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MEMORANDUM & ARTICLES  
OF  
ASSOCIATION  
OF  
JAYSYNTH ORGOCHEM LIMITED  
*(Formerly Known as JD ORGOCHEM LIMITED)*

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सत्यमेव जयते

**GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS**

Central Processing Centre  
Manesar, Plot No. 6,7, 8, Sector 5, IMT Manesar, Gurgaon, Haryana, 122050, India

Corporate Identity Number: L24100MH1973PLC016908 / L24100MH1973PLC016908

**SECTION 13(1) OF THE COMPANIES ACT, 2013**

Certificate of Registration of the Special Resolution Confirming Alteration of Object Clause(s)

The shareholders of M/s JAYSYNTH ORGOCHEM LIMITED having passed Special Resolution in the Annual/Extra Ordinary General Meeting held on null altered the provisions of its Memorandum of Association with respect to its objects and complied with the Section 13(1) of the Companies Act, 2013.

I hereby certify that the said Special Resolution together with the copy of the Memorandum of Association as altered has this day been registered.

Given under my hand at ROC, CPC this NINTETH day of SEPTEMBER TWO THOUSAND TWENTY FOUR

Document certified by DS CPC 1  
<VIVEK.MEENA@GOV.IN>

Digitally signed by  
DS CPC 1  
Date: 2024.09.09 14:47:27 IST

N Chinnachamy

Assistant Registrar of Companies/ Deputy Registrar of Companies/ Registrar of Companies

Central Processing Centre

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Mailing Address as per record available in Registrar of Companies office:

**JAYSYNTH ORGOCHEM LIMITED**

**301 SUMER KENDRAP B MARG WORLI, NA, MUMBAI- 400018, Maharashtra, India**





**GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS**

Office of the Central Processing Centre

Manesar, Plot No. 6,7, 8, Sector 5, IMT Manesar, Gurgaon, Haryana, 122050, India

**Certificate of Incorporation pursuant to change of name**

[Pursuant to rule 29 of the Companies (Incorporation) Rules, 2014]

Corporate Identification Number (CIN): **L24100MH1973PLC016908**

I hereby certify that the name of the company has been changed from JD ORGOCHEM LIMITED to JAYSYNTH ORGOCHEM LIMITED with effect from the date of this certificate and that the company is Company limited by shares.

Company was originally incorporated with the name JD ORGOCHEM LIMITED

Given under my hand at ROC, CPC this THIRD day of JULY TWO THOUSAND TWENTY FOUR

Document certified by DS CPC 1  
<VIVEK.MEENA@GOV.IN>

Digitally signed by  
DS CPC 1  
Date: 2024.07.03 19:51:09 IST

N Chinnachamy

Assistant Registrar of Companies/ Deputy Registrar of Companies/ Registrar of Companies

Central Processing Centre

Note: The corresponding form has been approved by N Chinnachamy, Central Processing Centre, and this order has been digitally signed by the Registrar of Companies through a system generated digital signature under rule 9(2) of the Companies (Registration Offices and Fees) Rules, 2014.

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Mailing Address as per record available in Registrar of Companies office:

JAYSYNTH ORGOCHEM LIMITED

301 SUMER KENDRAP B MARG WORLI, NA, MUMBAI- 400018, Maharashtra, India

Note: This certificate of incorporation is in pursuance to change of name by the Company and does not affects the rights and liabilities of stakeholders pursuant to such change of name. It is obligatory on the part of the Company to display the old name for a period of two years along with its new name at all places wherever a Company is required to display its name in terms of Section 12 of the Act. All stakeholders are advised to verify the latest status of the Company and its Directors etc and view public documents of the Company on the website of the Ministry [www.mca.gov.in/MCA21](http://www.mca.gov.in/MCA21)





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**GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS**

Central Processing Centre  
Manesar, Plot No. 6,7, 8, Sector 5, IMT Manesar, Gurgaon, Haryana, 122050, India

Corporate Identity Number: L24100MH1973PLC016908 / L24100MH1973PLC016908

**SECTION 13(1) OF THE COMPANIES ACT, 2013**

Certificate of Registration of the Special Resolution Confirming Alteration of Object Clause(s)

The shareholders of M/s JD ORGOCHEM LIMITED having passed Special Resolution in the Annual/Extra Ordinary General Meeting held on 21/12/2023 altered the provisions of its Memorandum of Association with respect to its objects and complied with the Section 13(1) of the Companies Act, 2013.

I hereby certify that the said Special Resolution together with the copy of the Memorandum of Association as altered has this day been registered.

Given under my hand at ROC, CPC this TWENTY EIGHTH day of JUNE TWO THOUSAND TWENTY FOUR

Document certified by DS CPC 1  
<VIVEK.MEENA@GOV.IN>

Digitally signed by  
DS CPC 1  
Date: 2024.06.28 16:57:54 IST

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Assistant Registrar of Companies/ Deputy Registrar of Companies/ Registrar of Companies

Central Processing Centre

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Mailing Address as per record available in Registrar of Companies office:

**JD ORGOCHEM LIMITED**

**301 SUMER KENDRAP B MARG WORLI, NA, MUMBAI- 400018, Maharashtra, India**



No.11- 16908

FRESH CERTIFICATE OF INCORPORATION  
CONSEQUENT ON CHANGE OF NAME  
IN THE OFFICE OF THE REGISTRAR OF COMPANIES, MAHARASHTRA,  
MUMBAI.

In the matter of JAYSYNTH DYECHEM 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 JAYSYNTH DYECHEM LIMITED

to JD ORGOCHEM LIMITED

and I hereby certify that

JAYSYNTH DYECHEM LIMITED


Which was originally incorporated on FIFTH  
day of OCTOBER, 1973 under the Companies Act, I of 1956  
under the name

JAYSYNTH DYECHEM PRIVATE LIMITED

having duly passed necessary resolution in terms of section  
21 / / / of the Companies Act, 1956 the name of the  
said company is this day changed to JD ORGOCHEM LIMITED  
and this certificate is issued  
pursuant to Section 23(1) of the said Act.

Given under my hand at MUMBAI this NINETEENTH  
day of DECEMBER Two Thousand THREE.



  
(S.C.GUPTA)

DEPUTY REGISTRAR OF COMPANIES  
MAHARASHTRA MUMBAI.

The company became  
Public company by  
Passing special Resolution  
u/s 31 of the Act on 29/10/88.



सत्यमेव जयते

The word 'Private' deleted  
u/s 43A(1-A) with  
effect from 15/6/88

Asstt. Registrar of Companies  
Maharashtra, Bombay.

## CERTIFICATE OF INCORPORATION

Asstt. Registrar of Companies  
Maharashtra, Bombay.

No. 16908

1973-74

I hereby certify that JAYSYNTH DYECHEM PRIVATE  
LIMITED.

\*Asstt. Registrar of Companies\*  
Maharashtra, Bombay.

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

and that the Company is Limited.

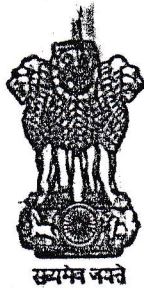
Given under my hand at BOMBAY

this FIFTH day of OCTOBER

One thousand nine hundred and SEVENTY THREE.



Rani Bansal  
(R.N. Bansal)  
Registrar of Companies,  
Maharashtra



The word 'Private' deleted  
u/s 43A(1-A) with  
effect from 15/6/88

Asstt. Registrar of Companies  
Maharashtra, Bombay.

## CERTIFICATE OF INCORPORATION

No. 16908 1973-74

I hereby certify that JAYSYNTH DYECHEM PRIVATE  
LIMITED. *deleted u/s 43A (1-A) with effect from 15/6/88*  
Asstt. Registrar of Companies  
Maharashtra, Bombay.

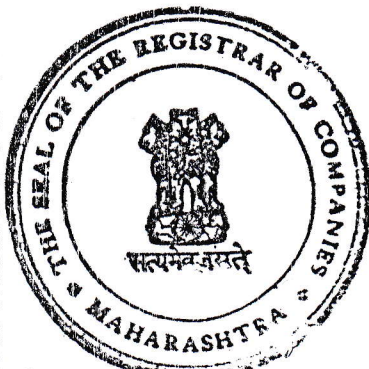
is this day incorporated under the Companies Act, 1956 (No. 1 of 1956)

and that the Company is Limited.

Given under my hand at BOMBAY

this FIFTH day of OCTOBER

One thousand nine hundred and SEVENTY THREE.



*Ravi Bansal*  
(R.N. Bansal)  
Registrar of Companies,  
Maharashtra



सत्यमेव जयते

## CERTIFICATE OF INCORPORATION

No. 16908 1973-74

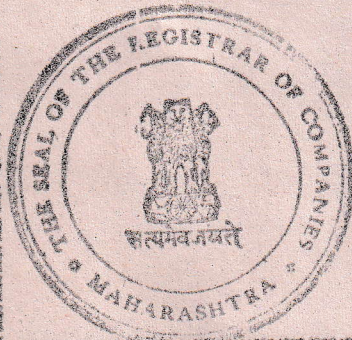
I hereby certify that JAYSYNTH DYECHEM PRIVATE  
LIMITED. \*\*

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

Given under my hand at BOMBAY

this FIFTH day of OCTOBER

One thousand nine hundred and SEVENTY THREE.



