assets of Saldhar that are tangible and movable including cash on hand, etc., shall with effect from the Appointed Date and subject to the provisions of this Scheme, be transferred by physical delivery and/or endorsement and delivery to Apcotex to the end and intent that the property therein passes to Apcotex upon such delivery.
- 4.4 Without prejudice to the generality of Clause 4.1 and 4.2 above, movable assets, other than those specified in Clause 4.3 above, including sundry debtors, outstanding loans recoverable in cash or in kind or value to be received, bank balances and deposits of Saldhar shall with effect from the Appointed Date and subject to provisions of this Scheme, stand transferred to and vested in Apcotex without any notice or other intimation to the debtors and the debtors shall be obliged to make payment to Apcotex. Apcotex may, if required, give notice in such form as it may deem fit and proper to each person, debtor or depositor that pursuant to the Scheme, the said person, debtor or depositor should pay the debt, loan or advance or



make good the same or hold the same to its account and that the right of Apcotex to recover or realise the same is in substitution of the right of Saldhar.

- 4.5 All the assets and properties which are acquired by Saldhar on or after the Appointed Date but prior to Scheme becoming effective shall be deemed to be and shall become the assets and properties of Apcotex and shall under the provisions of Sections 230 to 232 and all other applicable provisions if any of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in Apcotex upon the coming into effect of this Scheme pursuant to the provisions of Sections 230 to 232 of the Act.
- 4.6 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, permissions, approvals, quotas or consents to carry on the operations and business of Saldhar shall stand vested in or transferred to Apcotex without any further act or deed and shall be appropriately mutated by the statutory authorities concerned in favour of Apcotex. The benefit of all statutory and regulatory permissions registrations or other licenses and consents shall vest in and shall be in full force and effect against or in favour of Apcotex and may be enforced as fully and effectually as if instead of Saldhar, Apcotex had been the party thereto or the beneficiary or obligee thereof pursuant to this Scheme.
- 4.7 With effect from the Appointed Date, all debts, liabilities (including contingent liabilities), duties and obligations of every kind, nature and description of Saldhar, shall be deemed to have been transferred to Apcotex and to the extent they are outstanding on the Scheme becoming effective shall, without any further act, deed, matter or thing be and stand transferred to Apcotex and shall become the liabilities and obligations of Apcotex which undertakes to meet, discharge and satisfy the same and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities and obligations have arisen in order to give effect to the provisions of this Clause.
- 4.8 Where any of the debt, liabilities (including contingent liabilities), duties and obligations of Saldhar as on the Appointed Date, deemed to be



transferred to Apcotex has been discharged by Saldhar, after the Appointed Date and prior to the Scheme becoming effective, such discharge shall be deemed to have been for and on account of Apcotex, and all loans raised and used and all liabilities and obligations incurred by Saldhar after the Appointed Date and prior to the Scheme becoming effective shall be deemed to have been raised, used or incurred for and on behalf of Apcotex and to the extent they are outstanding on the Scheme becoming effective, shall also without any further act, deed, matter or thing stand transferred to Apcotex and become the liabilities and obligations of Apcotex which undertakes to meet, discharge and satisfy the same and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such loans and liabilities have arisen in order to give effect to the provisions of this Clause.

4.9 Loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between Saldhar and Apcotex shall, ipso facto, stand discharged and come to an end and there shall be no liability in that behalf on any party and appropriate effect shall be given in the books of accounts and records of Apcotex. It is hereby clarified that there will be no accrual of interest or other charges in respect of any such inter-company loans, advances and other obligations with effect from the Appointed Date.