*Ram Bangal*  
(R.N. Bangal)  
Registrar of Companies,  
Maharashtra

**THE COMPANIES ACT, 1956**  
**COMPANY LIMITED BY SHARES**  
**MEMORANDUM OF ASSOCIATION OF**  
**JAYSYNTH ORGOCHEM LIMITED<sup>#</sup>**  
**(Formerly Known as JD Orgochem Limited)**

- I. The name of the Company is **JAYSYNTH ORGOCHEM LIMITED<sup>#</sup>**.
- II. The Registered Office of the Company will be situated in the State of Maharashtra.
- III. The objects for which the Company is established are:-

**A. MAIN OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION\*<sup>\$</sup>:**

1. *To carry on in India or elsewhere the business as manufacturers, processors, importers, exporters, producers, buyers, sellers, dealers, consignors, consignees, agents, stockist, suppliers and brokers of all kinds, types and nature of Dyes, Dyes intermediates, Auxiliaries, Pigments, Pigments dispersion, Inks for Digital printing and implementation of the Turnkey Project of Dyes, Dyes Intermediates, Auxiliaries, Pigments, Pigments dispersion, Inks for Digital printing and its intermediates.*
2. *To carry on in India or elsewhere the business as manufacturers, processors, importers, exporters, producers, buyers, sellers, dealers, consignors, consignees, agents, stockist, suppliers and brokers of heavy chemicals, fine chemicals, organic and inorganic chemicals, specialty chemicals, industrial chemicals, alkalis, acids, drugs, tannins, essences, salts, marine minerals, pharmaceuticals, sizing medicinal and photographic and other waters, cement, oil, paints, pigments, and varnishes, compounds, drug, dye- organic or mineral intermediates, paints and colour grinders, chemical and photographic.*
3. *To carry on the business as importers, exporters, buyers, sellers, stockist, agents, dealers, consignors, consignees, suppliers, trading and brokers of Digital Inkjet Printers, Spares, Hardware, Accessories and Solutions for Digital textile printing including jobwork for Digital textile printing.*

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**#**The name of the Company has been changed from “**JD ORGOCHEM LIMITED**” to “**JAYSYNTH ORGOCHEM LIMITED**”, pursuant to the Composite Scheme of Arrangement for (i) Reduction of Capital and Re-organisation of reserves of JD Orgochem Limited (“JDOL” or “Transferee Company” for Part C of the Scheme) and (ii) Amalgamation of (by way of merger) Jaysynth Dyestuff (India) Limited (“JDIL” or “Transferor Company 1” for Part D of the Scheme), Jaysynth Impex Private Limited (Formerly known as Jaysynth Impex Limited) (“JIPL” or “Transferor Company 2” for Part D of the Scheme) with and into JD Orgochem Limited (“JDOL” or “Transferee Company” for Part D of the Scheme) and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“the Scheme” or “this Scheme”) as approved by the Hon’ble National Company Law Tribunal (‘NCLT’), Mumbai bench dated 17<sup>th</sup> April, 2024.

**\***Pursuant to the Scheme of Arrangement as approved by the Hon’ble National Company Law Tribunal (‘NCLT’), Mumbai Bench dated 17<sup>th</sup> April, 2024, the Main objects of the Transferor Companies are incorporated in the Main objects of the Company

**\$** Altered and amended by passing special resolution through Postal Ballot dated 16<sup>th</sup> August, 2024.

**B. OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS\*§**

4. To manufacture and produce and either as principals or agents, trade and deal in any articles belonging to any business which the company may carry on and all apparatus, appliances, and things used in connection therewith or with any inventions patents, or privileges for the time being belonging to the Company.
5. To carry on business as importers, exporters, manufacturers rrierchants or dealers in ores, metals and metalware, chemicals and other preparations, processes and articles, second hand or used machinery, tools, scrap metal and metallic residues, engineering products and by-products and waste and scrap materials, good of any kind and other trade or business whatsoever.
6. To carry on the business of thing and to crush, win, get, quarry semelt, calcine, refine, dress, amalgamate and prepare for market, ore, metal and mineral substances of all kinds and carry on any other metallurgical operations wjocj may seem conducive to the Company's object,
7. To apply for tender, purchase or otherwise acquire any contracts, sub-contracts, licenses, and concessions for or in relation to the objects or business herein mentioned or any of them and to undertake, execute, carry out, dispose of or otherwise turn to account the same.
8. To carry out research and develop any special alloys for use in manufacture or sale and distribution.
9. To buy, sell, manufacture, plant. cultivate, produce, prepare. treat, repair, alter, manipulate, exchange, hire, let on hire, import. export, dispose of and deal in all kinds of articles, and things which may be required for the purposes of any of the business which the Company is expressly or by implication authorized by this Memorandum to carry on or which are commonly supplied or dealt in by persons engaged in any such business or which may seem capable of being profitably dealt with the connection with any of the said business of the company.
10. To take or otherwise acquire and hold shares in any other company, and to pay for any properties, right or privileges acquired by this Company, either in shares of this Company or partly in shares in cash, or otherwise and to give shares or stock of this Company in exchange for shares or stock of any other company.
11. Generally to carry on business as financiers and guarantors and to undertake and to carry out all such operations and transactions (except Insurance business within the meaning of the Insurance Act and business of banking within the meaning of the Banking Companies Act) as an individual capitalist may lawfully undertake and carry on.
12. To advance or lend money such persons or companies and on such terms as may seem expedient and in particular to persons having dealing with the company and to guarantee the performance of the contracts by any such persons or companies.

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*\*Pursuant to the Scheme of Arrangement as approved by the Hon'ble National Company Law Tribunal ('NCLT'), Mumbai Bench dated 17<sup>th</sup> April, 2024, the relevant incidental objects of the Transferor Companies are incorporated in the incidental objects of the Company.*

*§Altered and amended by deleting existing sub-clause (9) and inserting sub-clause (60) after existing sub-clause (59) and revision in numbering by passing special resolution through Postal Ballot dated 16<sup>th</sup> August, 2024.*

13. To purchase take in exchange or on lease, rent, hire, occupy or otherwise acquire for the purpose of the company as also for investment or resale, any lands, mills, industrial concern, factory, houses, shops, with or without licenses, depots, warehouses, cottages and other buildings, and premises, easements, licenses, to other rights and interest in or with respect to any lands, buildings, and premises as also machinery, plant, goods, in process, stock-in-trade, mines, minerals, rights, and privileges as may be found necessary or suitable for the purpose of the Company.
14. To purchase or by any other means acquire and protect, prolong and renew, whether in India or elsewhere, any patents, rights, processes and secrets, brevets, invention licenses, protections and concessions which may appear likely to be advantageous or useful to the Company: and to use and turn to account and to manufacture under or grant licenses or privileges in respect of the same and to spend money experimenting upon and testing in improving or seeking to improve any patents, inventions, processes, secrets and which the company may acquire propose to acquire.
15. To enter into contracts, agreements and arrangements with any other company for the carrying out by such other company on behalf of the Company any of the objects for which the company is formed.
16. To carry on any other business (whether manufacturing or otherwise) which may seem to the Company capable of being conveniently carried on in connection with the above or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property's or rights.
17. To establish, and maintain agencies, branches and appoint representative in any part of the world for the conduct of the business of the Company or for the purchase, sale or exchange either for ready delivery or future delivery, of all types of machinery, merchandise, commodities, goods, wares, materials, produce, products, articles and things required for or dealt in or manufactured by or at the disposal of the Company and to transact all kinds of agency business.
18. To enter into partnership, or into any agreement for sharing profits, union of interest, co-operation, joint adventure, reciprocal concession or otherwise with any person or company carrying on or engaged in any business or transaction with this Company is authorised to carry on, or any business or transaction capable of being conducted so as directly or indirectly to benefit this Company, and to lend money to guarantee the contracts of or otherwise assist or subsidise such person or company and to take or otherwise acquire shares and securities of any such company, and to sell, hold, re-issue, with or without guarantee, or otherwise deal with the same and to give to any person or company special rights and privileges in connection with or control over this Company, and in particular the right to nominate one or more Directors of the Company.
19. To enter into agreements and arrangements with any Government or Authorities, supreme, municipal, local or otherwise which may seem conducive to the Company's objects or any of them and to obtain from any such Government or Authority any right or privileges and concessions which the Company may think desirable to obtain, and to carry out, exercise and comply with any such agreements, right or privileges and concessions which the Company may think desirable to obtain, and to carry out, exercise any comply with any such agreements, rights, privileges and concession, and to oppose the grant of any such rights privileges or concessions to others.

20. To build, alter, construct and maintain any mills, factories, foundries, iron and steel refineries; furnaces, buildings, warehouses, shops, chawls, sheds, dwellings, houses, reservoirs, tanks, roads, tramways, pipelines bridges, or railways, landing grounds and canals and other buildings or works necessary or convenient for the purposes of the Company or which can be conveniently used in connection therewith and to enlarge, alter and improve same or the existing mills, factories, etc.
21. To incur debts and obligations for the conduct of any business of the company and to purchase or hire goods, materials, or machinery on credit or otherwise for any business or purpose of this Company.
22. To borrow or raise moneys at Interest or otherwise, in such manner as the Company may think fit, and in particular by the issue of debenture-stock, perpetual or otherwise, including debentures or debenture convertible into shares of this or any other company, or perpetual annuities, and in security of any such money so borrowed, raised or received to mortgaged, hypothecate, pledge or charge the whole or any part of the property, assets or revenue of the Company, present or future, including its uncalled capital by special assignment or otherwise, and to transfer or convey the same absolutely or in trust to give the inders powers of sale and other powers as may seem expedient, and to purchase, redeem, exchange, vary, extent, or pay off and from time to time re-Issue any such securities. But the Company shall not do any banking business as defined in the Banking Companies Act, 1949.
23. To open current, overdraft, loan, cash credit, or deposit account or account with any bank, company, firm or person.
24. To draw, make accept, endorse, discount, execute, retire, discharge, negotiate, and issue cheques promissory notes, bills of exchange, hundies, bills of lading, warrants, warehousekeeper contracts, debentures, and other negotiable or transferable instruments and to buy, sell and deal in the same.
25. To employ or otherwise acquire technical experts, engineers, mechanics, foremen and skilled and unskilled labour for any of the purpose or business of the Company.
26. To procure the incorporation, registration or other recognition of the Company in any country, state or place and to establish and regulate agencies for the purpose of the Company's business and to apply or join in applying to any parliament, Local Government, Municipal or other authority or body indian, British, Colonial or foreign, for any acts of Parliament, laws, decrees, concession, orders, rights or privileges that may seem conducive to the Company's objects or any of them and to oppose any proceedings or applications which may seem calculated directly to prejudice the Company's interests.
27. To pay all or any expenses incurred in connection with the formation, promotion or incorporation of this Company or any other company or of or incidental to the winding up of any company the whole or part of the property whereof is acquire by this Company or it in which this Company may be interested.