4.10 The transfer and vesting of all the assets of Saldhar as aforesaid, shall be subject to the existing charges, mortgages and encumbrances, if any, over or in respect of any of the assets or any part thereof, provided however that such charges, mortgages and/or encumbrances shall be confined only to the relative assets of Saldhar or part thereof on or over which they are subsisting on transfer to and vesting of such assets in Apcotex and no such charges, mortgages, and/or encumbrances shall be enlarged or extend over or apply to any other asset(s) of Apcotex. Any reference in any security documents or arrangements (to which Saldhar is a party) to any assets of Saldhar shall be so construed to the end and intent that such security shall not extend, nor be deemed to extend, to any of the other asset(s) of Apcotex and Apcotex



shall not be obliged to create any further or additional security. Similarly, Apcotex shall not be required to create any additional security over assets of Saldhar vested in Apcotex under this Scheme for any loans, debentures, deposits or other financial assistance already availed by it and/or committed to be availed by it prior to the amalgamation and the charges, mortgages, and/ or encumbrances in respect thereof shall not extend or be deemed to extend or apply to the assets of Saldhar as the case may be, vested in Apcotex under this Scheme. Further clarified that the filing of certified copies of the order of the Tribunal sanctioning the Scheme with the relevant Registrar of Companies shall be deemed to be sufficient for creating or modifying the charge in favor of the secured creditors of Saldhar as required as per the provisions of this Scheme.

- 4.11 Without prejudice to the provisions of the foregoing clauses and upon the Scheme becoming effective, Saldhar and Apcotex shall execute all such instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies, Mumbai to give formal effect to the above provisions, if required.
- 4.12 Upon the Scheme being sanctioned and taking effect, Apcotex shall be entitled to operate all bank accounts (including demat accounts) related to Saldhar and all cheques, drafts, pay orders, instruction slips, direct and indirect tax balances and/or payment advices of any kind or description issued in favour of Saldhar, either before or after the Appointed Date, or in future, may be deposited with the bank / depository participant of Apcotex and credit of all receipts thereunder will be given in the accounts of Apcotex.
- 4.13 The amalgamation of Saldhar with Apcotex, pursuant to and in accordance with this Scheme covered in Clause 4.1 to 4.12 above, shall be in accordance with Section 2(1B) of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with the said



Section. Such modification will however not affect the other parts of the Scheme.

5. TAXATION MATTERS

5.1 Upon this Scheme becoming effective i.e. from the Appointed Date, all taxes payable by Saldhar under the Income-tax Act, 1961 or other applicable laws/regulations dealing with taxes/ duties/ levies (hereinafter referred to as "tax laws"), shall be to the account of Apcotex, similarly all credits for tax deduction at source on income of Saldhar or obligation for deduction of tax at source on any payment made by or to be made by Saldhar shall be made or deemed to have been made and duly complied with by Apcotex if so made by Saldhar. Similarly any advance tax payment required to be made for by the specified due dates in the tax laws shall also be deemed to have been made by Apcotex if so made by Saldhar. Further the Minimum Alternate Tax paid by Saldhar under section 115JB and / or other provisions (as applicable) of the Income-tax Act, 1961, shall be deemed to have been paid on behalf of Apcotex, and the Minimum Alternate Tax credit (if any) of Saldhar as on the Appointed Date shall stand transferred to Apcotex and such credit would be available for set-off against the tax liabilities of Apcotex. Any refunds under the tax laws due to Saldhar consequent to the assessments made on Saldhar and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by Apcotex.

5.2 All taxes of any nature, duties, cesses or any other like payments or deductions made by Saldhar or any of its agents to any statutory authorities such as income tax, or any tax deduction / collection at source, tax credits under tax laws, relating to the period after the Appointed Date shall be deemed to have been on account of or paid by Apcotex, and the relevant authorities shall be bound to transfer to the account of and give credit for the same to Apcotex upon relevant proof and documents being provided to the said authorities.

5.3 On or after the Scheme becoming effective, Saldhar and Apcotex are expressly permitted to revise their financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act, 1961 (including for the purpose of re-computing tax on book profits and



claiming other tax benefits), and other tax laws, and to claim refunds and/or credits for taxes paid, and to claim tax benefits etc. and for matters incidental thereto, if required to give effect to the provisions of the Scheme from the Appointed Date.

6. **CONTRACTS, DEEDS, APPROVALS, EXEMPTIONS, ETC.**

- 6.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements, indemnities, licenses, permits, registrations, approvals, insurance policies, and other instruments, if any including tenancies, licenses and other assurances of Saldhar or the powers or authorities granted by way of any of them, of whatsoever nature to which Saldhar is a party or to the benefit of which Saldhar may be eligible, and which are subsisting or having effect on the Scheme becoming effective, shall without any further act, deed, instrument, matter or thing be and remain in full force and effect against or in favour of Apcotex, as the case may be, and may be enforced by or against Apcotex as fully and effectually as if, instead of Saldhar, Apcotex had been a party thereto or beneficiary or obligee thereto.
- 6.2 Without prejudice to Clause 6.1 above, Apcotex shall enter into and/ or issue and/ or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which Saldhar shall, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required. Further, Apcotex shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of Saldhar and to implement or carry out all formalities required on the part of Saldhar to give effect to the provisions of this Scheme.

7. **LEGAL PROCEEDINGS**

- 7.1 All legal proceedings of whatsoever nature by or against Saldhar pending and/ or arising on or after the Appointed Date and relating to Saldhar 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 Apcotex in the manner and to the same extent as would or might have been continued and enforced by or against Saldhar if this Scheme had not been made.



7.2 Apcotex undertakes to have all legal or other proceedings initiated by or against Saldhar referred to in Clause 7.1 above transferred in its name respectively and to have the same continued, prosecuted and enforced by or against Apcotex to the same extent as would or might have been continued and enforced by or against Saldhar to the exclusion of Saldhar.

8. STAFF & EMPLOYEES

8.1 Upon this Scheme becoming effective, all employees of Saldhar shall be deemed to have become employees of Apcotex with effect from the Appointed Date without any break, discontinuance or interruption in their service and on the basis of continuity of service, and the terms and conditions of their employment with Apcotex shall not be less favorable than those applicable to them with reference to Saldhar on the date on which scheme becomes effective.

9. CONSIDERATION

9.1 Upon the Scheme becoming effective and upon the amalgamation of Saldhar with Apcotex in terms of this Scheme, Apcotex shall without any application or deed, issue and allot equity shares, credited as fully paid up, to the extent indicated below, to the members of Saldhar holding fully paid up equity shares of Saldhar and whose name appear in the register of members of Saldhar on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of Saldhar/Apcotex in the following proportion:

“1,05,98,300 fully paid-up equity shares (face value of INR 5 each) of Apcotex against 1,05,98,300 fully paid equity shares (face value of INR 5 each) of Apcotex held by Saldhar in Apcotex shall be issued and allotted to shareholders of Saldhar in the proportion of their holding in Saldhar.

“In the event Saldhar holds more than 1,05,98,300 fully paid up equity shares of Apcotex (without incurring any additional liability) on the Record Date, such additional number of equity shares of Apcotex (if any) as may be held by Saldhar in Apcotex, shall also be issued and allotted to the equity shareholders of Saldhar in proportion to their holding in Saldhar”.



- 9.2 It is clarified that any positive net assets of Saldhar as on the Appointed Date, other than the investment in the shares of Apcotex, will not affect/alter the share exchange ratio.
- 9.3 The equity shares issued and allotted pursuant to Scheme of Amalgamation and shall be hereinafter referred to as "New Equity Shares".
- 9.4 The New Equity Shares to be issued to the members of Saldhar shall be in multiples of 1 (One) and, in case of any fractional entitlement, the same shall be rounded to the nearest integer. However, in no event shall the number of New Equity Shares to be allotted by Apcotex to the shareholders of Saldhar exceed the number of equity shares held by Saldhar in Apcotex on the Record Date.
- 9.5 The New Equity Shares to be issued to the members of Saldhar as above shall be subject to the Memorandum and Articles of Association of Apcotex. Further, the New Equity Shares issued shall rank *pari passu* with the existing equity shares of Apcotex in all respects including dividends, if any that may be declared by Apcotex on or after the Scheme becoming effective, as the case may be.
- 9.6 The issue and allotment of the New Equity Shares to the shareholders of Saldhar as provided in Clause 9.1 of this Scheme, is an integral part of the Scheme thereof, and shall be deemed to be have carried out without requiring any further act on the part of Apcotex or its shareholders as if the procedure laid down under Section 62 of the Act and any other applicable provisions of the Act, were duly complied with.
- 9.7 The New Equity Shares shall be issued in dematerialized form to those equity shareholders of Saldhar, whose details relating to their accounts with the depository participants are available with Apcotex. All those equity shareholders who desire to obtain New Equity Shares in physical form shall be issued New Equity Shares in physical form, at the option of such shareholders to be exercised by them on or before the Record Date by giving a notice in writing to Apcotex.
- 9.8 The investment held by Saldhar in the equity share capital of Apcotex shall be cancelled without any further application, act, instrument or deed stand cancelled. The share certificates, if any, in relation to the shares held by Saldhar shall be of



no effect and the shares held by Saldhar in dematerialized form shall be extinguished on and from such issue and allotment of New Equity Shares.