28. To insure with any person or company against losses, damages, risks, and liabilities of any kind which may affect the Company either wholly or partly.
29. To provide for the welfare of the directors, Officers, employees and ex-directors and ex-employees of the Company and the wives, widows and families or the dependents or connection of such persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of money pensions. allowances. bonus or other payments, or by creating and from time to time subscribing or contributing to provident or other association, institutions, funds, or trusts. and by providing or subscribing or contributing towards places of instructions and recreation, hospitals and dispensaries,. medical and other attendance and other assistance as the Company shall think fit, and to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national, political, or other institutions and objects which shall have any moral or other claim to support or aid by the Company either by reason or locality of operation or of public or general utility or otherwise.
30. To remunerate (but cash or otherwise or by other assets or by allotment or fully or partly paid shares credited as fully or paid up or in any other manner) any persons, firms, associations, or companies for services rendered or to be rendered in giving technical aid and advice, granting licenses or permissions for the use of patents, trademarks, processes and in acting as trustees for debenture-holders or debenture-stock holders of the Company or for subscribing or agreeing to subscribe subscriptions whether absolutely or conditionally or for procuring or agreeing to procure subscriptions whether absolute or conditional for any shares, debentures, or debenture-stock, or other securities of the Company or for services rendered in or about the formation or promotion of the company or for guaranting payment of such debenture-stock or other securities and any company promoted by this Company or in introducing any property or business of the Company or in or about the conduct of the business of this Company or interest thereon.
31. To adopt such means of making known the products of or the business carries on by the Company as may seem expedient and in particular by advertising in press, by circulars, by purchase or exhibition of work of art and interest, by publication of books and periodicals and by granting prizes awards and donations.
32. To donate, contribute, subscribe, promote, support or aid or otherwise assist or guarantee money or charitable, benevolent, religious, scientific, national, public or other institutions fund or objects or for any public, general or other objects.
33. To create any Depreciation Fund, Reserve Fund, Sinking Fund, Insurance Fund, or any other special fund, whether for depreciation or for repairing, improving, extending, or maintaining any of the property of the Company, or for any other purposes conducive to the interest of the Company.
34. To accumulate funds and to lend, invest or otherwise employ money belonging or entrusted to the Company upon securities and shares or without security, upon such terms as may be thought proper, and from time to time to vary such transactions, in such manner as the Company may think fit, but not to do the business of banking within the meaning of the Banking Companies Act.

35. To invest and deal with the moneys of the Company not immediately required in such manner as may from time to time be determined by the Board.
36. To form, establish promote, subside, aid, acquire, organize or be interested in any company, syndicate or partnership for the purpose of acquiring by purchase, exchange, or otherwise, all or any of the property and liabilities of this Company or for any other purpose which may seem directly or indirectly calculated to benefit this Company or which may seem capable of being conveniently carried on in connection with any of the objects of the Company.
37. To sell, Improve, manage, develop, exchange, lease, surrender, accept, surrenders of leases, mortgage, charge, repair, extend, maintain, assign, transfer, enfranchise, dispose of, turn to account, or otherwise deal with or all or any part of the property undertaking, assets and rights of the Company may think fit and in particular for shares, debentures, bonds or securities and to grant and ceate in perpetuity, or for at terms of years only, rent charges or ground rents out of any of the Company's real or leasehold property, and to sell and property in consideration wholly or partly of a rent, change or around rent and to sell, mortgage, redeem, or otherwise deal with any such rents.
38. To amalgamate with any other company having objects all together or in part similar to those of this Company.
39. To refer or agree to refer any claim, demands, disputes, or any other question, by or against the Company or in which the Company is interested or concerned, and whether between the Company and the member or members or his or their representatives, or between the Company and third party, to arbitration in India or at any place outside India and to observe and perform and to do all acts, deeds, matters, and things to carry out or enforce the awards.
40. To establish laboratories for control of the quality of raw Materials Intermediates and finished products and to carry out research and Investigation to process, Improve and invent new and better techniques and methods of making products, manufactured or to be manufactured by the Company and co-products, Joint products and by products Thereof.
41. To carry on business as manufacturers, buyers, sellers, dealers importers.exporter of herbs, spices, essential oils, medical plants and detergents.
42. To carry on business of chemical, physical and other analysis examination of ores, minerals oils, drugs, chemicals, soil and other products and the business of purifications distillations, standardization of natural products. essential oils.
43. To manufacture, buy, sell, Import, export, and otherwise deal in all kinds of containers, packing materials necessary for the purpose of carrying on the business of the Company.
44. To enter into all sorts of internal and/or external foreign collaboration technical assistance, financial or commercial arrangements including export market, survey, study of market conditions in india or outside India or fulfillment of any objects herein contained.
45. To establish or promote or concur in establishing or promoting any company or companies for the purpose of acquiring all or any of the property, rights and liabilities of the Company.

46. To pay promoters of company preliminary expenses and other incidental expenses for the promotion of the Company and or allot shares for consideration without cash partly or wholly towards such expenses.
47. To open branches, sub-offices, depots and multiple shops a in India or outside India and to appoint agents, stockiest, distributors, sub distributors and brokers to procure orders markets or sell the products of the Company or the goods of any other firm or company in which this Company may be dealing.
48. To acquire and secure membership, seat or privilege either in the name of the company or its nominee or nominees in and of any association, exchanges, market, club or other institution in India or in any part of the world for furtherance of business, trade or Industry.
49. To establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation funds, for the benefit of, and give or procure the giving of donations gratuities, pensions, allowances or emoluments to any persons who are or were at any time in the employment or service of the Company, or any company which is subsidiary of the Company or is allied to or associated with the Company or with any such subsidiary company or who are or were at any time Directors or officers for the Company or of any such other Company as aforesaid, and the wives, widows, families, dependents of any such persons and also establish and subsidies and subscribe to any institutions, associations, club or funds calculated to be for the benefit of or to advance the Interests and well being of the Company or of any such other company as aforesaid and make payments to or towards the Insurance of any such persons as aforesaid and do any of the matters aforesaid, either alone or in conjunction with any such other company aforesaid.
50. To apply for, secure, acquire by grant, legislative enactments, assignments, transfer, purchase or otherwise and to exercise carry out, and enjoy, any charter, license, power, authority, franchise, concession. right or privileges which any government or authority or any corporation or other public body may be empowered to grant and to pay for and in aid contribute towards carrying the same into effect.
51. To apply for, promote and obtain any statute order regulation or other authorization or enactment, and to oppose any bills, proceedings or applications.
52. To undertake carry out, promote and sponsor or assist any programme for promoting the social cultural and economic welfare of or the uplift of the public in any rural or backwards area and to incur any expenditure on any programme of Rural Development and to assist execution and promotion thereof either directly or through an Independent agency or otherwise. Without prejudice to the generality of the foregoing the terms Programme for rural development" "Rural Area" and "Backward Area" shall have the same meaning as contemplated under the provisions of the Income-Tax Act, 1961 or any other law relating to rural or backward area development for the time being in force in order to implement any of the above mentioned objects or purposes and to transfer without consideration or at a fair or concessional value the ownership of any property of the Company to or in favour of any public institution(s) or organization(s) or person(s).

53. To accept gifts, bequests, devices, and donations from members and others and to make gifts to members and others in money, assets and properties of any kind.
54. To carry on the business of making available information concerning industrial, commercial or scientific knowledge, experience or skill to be made available or provide to any enterprise inside or outside India.
55. To do all or any of the above in all any of the states *in India and/or In any part of the world and either as principals, agents, contractors, trustees or otherwise, and by or through trustees, attorneys, agents or otherwise, and either alone or in conjunction with others, and to do all such other things as are incidental or conducive to the attainment of the above objects or any of the them.*

C. OTHER OBJECTS OF THE COMPANY NOT INCLUDED IN SUB-CLAUSE (B) ABOVE \*\$:

56. To carry on business as general agents, commission agents, selling and purchasing agents, sole agents, mercantile agents, and to acquire and to exploit agencies of all kinds and to do commission agency business in all its branches and to transact all kinds of agency business.
57. To carry on the business of dealers in fibers, yarn and textiles of various kinds. ”
58. To carry on business of manufacturer, assemblers, dealers, importers, exporters of computers, printers, computer parts, accessories, electronic instruments, hardware and software including programmes, systems and other operation facilities.
59. To purchase, take over or acquire for cash or by exchange or otherwise, all or any part of the goodwill, business, undertaking, property, rights, assets and liabilities of any persons or company, and to conduct, expand and develop or windup and liquidate such business, and to purchase and take steps for the acquisition of existing and new licenses in connection with any such business.
60. To finance or assist in financing sale of houses, building, flats either furnished or otherwise by way of hire purchase or deferred payment or similar transactions and to institute, enter into, carry on, subsidize, finance or assist in subsidizing or financing the sale and purchase of any such houses, buildings, furnished or unfurnished and to act as property agents.
61. To carry on promotion business and to act as financial consultants, management consultants, issue brokers, sub-brokers, Registrar and Share Transfer Agents, Registrar to the issues and provide, advice services, consultancy in various fields like general administrative, commercial, financial, shares, legal, economic feasibility reports on projects, accountancy.
62. To finance industrial enterprises and to promote companies engaged in industrial and trading business.