10. LISTING OF NEW EQUITY SHARES OF APCOTEX

10.1 The New Equity Shares to be issued and allotted in terms of Clause 9.1 above, shall, in compliance with the requirement of applicable regulations, be listed and/or admitted to trading on the Stock Exchange where the existing equity shares of Apcotex are listed. Apcotex shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with applicable laws or regulations for complying with the formalities of the Stock Exchange. On such formalities being fulfilled, the Stock Exchange shall list and/or admit the New Equity Shares for the purpose of trading.

11. REDUCTION OF SHARE CAPITAL

11.1 Upon the Scheme becoming effective and simultaneous to the New Equity Shares being issued by Apcotex, the equity shares of Apcotex held by Saldhar on Scheme becoming effective shall be cancelled without any further act or deed without any payment or consideration and no shares of Apcotex shall be issued in lieu thereof to that extent. Accordingly, the share capital of Apcotex shall stand reduced to the extent of face value of shares held by Saldhar as on the Effective date.

11.2 Such reduction of share capital of Apcotex as provided in Clause 11.1 above shall be effected as integral part of the Scheme.

12. ACCOUNTING TREATMENT ON MERGER OF SALDHAR INTO APCOTEX

12.1 Apcotex shall account for the merger in accordance with Pooling of Interest method in accordance with IndAS 103 notified under the provisions of the Companies Act, 2013 read with relevant rules framed thereunder and other applicable accounting standards prescribed under the Act.

12.2 The assets and liabilities of Saldhar transferred to and vested in Apcotex shall be recorded at their respective carrying amount and in the same form as appearing in the books of accounts of Saldhar.

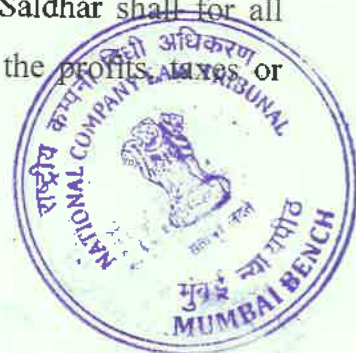


- 12.3 The reserves of Saldhar (other than reserves created as per the Reserve Bank of India Act) will be taken over and merged in the books of Apcotex at the same value and nomenclature as appearing in the books of Saldhar. The Reserves created in the books of Saldhar as per the Reserve Bank of India Act will be taken over and merged in General Reserves in the books of Apcotex.
- 12.4 The shares of Apcotex held by Saldhar shall not be recorded by Apcotex and shall be cancelled.
- 12.5 To the extent there are inter-company loans, advances, deposits, balances or other obligations amongst Saldhar and Apcotex, the obligation in respect thereof will come to an end and corresponding effect shall be given in the books of account and records of Apcotex as well as Saldhar for the reduction of any assets or liabilities as the case may be.
- 12.6 The difference between the assets and liabilities of Saldhar transferred to and recorded by Apcotex in terms of Clause 12.2 and the reserves referred to in Clause 12.3 above, over the amount credited as share capital in terms of Clause 9.1 and the amount of shares cancelled in accordance with Clause 11.1, hereinabove (after adjusting intercompany balances and investments as mentioned in Clause 12.4 and Clause 12.5 above) shall be adjusted against Capital Reserve.

13. CONDUCT OF BUSINESS UNTIL THE SCHEME BECOMES EFFECTIVE

With effect from the Appointed Date and upto the date the Scheme becomes effective:

- 13.1 Saldhar shall (i) carry on and be deemed to have carried on its businesses and activities; and (ii) be deemed to have held and stood possessed of and shall hold and stand possessed of its entire businesses and undertakings, including assets for and on account of and in trust for Apcotex.
- 13.2 All the profits, taxes or income accruing or arising to Saldhar or costs, charges, expenditure or losses incurred or arising to Saldhar shall for all purposes be treated and deemed to be and accrue as the profits, taxes or



income or cost, charges, expenditure or losses (as the case may be) of Apcotex.

- 13.3 Saldhar shall carry on its businesses and activities in the ordinary course of business with reasonable diligence and business prudence and shall not undertake financial commitments either for itself or on behalf of group companies or any third party or sell, transfer, alienate, charge, or encumber or otherwise deal with or dispose of its business or undertaking or any part thereof, save and except in the ordinary course of business or with the prior written consent of Apcotex. Notwithstanding, the aforesaid, Saldhar will not, in any event, transfer or otherwise dispose of or create any form of encumbrance in any manner over the shares held by Saldhar in Apcotex.
- 13.4 Apcotex shall be entitled to apply to the Central Government and any other Government or statutory authorities/agencies/body concerned as are necessary under any law for such consents, approvals, licenses, registrations and sanctions which Apcotex may require to carry on the business of Saldhar.
- 13.5 Any income, profits or other funds of Saldhar will first be utilized to meet any current or expected liabilities of Saldhar, including any tax liabilities or costs in relation to the amalgamation of Saldhar with Apcotex, before they are utilized for other purposes, including but not limited to utilization in accordance with Clause 17 of this Scheme.
- 13.6 With effect from the Appointed Date and upto and including upto the date the Scheme becomes effective, in the event Apcotex distributes dividend (including interim dividend) or issues bonus shares or offers rights shares to its shareholders, Saldhar shall be entitled to receive such dividend and bonus shares, and subscribe to such rights shares offered by Apcotex.

14. SAVING OF CONCLUDED TRANSACTIONS

- 14.1 The transfer and vesting of the assets, liabilities and obligations pertaining /relating to Saldhar, pursuant to this Scheme, and the continuance of the proceedings by or against Apcotex, under Clause 7 hereof shall not affect any transactions or proceedings already completed by Saldhar, on and after the Appointed Date to the end and intent that Apcotex accepts all acts, deeds and things done and executed by and/ or on behalf of Saldhar, as acts, deeds and things done and executed by and on behalf of Apcotex.



15. DISSOLUTION OF SALDHAR

- 15.1 Upon the coming into effect of the Scheme, Saldhar shall, without any further act, instrument or deed, stand dissolved without winding up.



PART C

GENERAL TERMS AND CONDITIONS

16. COMBINATION OF AUTHORISED SHARE CAPITAL AND AMENDMENT OF MEMORANDUM AND ARTICLES OF ASSOCIATION

16.1 The authorised share capital of Saldhar aggregating to Rs 45,00,000 divided into 4,46,000 equity shares of Rs 10/- each and 400 Non-Cumulative Redeemable Preference Shares of Rs. 100/- each shall stand transferred to and combined with the authorised share capital of Apcotex and shall be re-classified without any further act or deed. The filing fees and stamp duty already paid by Saldhar on its authorised share capital shall be deemed to have been so paid by Apcotex on the combined authorised share capital and accordingly Apcotex shall not be required to pay any fees/stamp duty on the authorised share capital so increased.

16.2 Pursuant to the Scheme, the authorised share capital of Apcotex will be as under:

Particulars	Amount (in Rs.)
Authorised Capital	
6,31,60,000 Equity Shares of Rs 5/- each	31,58,00,000
500 Preference Shares of Rs 100/- each	50,000
50,000 Unclassified Shares of Rs 5/- each	250,000
Total	31,61,00,000

16.3 Clause V of the Memorandum of Association of Apcotex shall be substituted by the following clause:

“The Authorised Share Capital of the Company is Rs 31,61,00,000 (Rupees Thirty One Crore and Sixty One Lakhs Only) divided into 6,31,60,000 (Six Crore Thirty One Lakhs and Sixty Thousand) Equity Shares of Rs 5/- (Rupees Five Only) each and 500 (Five Hundred) Preference Shares of Rs 100/- (One Hundred) each and 50,000 (Fifty Thousand) Unclassified Shares of Rs 5/- (Rupees Five) each.”