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*\*Pursuant to the Scheme of Arrangement as approved by the Hon'ble National Company Law Tribunal ('NCLT'), Mumbai Bench dated 17<sup>th</sup> April, 2024, the relevant incidental objects/other objects of the Transferor Companies are incorporated in the incidental objects/other objects of the Company.*

*\$ Altered and amended by deleting existing sub-clauses (61), (65), (68), (82), (83), (86), (88), (97) and (98) and revision in numbering by passing special resolution through Postal Ballot dated 16<sup>th</sup> August, 2024.*

63. To carry on business as importers, exporters, manufacturers, merchants or dealers in ores, metals and metal ware and other preparations processes and articles, second hand or used machinery, tools, scrap metal and metallic residues, engineering products and by-products and waste and scrap materials goods of any kind and other trade or business whatsoever.
64. To establish, maintain, conduct, provide, negotiate, procure or make available services of any kind including commercial financial, marketing printing, office and establishment medical, legal, personal, advertising, social and other services and take such steps as may be necessary for that purpose.
65. To carry on the business of spinning, weaving, manufacturing and/or dealing in staple and synthetic fibre artificial silk cotton and other fibrous substances and any yarn or textiles manufactured out of the said substances and the preparation, knitting, dyeing, colouring, printing, washing, purifying, scoring, bleaching, writing, drying, ironing, disinfecting or any other processing of any of the said substances or its products.
66. To carry on the business of manufacturing fabricating, converting, installing, ereding, assembling, repairing, improving, reconditioning, altering, buying, selling hiring cleaning, repairing, servicing, exporting, importing, distributing, and/or otherwise deal in all types of electronics, electricals and audio visual equipments, appliances, apparatus implements and accessories.
67. To carry on the business of the hotel, restaurant, flight, kitchens cafe, tavern, beer house, refreshment room and lodging housekeepers theatrical agents, box office keepers, concert room proprietors, dramatic and musical publications and printers licensed victuallers, wine, beer and spirit merchants brewers, maisters, distillers, importers and manufacturers or aerated, mineral and artificial waters and other drinks, surveyors, caterers for public amusement generally, coach-cab and carriage and motor proprietors, livery stable keepers, coach and motor repairers, garage owners, proprietors job masters, farmers, dairymen, poluterers of ice merchants, importers and brokers of foods, live and dead stock and colonial and foreign product of all description, hair dressers, perfumers, chemists, proprietors of clubs, bath, dressing rooms, libraries, grounds and tobacco and cigar merchant agents for railway and shipping companies and carriers, theatrical and opera box office proprietors, enterprisers and general agents.
68. To formulate, process, manufacture, mould, extrude, laminate, fabricate, manipulate, export and/or otherwise deal in or carry on business in PVC and all types of plastic materials, goods articles or products of every kind and description containers and packagings, expanded plastics, such as polyurethane, polyesters, polyvinylchloride rubber phenol, urea, cresol, melamine based thermosetting, resins and other kinds of natural and synthetic plastics, whether raw finished or otherwise.
69. To carry on the business of civil engineers, mechanical engineers, structural engineers, automobile engineers, electrical engineers, textile engineers, agricultural engineers, aeronautical engineers, aviation, engineers engineers in all branches of work whatsoever known to engineering, steel makers, fabricators, iron foundries, welders, tools makers, brass, tin copper, aluminum millwrights, mechanist, iron and steel converters smiths, wood workers, carpenters, buildings, wheelwrights, metallurgists, castings, pressings, forgings, stamping, water supply engineers, gas makers, steel makers, wire fitters, saddlers, galvanizers, enamelelrs, electroplaters, painters,

Japanners, annealers, allverplaters, nickel platers, varnishers, painters, vulcanizes, packing case makers, containers, drums, pressure vessels in all their respective branches, enamelelrs, smelters and to buy, sell, export, import, manufacture, maintain repair, convert, alter let on loan or hire and deal in explosive ammunition, water proolers, plasters, metals plant and equipment, machinery of all kinds, tools appliances instruments, implements, rolling stock, mechanical electrical, scientific appliances, devices, apparatus, travelling agents.

70. To build, manufacture, fabricate, alter, repair Improve, design, buy, sell, hire or take on hire, charter, exchange, acquire ships, carriers, tankers, vessels, travelers, crafts boats, launches, barges, tugs, pontoons, dredgers, buoyant apparatus, navigational and mooring buoys floting buoys for off-shore explorations or drillings, marine fittings and chip components and to act as shipping agents, stevedores, charterers, hirers freight brokers, clearing, travelling agents.
71. To carry on the business of stationers, printers, publishers, lithographers, offset printers, stereotypes, electrotypers, photographic, printers, engravers, die sinkers, envelops manufacturers, book binders, account book manufacturers type founders, photographers, manufacturers of and dealers in playing, visiting, railway, festive, complimentary and fancy cards and valentines, dealers in parchment, dealers, in stamps, advertising agents managers of newspapers, magazines, books, publications and other literary or artistic works and undertakings, designers, commercial artistic draughtsmen, ink manufacturers, book sellers and dealers in or manufacturers of any other articles or things of a character similar or analogous to the foregoing or any of them or connected therewith.
72. To act as selling and/or purchasing agents or brokers in general, distributors, canvassers, Indenters, consignors, carriers, hirers, consignees or sub-agents or any of other person, firm, corporation or company, contractors, adatlras, mukadams, clearing and forwarding agents, transport agents for all kinds of articles and goods and to undertake, transact and execute all kinds of agency business and also all kinds of trustees.
73. To carry on the business of investment in lands, buildings and other immoveable and moveable property and any estate or interest therein and to sale, dispose and deal with the same.
74. To manufacture, produce, prepare, press, vulcanize, repair, retread, export, import, purchase, sell and generally to carry on business in types and semi-types for different types of vehicles including buses, omni-buses, harabances, trucks, lorries, automobiles, motorcycles, cycles, tractors, aeroplanes, and also in Industrial types, Inner tubes, flaps, miscellaneous repair materials and other articles and appliances made with or from natural or synthetic rubber, Its compounds, substances, derivatives, and substitutes, India rubber or the same in combination with any metallic or non-metallic substances, vulcanite leather, rayon, bessian or plastics or products in which rubber, rayon, bessian or plastics is or are used.
75. To carry on business as goldsmiths, jewellers, gem merchants, watch and clock repairers, electroplalers, dressing bag maker, Importers and exporters of bullion and buy, sell and deal (wholesale and retail) in bullion, precious stones, jewellery, watches, clocks, gold or silver plates, cups, shields, electroplate cutlery, dressing bags, brasses, articles of virtue, objects, of art and such other articles of virtue objects of art.

76. To carry on the business of a steam and general laundry and to wash, clean, purify, scour, bleach, wring, dry, iron, colour, dye, disinfect, renovate and prepare for use all articles of wearing apparel, house-hold, domestic and other cotton, silk and woollen fabrics, repair, let on hire, alter, improve, treat and deal in all apparatus, machines, materials and articles thereof.
77. To establish and work cement manufacturers, lime burners and ceramics, including sanitary fittings and chinaware.
78. To carry on the business of manufacturers, dealers, stockists, importers, and exporters of wearable and unwearable fabrics, high density polyethylene and polypropylene, woven sacks terpauline of various qualities and types.
79. To carry on business as manufacturers of or dealers in or as stockiest, importers and exporters of bottles, jars, fibres, boxes, corrugated containers aluminum foils of all types, wooden drums, packing cases, rods, wines, ropes, strips, conductors, equipment required for generation, distribution and transmission of electric energy cables, motora, fans, lamps, furnaces, batteries, accumulators.
80. To carry on the business of manufacturers, producers, processors, exporters and importers of and dealers in all silk goods generally bed-sheets, pillow-cases, towels, napkins, carpets, matting, tapestry, needle works, finseel and finseel fabrics and threads, rubber goods with silk base, leggings, galsters, laces, rip fasteners, buttons, hooks, and bars, collars and other garments, stays, shoulder pads, linings, inter-linings, eyelets, trimmings, welling, elastics, protectors and other like articles of kindred nature and all article of wearing attire or personal or household use or ornaments.
81. To provide training, consultancy in the areas of computer software, software packages, computer hardwares.
82. To carry on business of manufacture, assembles, designaters, dealers of computer, printers, readers, magnetic or otherwise CRT terminals and display systems, computer systems and allied electronics components and accessories, calculators, cash registers, accounting machine, testing equipments, all kinds of semi-conductor devices electronic instruments for general and process controls, printed circuit boards.
83. To develop, purchase, sell, lease or otherwise deal in computer software, including programmes, applications systems, data collection and other facilities relating to computer operations and data processing equipments.
84. To undertake analytical and scientific research work related to the business of the Company and to establish or subsidise or aid research laboratories and experimental workshops.
85. To carry on all or any of the business of dealers in electrical, computer hardware and software, peripherals, accessories, components and consultants/contractors agents providing skilled manpower and services therewith.

AND IT IS HEREBY DECLARED that the word "COMPANY" in this clause shall be deemed to include any authority, partnership, or other body of persons, whether incorporated or not incorporated and whether domiciled In India or elsewhere.