16.4 Clause 2(a) of the Articles of Association of Apcotex be substituted by the following clause:



"The Authorised Share Capital of the Company is Rs 31,61,00,000 (Rupees Thirty One Crore and Sixty One Lakhs Only) divided into 6,31,60,000 (Six Crore Thirty One Lakhs and Sixty Thousand) Equity Shares of Rs 5/- (Rupees Five Only) each and 500 (Five Hundred) Preference Shares of Rs 100/- (One Hundred) each and 50,000 (Fifty Thousand) Unclassified Shares of Rs 5/- (Rupees Five) each."

- 16.5 Apcotex shall file the requisite documents/information with the Registrar of Companies or any other Applicable Authority for such increase of the authorised share capital and amendment of its Memorandum of Association and Articles of Association.
- 16.6 It is further clarified that combination of authorised share capital shall become operative on the scheme becoming effective and the approval of the members of Apcotex to the Scheme shall be deemed to be their consent/approval for the consolidation and increase of authorized share capital, amendment to the capital clause of the Memorandum of Association, under the provisions of Sections 13, 14 and 61 of the Act and other applicable provisions of the Act.
- 17. DIVIDENDS/ACQUISITION OF ADDITIONAL SHARES OF APCOTEX**
- 17.1 Apcotex shall be entitled to declare and pay dividends, whether interim and/or final, to its members, including Saldhar, in respect of the accounting period prior to Scheme becoming effective.
- 17.2 Until the Scheme becomes effective, Saldhar may utilize its income/available cash, if any, (a) for declaration or payment of dividend, whether interim or final, to its shareholders; (b) for further acquisition of equity shares of Apcotex, including by way of purchase on floor of Stock Exchange; and/or (c) meeting its expenses in the ordinary course of business or for the purposes specified in the Scheme.
- 17.3 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of Apcotex/Saldhar to demand or claim dividend which, subject to the provisions of the Act, shall be entirely at the discretion of the Board of Directors of Apcotex and Saldhar.



17.4 It is clarified that upon amalgamation of Saldhar with Apcotex in terms of this Scheme, Apcotex will issue and allot such additional number of New Equity Shares of Apcotex to the equity shareholders of Saldhar as on the Record Date in accordance with Clause 9 of the Scheme, in lieu of additional equity shares of Apcotex (if any) acquired by Saldhar in accordance with Clause 17.2 of the Scheme. Further, such additional shares of Apcotex (if any) acquired by Saldhar in accordance with Clause 17.2 of the Scheme, shall also stand cancelled in accordance with Clause 11 of the Scheme upon amalgamation of Saldhar with Apcotex and issuance of New Equity Shares by Apcotex to the equity shareholders of Saldhar on the Scheme becoming effective.

18. APPLICATION

18.1 Saldhar and Apcotex shall make necessary applications before the Tribunal for the sanction of this Scheme under Sections 230 to 232 of the Act and other applicable provisions of the Act, and for seeking orders for dispensing with or convening, holding and/or conducting of the meetings of respective shareholders/creditors and for sanctioning of this Scheme.

19. MODIFICATIONS/AMENDMENTS TO THE SCHEME

19.1 Saldhar and Apcotex by their respective Board of Directors may assent to any modifications/amendments to the Scheme or to any conditions or limitations that the Tribunal and/or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e. the Board of Directors).

19.2 The term 'any other authority' referred to in Clause 19.1 above, shall specifically include the Stock Exchanges with which the shares of Apcotex are listed and with which Apcotex shall file a copy of the Scheme under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 or any other Government authority.

19.3 No modification or amendment to the Scheme will be carried out or effected by the Board without approaching the Tribunal.

19.4 Saldhar and Apcotex by their respective Board of Directors be and are hereby authorized to take all such steps as may be necessary, desirable or



proper to resolve any doubts, difficulties or questions of law or otherwise, whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

19.5 Saldhar and Apcotex in their full and absolute discretion, may modify, vary or withdraw this Scheme prior to the Scheme becoming effective in any manner at any time.