IV. The liability of members is limited.

V. #The Authorised Share Capital of the Company is Rs.78,00,00,000/- (Rupees Seventy Eight Crores only) divided into 15,00,00,000 (Fifteen Crores) Equity Shares of INR 1/- (Rupee One only) each and 63,00,00,000 (Sixty Three Crores) 2% Redeemable Non-Convertible Non-Cumulative Non-Participating Preference Shares of INR 1/- (Rupee One only) each. The Company has power to increase and reduce the share capital with the rights, privileges and conditions attaching hereto as are provided by the Articles of Associations of the Company for the time being, with the power to divide the shares in the capital for the time being into several classes and to attach thereto respectively into preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Associations of the Company for the time being and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Act or statutory modification thereat or provided by the Articles of Associations of the Company, for the time being.

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*#The Authorised Share Capital of the Company has been increased from Rs. 30,00,00,000/- (Rupees Thirty Crores only) to Rs. 78,00,00,000/- (Rupees Seventy Eight Crores only) pursuant to the Scheme of Arrangement as approved by the Hon'ble National Company Law Tribunal ('NCLT'), Mumbai Bench dated 17<sup>th</sup> April, 2024.*

We, the several persons, whose names, addresses and descriptions are hereunder subscribed below, are desirous of being formed into a Company in pursuance of Memorandum of Association and we respectively agree to take the number of shares in the capital of the Company set against our respective names:

Name, Addresses Description and Occupations of Subscribers	No. of equity Shares taken byeach Subscriber	Name and Signature of the witness and their Addresses and Description of Occupation.
<div>Sd/- Shri Sharadchandra S. Kothari Guru Nanak House, 20/8, Rati Ahmed Kidwai Road, Wadala, Bombay – 400 031.  BUSINESS  S/o. Shoorji Kothari</div>	<div>10 Ten Equity Shares</div>	
<div>Sd/-  Smt. Jayshree S. Kothari, Guru Nanak House, 20/8, Rati Ahmed Kidwai Road, Wadala, Bombay – 400 031.  BUSINESS  W/o. Sharadchandra Kothari</div>	<div>10 Ten Equity Shares</div>	<div>Sd/- Maganlal Thacker, Maganlal Jivram Thacker 7, Gola Lane, Fort, Bombay – 400 001  S/o. Jivram Thacker  CHARTERED ACCOUNTANT</div>
TOTAL	<div>20 Twenty Equity Shares</div>	

Bombay Dated this 18<sup>th</sup> day of September, 1973

**COMPANIES ACT, 2013**

**COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION\***

**OF**

**JAYSYNTH ORGOCHEM LIMITED<sup>#</sup>**

**(Formerly Known as JD Orgochem Limited)**

**PRELIMINARY**

- 1 The Regulations contained in Table 'F' in the First Schedule to the Companies Act, 2013 shall apply to the Company so far as they are not inconsistent with or repugnant to any of the regulations contained in the Articles of Association of the Company.

**INTERPRETATION**

- 2 In the construction of these articles:

"The Act" means "The Companies Act, 2013" for time being subsisting.

"The Company" means JAYSYNTH ORGOCHEM LIMITED<sup>#</sup>.

**SHARE CAPITAL**

- 3 The Authorised Share Capital of the Company will be as that specified in Clause V of the Memorandum of Association from time to time in accordance with the regulations of the Company and the legislative provision for the time being in force in this behalf and each with power to increase or reduce the Capital and to divide the shares in the Capital for the time being into several classes and to attach thereto, respectively, such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify, abrogate any such rights, privileges or conditions in such manner as may be permitted by the Act or provided by the regulations of the Company for the time being.

Capital

- 4 Subject to the provisions of Section 55 of the Act, the Company shall have the power to issue Preference Shares which, at the option of the Company are liable to be redeemed and redemption with the terms and conditions of their issue and failing that in such manner as the Directors think fit.

Redeemable  
Preference Shares

\*New Set of Articles of Association was adopted by the Members at the 40<sup>th</sup> Annual General Meeting of the Company held on September 24, 2014

*#The name of the **Company** has been changed from "**JD ORGOCHEM LIMITED**" to "**JAYSYNTH ORGOCHEM LIMITED**", pursuant to the Composite Scheme of Arrangement for (i) Reduction of Capital and Re-organisation of reserves of JD Orgochem Limited ("JDOL" or "Transferee Company" for Part C of the Scheme) and (ii) Amalgamation of (by way of merger) Jaysynth Dyestuff (India) Limited ("JDIL" or "Transferor Company 1" for Part D of the Scheme), Jaysynth Impex Private Limited (Formerly known as Jaysynth Impex Limited) ("JIPL" or "Transferor Company 2" for Part D of the Scheme) with and into JD Orgochem Limited ("JDOL" or "Transferee Company" for Part D of the Scheme) and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Scheme" or "this Scheme") as approved by the Hon'ble National Company Law Tribunal ('NCLT'), Mumbai bench dated 17<sup>th</sup> April, 2024.*

On the issue of Redeemable Preference Shares under The provisions of this Article, the following provisions shall take effect for redemption:-

- (a) no such shares shall be redeemed except out of profits of the Company which would otherwise be available of 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 shall have been provided for out of the profits of the Company or out of the Company's 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 as dividend be transferred to a reserve fund to be called 'Capital Redemption Reserve Account' sum equal to the nominal amount of the shares redeemed and the provisions of the Act, relating to the reduction of the share capital of the Company shall, except as provided in Section 55 of the Act, apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company.

5 Subject to the provisions of the Act and all other applicable provisions of law, the Company may issue shares, either equity or any other kind with non - voting rights and the resolutions authorising such issue shall prescribe the terms and conditions of the issue.

6 The Company may from time to time by special resolution, subject to confirmation by the Court or the Tribunal (as may be applicable) and subject to the provisions of Sections 52, 55 and 66 of the Act, and other applicable provisions, if any, reduce its share capital in any manner and in particular may – Reduction of Capital

- (a) extinguish or reduce the liability on any of its shares in respect of the share capital not paid-up; or
- (b) either with or without extinguishing or reducing the liability on any of its shares, -
  - (i) cancel any paid up share capital which is lost or is unrepresented by available assets;
  - (ii) pay off any paid up share capital which is in excess of the wants of the Company.

7 Notwithstanding anything contained in these Articles, the Company may purchase its own shares or other securities, and the Board of Directors may, when and if thought fit, buy back such of the Company's own shares or securities as it may think necessary, subject to such limits, upon such terms and conditions and subject to such approvals, as may be permitted by law. Buy Back of shares

8 Subject to the provisions of Section 61 of the Act, the Company in general meeting may from time to time by an ordinary resolution alter its Memorandum to: Consolidation, division, Subdivision and cancellation of shares

- (a) Consolidate and divide all or any of its capital into shares of larger amount than its existing shares;

- (b) Sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum, so however, that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;
- (c) Cancel any shares which, at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled; A cancellation of shares in pursuance of this sub-clause shall not be deemed to be reduction of share capital within the meaning of the Act.

Whenever the Company does any one or more of the things provided for in the foregoing sub-clauses (a), (b) and (c), the Company shall, within thirty days thereafter give notice thereof to the Registrar as required by Section 64 of the Act, specifying, as the case may be, the shares consolidated, divided, sub-divided or cancelled.

**LIEN**

- |   |   |                                   |
|---|---|-----------------------------------|
| 9 | (a) The Company shall have a first and paramount lien— <ul style="list-style-type: none"> <li>(i) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and</li> <li>(ii) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company:</li> </ul> Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause. | Company to have<br>lien of Shares |
|   | (b) The Company’s lien,if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.   |                                   |

- |    |  |                                 |
|----|--|---------------------------------|
| 10 | The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:<br><br>Provided that no sale shall be made – <ul style="list-style-type: none"> <li>(a) unless a sum in respect of which the lien exists is presently payable; or</li> <li>(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.</li> </ul> | As to enforcing lien<br>by sale |
|----|--|---------------------------------|

**CERTIFICATES**

- |    |   |                      |
|----|---|----------------------|
| 11 | (a) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after | Issue of Certificate |
|----|---|----------------------|

the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,-

- (i) one certificate for all his shares without payment of any charges; or
- (ii) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.
- (b) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.

In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

12	The Directors may in their absolute discretion refuse the subdivision of share certificate where sub division will result in the issue of certificate for number of shares, which is less than the marketable lot unless the sub-division is required to be made to comply with a statutory provision or an order of competent court of law.	Sub-division of Share certificate
13	<p>(a) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.</p> <p>(b) When a new share certificate is issued in pursuance of clause (a) of this Article, it shall be stated prominently on the face of it and against the stub or counterfoil to the effect that it is "<i>issued in lieu of share certificate No.....</i>" and the word "Duplicate" shall be stamped or printed or punched prominently in bold letters on the face of the share certificate.</p> <p>(c) The particulars of every share certificate issued in accordance with sub-rules (a) and (b) shall be entered forthwith in a Register of Renewed and Duplicate Share Certificates indicating against the name(s) of the person(s) to whom the certificate is issued, the number and date of issue of the share certificate in lieu of which the new certificate is issued, and the necessary changes indicated in the Register of Members by suitable cross-references in the "Remarks" column.</p> <p>(d) All blank forms to be used for issue of share certificates shall be printed and the printing shall be done only on the authority of a resolution of the Board and the blank form 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 such other person as the Board may authorise for the purpose; and the Company secretary or other person aforesaid shall be responsible for rendering an account of these forms to the Board.</p>	As to issue of certificate for splitting up and consolidation and in place of those defaced, lost

## UNDERWRITING

- |    |   |  |
|----|---|--|
| 14 | <p>Subject to the provisions of Section 40 of the 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) for any shares or debentures or debenture stock in the Company, or procuring, or agreeing to procure subscriptions (whether absolute or conditional) for any shares, debentures or debenture-stock of the Company, but so that the commission shall not exceed in the case of shares five per cent of the price at which the shares are issued and in the case of debentures two and a half percent of the price at which the debentures are issued. Such commission shall be paid either out of the proceeds of the issue or the profit of the Company or both. Subject to the provisions of the Act, any commission payable as aforesaid may be satisfied by payment of cash or by allotment of fully or partly paid shares or debentures as the case may be or partly in one way and partly in the other.</p> | Commission may be paid                     |
| 15 | <p>Where the Company has paid any sum by way of commission in respect of any shares or debentures such statement thereof shall be made in the Annual Return as required by Section 92 of the Act.</p>   | Commission to be included in Annual return |

## CALLS ON SHARES

- |    |  |                               |
|----|--|-------------------------------|
| 16 | <p>(a) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:</p> <p>Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.</p> <p>(b) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.</p> <p>(c) A call may be revoked or postponed at the discretion of the Board.</p> | Board may make calls          |
| 17 | <p>A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.</p>  | Call to date from resolution  |
| 18 | <p>The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.</p>   |                               |
| 19 | <p>(a) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at such rate, if any, as the Board may determine.</p> <p>(b) The Board shall be at liberty to waive payment of any such interest wholly or in part.</p>   | When interest on call payable |

- 20 (a) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
- (b) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
- 21 The Board -
- (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
- (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.
- Payment in anticipation of calls may carry interest

### **TRANSFER OF SHARES**

- 22 (a) The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee.
- (b) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
- To be executed by transferor and transferee
- 23 The Board may, subject to the right of appeal conferred by Section 58 of the Act decline to register -
- (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
- (b) any transfer of shares on which the Company has a lien.
- Directors may refuse to register transfers
- 24 The Board may decline to recognise any instrument of transfer unless –
- (a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;
- (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- (c) the instrument of transfer is in respect of only one class of shares.
- 25 On giving not less than seven days' previous notice in accordance with Section 91 of the Act and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:
- Transfer books when closed

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

**TRANSMISSION OF SHARES**

- 26

(a)

On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.

(b)

Nothing in clause (a) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
- Death of one or more joint holders of shares
- 27

(a)

Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either --

(i)

to be registered himself as holder of the share; or

(ii)

to make such transfer of the share as the deceased or insolvent member could have made.

(b)

The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

28

(a)

If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.

(b)

If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(c)

All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

29

A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:

Persons entitled may recover dividend without being registered as member
- Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.
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## SHARES UNDER CONTROL OF DIRECTORS

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| 30 | Subject to the provisions of the Act, the shares shall be under the control of the Directors who may allot or otherwise dispose of the same to such person on such terms and conditions and at such time as they think fit and with full power subject to the sanction of the Company in General Meeting to give any person the option to call for or be allotted shares of any class of the Company either at a premium or at par subject to the provisions of Section 52 of the Act and for such time for such considerations as the Directors think fit. Provided that option to call shall not be given to any person except with the consent of the General Meeting. | Shares under<br>control of Directors |
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## NOMINATION

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| 31 | (a) Every shareholder or debenture holder of the Company may, at any time, nominate in the prescribed manner, a person to whom his shares in, or debentures of the Company shall vest in the event of his death.<br><br>(b) Where the shares in, or debentures of the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares or debentures of the Company as the case may be, shall vest in the event of death of all the joint holders.<br><br>(c) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such shares in or debentures of the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in or debentures of the Company, the nominee shall, on the death of the shareholder or debenture holder or as the case may be, on the death of the joint holders, become entitled to all the rights in such shares or debentures or, as the case may be, all the joint holders, in relation to such shares or debentures, to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.<br><br>(d) Where the nominee is a minor, it shall be lawful for the holder of the shares or debentures to appoint, in the prescribed manner, any person to become entitled to shares in or debentures of the Company, in the event of his death, during the minority. | Nomination |
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## TRANSMISSION OF SECURITIES BY NOMINEE

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| 32 | (a) A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either:<br>(i) to be registered himself as holder of the shares or debentures, as the case may be; or<br><br>(ii) to make such transfer of the shares or debentures, as the case may be, as the deceased shareholder or debenture holder, could have made. | Transmission of<br>securities by<br>Nominee |
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- (b) If the Nominee elects to be registered as a holder of the shares or debentures himself as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied by the death certificate of the deceased shareholder or debenture holder as the case may be.
- (c) A nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the shares or debentures except that he shall not, before being registered as a member in respect of his shares or debentures, be entitle in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the shares or debentures, and if the notice is not completed with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses, or other moneys payable or rights accruing in respect of the shares or debentures, until the requirements of the notice have been complied with.

### **MODIFICATION OF RIGHTS**

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| 33 | <ul style="list-style-type: none"> <li>(a) If at any time the share capital is divided into different classes of share a the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders, of not less than three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the issued shares of that class. To every such separate meeting the provisions of these Articles relating to General Meetings shall apply, except that the necessary quorum shall be two persons, at least holding or representing by proxy one-tenth of the issued shares of the class but if at any adjourned meeting of such holders a quorum as above defined is not present, those Members who are present shall be a quorum and any holder of shares of that class present in person or by proxy may be demand a poll and on a poll shall have one vote for each share of the class of which he is the holder.</li> <li>(b) The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not unless otherwise expressly provided by the terms of the issue of the shares of that class, be deemed to be varied by the creation of issue of further shares ranking pari passu herewith.</li> </ul> | <p>Rights attached to any class of shares may be varied</p> |
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### **DEMATERIALISATION OF SECURITIES**

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| 34 | <ul style="list-style-type: none"> <li>(a) Notwithstanding anything contained in these articles the Company all be entitled to dematerialise its existing securities and/or often fresh securities for subscription in a dematerialised form pursuant to the Depositories Act and the rules framed there under. Additionally, on the investor exercising an option to hold his/her securities with a depository in a dematerialised form, the Company</li> </ul> | <p>Dematerialisation of securities</p> |
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shall enter into an agreement with the depository to enable the investor to dematerialise his/her securities, in which event, the rights and obligations of the parties concerned shall be governed by the “Depositories Act”.

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| <p>(b) Every person subscribing to securities offered by the investors Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at anytime opt out of a depository, if permitted by the law, in respect of security in the manner provided by the Depositories Act 1996, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificate of Securities.</p>   | <p>Option for investors</p>                                |
| <p>(c) If a person opts to hold his security with the depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.</p> <p>(i) Notwithstanding anything to the contrary contained in Depositories Act, or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.</p> <p>(ii) Save as provided in sub-clause (a) above the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.</p> <p>(iii) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.</p> | <p>Rights of Depositories beneficial owners</p>            |
| <p>(d) Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to Securities held with a Depository.</p>   | <p>Distinctive Number of securities held by Depository</p> |
| <p>(e) All securities held by a depository shall be dematerialised and shall be in fungible form.</p>  |  |
| <p>(f) Notwithstanding anything contained in the Act or these Articles, in the case of transfer or transfer or transmission of securities, where the Company has not issued any certificates and where such securities are being held in an electronic and fungible form with a depository, the provisions of the Depositories Act, 1996 shall apply.</p>  | <p>Transfer and Transmission of securities</p>             |
| <p>(g) Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.</p>  | <p>Service of documents</p>                                |

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| (h) | Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.   | Allotment of securities dealt within depository |
| (i) | If a beneficial owner seeks to opt out of a depository in respect of any Security, the beneficial owner shall inform the depository accordingly.  |   |
|     | The depository shall, on receipt of such intimation, make appropriate entries in its records and shall inform the Company.  |   |
|     | The Company shall, within thirty (30) days of the receipt of intimation from the depository and on fulfillment of such conditions and on payment of such fees as may be specified by the Regulations, issue the certificate of securities to the beneficial owner or the transferee, as the case may be.  |   |
| (j) | The Register and index of beneficial owners maintained by a depository under Section 11 of the Depository Act, 1996 shall be deemed to be the Register and Index of Members for the purposes of the Act.  | Register and Index of beneficial owner          |
| (k) | Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share, as also the Beneficial Owner of the shares in records of the Depository as the absolute owner thereof as regards receipt of dividends or bonus or service of notices and all or any other matters connected with the Company and accordingly, the Company shall not, except as ordered by a Court of competent jurisdiction or as by law required, be bound to recognise 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. | Beneficial owner to be absolute owner           |
| (l) | No stamp duty would be payable on shares and securities held in dematerialized form in any medium as may be permitted by law including any form of electronic medium form.  | Stamp duty                                      |
| (m) | In case of transfer of shares, debentures and other marketable securities, where the Company has not issued any certificate and where such shares, debentures or securities are being held in an electronic and fungible form in a depository, the provisions of the Depository Act. 1996 shall apply.  | Applicability of Depository Act                 |

**COPIES OF MEMORANDUM AND ARTICLES OF ASSOCIATION TO BE SENT TO MEMBERS**

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| The Company shall subject to the payment of the fee prescribed under Section 17 of the Act, or its statutory modification for the time being in force, on being so required by a member, send to him with seven days of the requirement, a copy of each of the following documents as in force for the time being. | Copies of Memorandum and Articles of Association to be sent to members |
| (a) The Memorandum,  |  |
| (b) The Articles, and  |  |

- (c) Every agreement and every resolution referred to in sub-section (1) of Section 117 of the Act, if and in so far as they have not been embodied in the Memorandum of the Company or these Articles.