20. CONDITIONALITY OF THE SCHEME

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

- 20.1 The Scheme being approved by the requisite majorities of the members and/or creditors if required of Saldhar and Apcotex, as prescribed under the Act and as may be directed by the Tribunal or any other appropriate authority as may be applicable;
- 20.2 Apcotex complying with other provisions of the SEBI circular, including seeking approval of its shareholders through e-voting. The Scheme shall be acted upon only if the number of votes cast by public shareholders in favour of the proposal are more than the number of votes cast by public shareholders against it, in accordance with the aforesaid SEBI circular. The term 'public' shall carry the same meaning as defined under Rule 2 of Securities Contracts (Regulation) Rules, 1957;
- 20.3 The requisite sanctions and approvals of any Government authority including Stock Exchanges and SEBI, as may be required by law, in respect of the Scheme being obtained;
- 20.4 The sanction of this Scheme by the Tribunal under Sections 230 to 232 of the Act, and other applicable provisions, if any of the Act in favour of Saldhar and Apcotex; and
- 20.5 Certified or authenticated copy of the Order of the Tribunal sanctioning the Scheme being filed with the Registrar of Companies, Mumbai, by Saldhar and Apcotex respectively.

21. EFFECT OF NON-RECEIPT OF APPROVALS



21.1 In the event of any of the said sanctions and approvals referred to in the Clause 20 not being obtained or for any other reason, the Scheme cannot be implemented on or before December 31, 2018 or within such further period(s) that the Boards of Saldhar and Apcotex may mutually agree upon (and which the Board of Directors of Saldhar and Apcotex are hereby empowered and authorized to agree to and extend the Scheme from time to time without any limitation), or Saldhar and Apcotex withdraw from this Scheme pursuant to Clause 19 above, the Scheme shall become null and void and in such event no rights or liabilities whatsoever shall accrue to or be incurred by Saldhar and Apcotex or their shareholders or creditors or employees or any other person.

22. INDEMNITY BY SHAREHOLDERS OF SALDHAR

22.1 The shareholders of Saldhar shall indemnify and hold harmless Apcotex and its directors, officers, representatives, employees and agents (collectively the "Indemnified Persons") for losses, liabilities, costs, charges, expenses whether or not resulting from third party claims, including those paid or suffered pursuant to any actions, proceedings, claims and including interest and penalties discharged by the Indemnified Persons, which may devolve on the Indemnified Persons on account of amalgamation of Saldhar into Apcotex but would not have been payable by such Indemnified Persons otherwise, in the form and manner as may be agreed amongst Apcotex and shareholders of Saldhar.

23. COSTS, CHARGES AND EXPENSES

23.1 All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne by Saldhar and / or its shareholders.

24. DIFFERENCES

24.1 In case any doubt or difference or issue (in relation to the Scheme) arises between Saldhar and Apcotex, any of their shareholders, creditors, employees or persons, entitled to or claiming any right to any New Equity Shares in Apcotex or as to the interpretation of any terms of the Scheme or implementation of the Scheme after the Scheme becomes effective, then the



Board of Directors of Apcotex shall resolve all such disputes and its decision shall be final and binding on all concerned.

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Copy prepared on 09.02.2018
Copy Issued on 09.02.2018



Deputy Director
National Company Law Tribunal, Mumbai Bench



BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH
COMPANY SCHEME PETITION NO. 1085 OF 2017

In the matter of the Companies Act, 2013

And

In the matter of Sections 230 to 232 of the
Companies Act, 2013 and other applicable
provisions of the Companies Act, 2013

And

In the matter of Scheme of Amalgamation
between Saldhar Investments and Trading
Company Private Limited having CIN
U67120MH1979PTC021881 ('Transferor
Company' or 'Saldhar') and Apcotex
Industries Limited having CIN
L99999MH1986PLC039199 ('Transferee
Company' or 'Apcotex') and their respective
Shareholders



Apcotex Industries Limited

.....Petitioner Company

**CERTIFIED COPY OF THE MINUTES OF ORDER
DATED 1st FEBRUARY 2018 ALONG WITH
SCHEME OF AMALGAMATION**

M/S HEMANT SETHI & CO
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