### **BORROWING POWERS**

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| 36 | <p>Subject to the provisions of Section 179 and 180 of the Act and of these Articles, the Directors may, from time to time, at their discretion, by a resolution passed a meeting of the Board accept, deposits from Members, either in advance of calls or otherwise and generally raise or borrow or secure the payments of moneys for the purpose of the Company, not exceeding the aggregate of the paid up capital of the Company and its free reserves (not being reserves set apart for any specific purposes). Provided, however, where the moneys to be borrowed, together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aforesaid aggregate the Directors, shall not borrow such moneys without the consent of the Company by a resolution in General Meeting and secure payment or repayment of any moneys borrowed in such manner and upon such terms and conditions in all respects as they think fit and in particular, by the issue of bonds or debentures of the Company, or any mortgage, charge or other security upon all or any part of the undertaking or property of the Company (both present and future) including its uncalled capital for the time being.</p> | Power to borrow              |
| 37 | <p>Any debentures, debenture stock, bonds or other securities may be issued at a discount, premium or otherwise and with any special privileges, as to redemption, surrender, drawings, allotment of shares, appointment of Directors and otherwise, Debentures, debenture-stock, bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.</p>   | Terms of issue of debentures |

Provided that debentures with the right to allotment of or conversion into shares shall not be issued except in conformity with provisions of Section 62 of the Act and Subject to the provisions of Section 71 thereof.

Save as provided in Section 56 of the Act, no transfer of debentures shall be registered unless a proper instrument of transfer duly stamped and executed by the transferor and transferee has been delivered to the Company together with the certificates or certificate of the debentures.

### **GENERAL MEETINGS**

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| 38 | <p>(a) The Company shall, in each year hold in addition to any other meeting, a general meeting as its Annual General Meeting in accordance with the provisions of Section 96 and 129 of the Act and shall specify the meeting as such in the notice calling it and not more than fifteen months shall elapse between the date of the Annual General Meeting of the Company and that of the next.</p> | General meeting |
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Provided that if the Registrar shall have for special reasons extended the time within which any Annual General Meeting shall be held, such Annual General Meeting may be held within the additional time.

- (b) Every Annual General Meeting shall be called for any time during business hours on a day that is not a public holiday and shall be held either at the Registered Office of the Company or at some other place within the city or town or village in which the Registered Office of the Company is situated for the time being.

39	At every annual general meeting of the Company there shall be laid on the table the Directors' Report and Audited Statement of Accounts, Auditors' Report (if not already incorporated in the Audited Statement of Accounts), the Proxy Register with Proxies, and the Register of Directors and Key Management Personnel maintained under Section 170 of the Act.	Report, Statement and Registers to be laid before the annual general meeting.
40	All general meetings other than annual general meeting shall be called Extra-Ordinary General Meeting.	Extra-ordinary General Meeting
41	The Company shall comply with the provisions of Section 92 of the Act, regarding the filing of Annual Return and as regards the annual return and certificates to be annexed thereto.	Annual return
42	The Register required to be kept and maintained by the Company under Section 88 of the Act, and copies of the annual return filed under Sections 92 of the Act, shall be kept at the registered office of the Company.  Provided that such registers or copies of return may, also be kept at any other place in India in which more than one-tenth of the total number of members entered in the register of members reside, if approved for this purpose by a Special Resolution passed in general meeting of the Company and the Registrar has been given a copy of the proposed Special Resolution in advance.	Place of keeping and Inspection of registers and returns
43	(a) The registers and their indices, except when they are closed under the provisions of the Act, and the copies of all the returns shall be open for inspection by any member, debenture holder or other security holder or beneficial owner, during the business hours (subject to such reasonable restrictions as the Company may impose) without fee and by any other person on payment of such fees as may be prescribed under the Act and the rules made thereunder.  (b) Any such member, debenture-holder, other security holder or beneficial owner or any other person may take extracts from any register, or index or return without payment of any fee or require a copy of any such register or entries therein or return on payment of such fees as may be prescribed under the Act not exceeding ten rupees for each page. Such copy or entries or return shall be supplied within seven days of deposit of such fee.  (c) The Company shall cause any copy required by any person under Clause (b) of sub-clause (3) to be sent to that person within a period of seven days of the deposit of such fees exclusive of non-working days, commencing on the day next after the day on which the requirement is received by the Company.	Inspection

44	<p>(a) Subject to the provisions of Section 111 of the Act, the Directors shall on the requisition in writing of such number of members as required in Section 100 of the Act,:-</p> <p>(i) give notice to the members of the Company of any resolution which may properly be moved and is intended to be moved at a meeting;</p> <p>(ii) circulate to members, any statement with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.</p> <p>(b) Subject to the provisions of Section 100 of the Act, the number of members necessary for a requisition under clause (a) hereof shall be such number or numbers who hold, on the date of receipt of the requisition, not less than one-tenth of the paid-up share capital of the Company as on that date carried the right of voting.</p> <p>(c) The Company shall not be bound under this Article to give notice of any resolution or to circulate any statement unless :</p> <p>(i) a copy of a requisition signed by the requisitionists (or two or more copies which between them contain the signature of all the requisitionists) is deposited at the registered office of the Company-</p> <p>(a) in the case of a requisition requiring notice of resolution, not less than six weeks before the meeting,</p> <p>(b) in the case of any other requisition not less than two weeks before the meeting, and</p> <p>(ii) there is deposited or tendered with the requisition a sum reasonably sufficient to meet the Company's expenses in giving effect thereto.</p> <p>Provided that if after a copy of the requisition requiring notice of a resolution has been deposited at the registered office of the Company, an annual general meeting is called on a date within six weeks after such copy has been deposited, the copy, although not deposited within the time required by this clause, shall be deemed to have been properly deposited for the purpose thereof.</p> <p>(d) The Company shall not also be bound under this Article to circulate any statement, if, on the application either of the Company or of any other person who claims to be aggrieved, the Central Government by order declares that the rights conferred by this clause are being abused to secure needless publicity for defamatory matter.</p>	Circulation of member's resolution
45	<p>The Directors may, whenever they think fit convene an extraordinary general meeting and they shall on requisition of the members as hereinafter provided, call an extraordinary general meeting of the Company within the period specified below.</p>	Extra-ordinary General meeting by Board and by requisition

46	<p>In case of requisition the following provisions shall have effect:</p> <p>(a) The requisition shall set out the matters for the consideration of which the meeting is to be called, and shall be signed by the requisitionists and sent to the registered office of the Company.</p> <p>(b) The number of members entitled to requisition an extraordinary general meeting shall be such number of members who hold at the date of the receipt of the requisition, not less than one-tenth of such of the paid up capital of the Company as on that date carries the right of voting.</p> <p>(c) If the Board does not, within twenty-one days from the date of the deposit of a valid requisition in regard to any matters, proceed duly to call a meeting for the consideration of those matters on a day not later than forty-five days from the date of receipt of the requisition, the meeting may be called and held by the requisitionists themselves within a period of three months from the date of the requisition.</p> <p>(d) A meeting called under clause (c) by requisitionists shall be called and held in the same manner in which the meeting is called and held by the Board.</p> <p>(e) Any reasonable expenses incurred by the requisitionists in calling a meeting under sub-clause (3) shall be reimbursed to the requisitionists by the Company, and any sums so paid shall be deducted from any fee or other remuneration under Section 197 of the Act, payable to such of the Directors who were in default in calling the meeting.</p>	Contents of requisition and conduct of meeting
47	<p>A general meeting of the Company may be called by giving not less than clear twenty-one days' notice either in writing or through electronic mode in such manner as may be prescribed by the Act and the rules made thereunder.</p> <p>Provided that a general meeting may be called after giving a shorter notice if consent is given in writing or by electronic mode by not less than ninety-five per cent of the members entitled to vote at such meeting.</p>	Length of Notice of meeting
48	<p>(a) Every notice of a meeting of the Company shall specify the place, date, day hour of the meeting and shall contain a statement of the business to be transacted thereat.</p> <p>(b) The notice of every meeting shall be given to:</p> <p>(i) every member of the Company, legal representative of any deceased member or the assignee of an insolvent member;</p> <p>(ii) the Auditor or Auditors for the time being of the Company; and</p> <p>(iii) every director of the Company.</p> <p>(c) In every notice calling a meeting of the Company, there shall appear with reasonable prominence a statement that a member entitled to attend and vote at the meeting is entitled to appoint a proxy, or, where that is allowed, one or more proxies, to attend and vote instead of himself, and that a proxy need not be a member of the Company.</p>	Contents and manner of service of notice
49	<p>(a) (i) In the case of an annual general meeting, all business to be transacted at the meeting, shall be deemed special with the exception of business relating to :</p> <p>(a) The consideration of financial statements and the reports of the Board of Directors and Auditors;</p> <p>(b) The declaration of any dividend;</p> <p>(c) The appointment of Directors in the place of those retiring; and</p> <p>(d) The appointment of, and the fixing of the remuneration of the Auditors</p>	Special and Ordinary business and explanatory statement

(ii) In the case of any other meeting, all business shall be deemed special;

Provided that where any item of special business to be transacted at a meeting of the Company relates to or affects any other Company, the extent of shareholding interest in that other Company of every promoter, Director, manager, if any, and of every other key managerial personnel of the Company shall, if the extent of such shareholding interest is not less than two per cent of the paid-up share capital of that Company, also be set out in the statement.

(b) Where any item of business refers to any document which is to be considered by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

50	Any accidental omission to give any such notice as aforesaid to, or the non-receipt thereof by any member or other person who is entitled to such notice for any meeting shall not invalidate the proceedings of any such meeting.	Omission to give notice not to invalidate a resolution passed
51	No general meeting, annual or extra-ordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices convening the meeting.	Notice of business to be given
52	The number of members prescribed under Section 103 of the Act and entitled to vote and present in person shall be a quorum for general meeting and no business shall be transacted at the general meeting unless the quorum requisite be present at the commencement of the meeting. A body corporate being a member shall be deemed to be personally present if it is represented in accordance with Section 113 of the Act.	Quorum
53	<p>(a) If within half an hour from the time appointed for holding a meeting of the Company the quorum is not present,</p> <p>(i) the meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Board may determine; or</p> <p>(ii) the meeting, if called by requisitionists in accordance with Section 100 of the Act, shall stand cancelled.</p> <p>Provided that in case of an adjourned meeting or of a change of day, time or place of meeting under sub clause (i) the Company shall give not less than three days' notice to the members either individually or by publishing an advertisement in the newspapers (one in English and one in vernacular language) which is in circulation at the place where the registered office of the Company is situated.</p> <p>(b) If at the adjourned meeting also a quorum is not present within half an hour from the time appointed for holding the meeting, the members present shall be the quorum and may transact the business for which the meeting was called.</p>	Presence of Quorum
54	Where a resolution is passed at an adjourned meeting of the Company, the resolution shall for all purposes be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.	Resolution passed at adjourned meeting

55	The Chairman of the Board of Directors shall be entitled to take the chair at every general meeting, or if there be no such Chairman, or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting, or shall decline to take the chair, the Directors present shall elect one of them as Chairman and if no Director be present or if the Directors present decline to take the chair, then the members present shall elect one of their members to be a Chairman. If a poll is demanded on the election of the Chairman it shall be taken forthwith in accordance with the provisions of the Act and the Chairman elected on show of hands shall exercise all the powers of the Chairman under the said provisions. If some other person is elected as a result of the poll he shall be the Chairman for the rest of the meeting.	Chairman of General meeting
56	No business shall be discussed at any general meeting except the election of a Chairman whilst the chair is vacant.	
57	<p>(a) The Chairman may, with the consent of any meeting at which a quorum is present and shall, if so directed by the meeting, adjourn the meeting from time to time from place to place.</p> <p>(b) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.</p>	Chairman may adjourn meeting
58	At any general meeting, a resolution put to the vote of the meeting shall unless a poll is demanded under Section 109 of the Act, or the voting is carried out electronically, be decided on a show of hands.	Vote by show of hands
59	A declaration by the Chairman that on a show of hands, a resolution has or has not been carried either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceeding of the Company shall be conclusive evidence of the fact of passing of such resolution, or otherwise, without proof of the number or proportion of votes in favour or against such resolution.	Declaration of results of show of hands
60	<p>(a) Before or on the declaration of result of voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the meeting on his own motion and shall be ordered to be taken by him on a demand made in that behalf by the members present in person or by proxy, where allowed, and having not less than one-tenth of the total voting power or holding shares on which an aggregate sum of not less than five lakh rupees or such higher amount as may be prescribed has been paid-up.</p> <p>(b) The demand for a poll may be withdrawn at any time by the person or Persons who made the demand.</p>	Demand for poll
61	A poll demanded for adjournment of the meeting or appointment of Chairman of the meeting shall be taken forthwith. A poll demanded on any question other than adjournment of the meeting or appointment of a Chairman shall be taken at such time, not being later than forty-eight hours from the time when the demand was made and in such manner and place as the Chairman of the meeting may direct.	Time of taking poll
62	In the case of an equality of votes, the Chairman shall, both on a show of hands and on 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

63	Where a poll is to be taken, the Chairman of the meeting shall appoint one scrutinizer to scrutinise the vote given on the poll and to report thereon to him. Subject to the provisions of Section 109 of the Act, the Chairman of the meeting shall have power to regulate the manner in which the poll shall be taken and the result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.	Scrutinizer's at poll
64	The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.	Demand for poll not to prevent transaction of other business
65	Subject to the provisions of Section 110 of the Act, and these Articles, and as may be applicable by law, the Company shall, in respect of such items of business as the Central Government may, by notification, declare to be transacted only by means of postal ballot; and may, in respect of any item of business, other than ordinary business and any business in respect of which directors or Auditors have a right to be heard at any meeting, transact by means of postal ballot, in such manner as may be prescribed, instead of transacting such business at a General Meeting.	Vote by Postal ballot
66	Where by any provision contained in the Act or in these Articles special notice is required for any resolution, notice of the intention to move the resolution shall be given to the Company by such number of members holding not less than one percent of total voting power or holding shares on which such aggregate sum not exceeding five lakh rupees, as may be prescribed, has been paid-up and the Company shall give its members notice of the resolution in such manner as may be prescribed.	Special notice
67	A copy of each of every resolutions or agreement in respect of the following matters together with the explanatory statement under Section 102 of the Act, if any, annexed to the notice calling the meeting in which such resolution is proposed, shall be filed with the Registrar within thirty days of the passing or making thereof in such a manner and with such fees as may be prescribed within the time specified under Section 403 of the Act.	Registration of documents with the Registrar
	(a) Every special resolution.	
	(b) Every resolution which has been agreed to by all members of the Company, but which, if not so agreed to, would not have been effective for the purpose unless it had been passed as a special resolution.	
	(c) Every resolution of the Board of Directors or agreement executed by the Company relating to the appointment, re-appointment or renewal of appointment or variation in the terms of appointment of a Managing Director.	
	(d) Every resolution or agreement which has been agreed to by all the members of any class of shareholders but which, if not so agreed to, would not have been effective for the purpose unless it had been passed by a specified majority or otherwise in some particular manner; and every resolution or agreement which effectively binds all the members or any class of shareholders though not agreed to by all those members.	
	(e) Every resolution passed by the Company according consent to the exercise by the Board of Directors of any of the powers under clause (a), and clause (c) of sub-section (1) of the Section 180 of the Act.	

- (f) Every resolution requiring the Company to be wound up voluntarily passed in pursuance of Section 304 of the Act.
- (g) Every resolution passed in pursuance of sub-section (3) of Section 179 of the Act, and
- (h) Any other resolution or agreement as may be prescribed and placed in the public domain.

Provided that the copy of every such resolution which has the effect of altering the Articles and the copy of every agreement referred to above shall be embodied in or annexed to, every copy of these Articles issued after the passing of the resolution or the making of the agreement.

### VOTE OF MEMBERS

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| 68 | <ul style="list-style-type: none"> <li>(a) Subject to any rights or restrictions for the time being attached to any class or classes of shares,-               <ul style="list-style-type: none"> <li>(i) on a show of hands, every member present in person shall have one vote; and</li> <li>(ii) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company.</li> </ul> </li> <li>(b) A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.</li> <li>(c) (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.</li> <li style="padding-left: 20px;">(ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.</li> <li>(d) A member of unsound mind, or in respect of whom an order has been de 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 a poll, vote by proxy.</li> <li>(e) Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.</li> <li>(f) No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.               <ul style="list-style-type: none"> <li>(i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.</li> <li>(ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.</li> </ul> </li> </ul> | Vote of Members                                     |
| 69 | <p>Any person entitled under the Transmission Clause to transfer any shares may vote at any general meeting in respect thereof in the same manner as if he was the registered holder of such shares, provided that at least fortyeight hours 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 rights to transfer such shares and give such indemnity (if any) as the Directors may require unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.</p>  | Votes of a person entitled to share on transmission |

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| 70 | Subject to the provisions of the Act and the rules made thereunder, any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of himself Provided that a proxy so appointed shall not have the right to speak at the meeting and shall not be entitled to vote except on a poll.   | Number of votes to which member entitled |
|    | <p>Provided further that a person appointed as proxy shall act on behalf of such number of members not exceeding fifty and such number of shares as may be prescribed.</p> <p>Every notice convening a meeting of the Company shall state that a member entitled to attend and vote is entitled to appoint one or more proxies and that the proxy need not be a member.</p>  |  |
| 71 | Every member entitled to vote at a meeting of the Company according to the provisions of these Articles on any resolution to be moved thereat, shall be entitled during the period beginning twenty-four hours before the time fixed for the commencement of the meeting, and ending with the conclusion of the meeting, to inspect proxies lodged, at any time during the business hours of the Company provided not less than three days' notice in writing of the intention so as to inspect is given to the Company. | Inspection of proxies                    |
| 72 | An instrument appointing a proxy shall be in the form as may be prescribed by the Act from time to time.   | Form of Proxy                            |
| 73 | If any such instrument of appointment be confined to the object of appointing an attorney or proxy for voting at meetings of the Company it shall remain permanently or for such time as the Directors may determine, in the custody of the Company. If embracing other objects, copy thereof examined with the original shall be delivered to the Company to remain in the custody of the Company.  |  |
| 74 | Members will be entitled to Postal Ballot for only those resolutions as may be notified by the Central Government from time to time in this behalf and the procedures for such postal ballots will be the same as prescribed in this behalf by the Central Government from time to time.   | Postal Ballot                            |

## DIRECTORS

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| 75 | Unless otherwise determined in a General Meeting and Subject to the provisions of Section 149 and 151 of the Act, the number of Directors for the Company shall not be less than 3 or more than 15. The Company shall subject to the provisions of the Companies Act be entitled to agree with any person, firm or corporation, Institution that he/ she or it shall have right to appoint his or its nominee on the Board of Directors of the Company upon such terms and conditions as the Company deems fit and such person/s shall not be liable to retire by rotation. | Number of Directors |
|    | <p>The Corporation, firm or person/s shall be entitled from time to time to remove any such Director or Directors and appoint another or others in his or their place. Notwithstanding anything contained in those Articles, such Director(s) shall not be required to hold any share qualification or be liable to retire by rotation or otherwise resign his/their office such a Director shall be entitled to the same rights and privileges and be Subject to the same obligations as any other Director of the Company.</p>  |                     |

Subject to the provisions of the Act and these Articles one or more Directors may be appointed as permanent Director/s of the Company. Such permanent Director for the Company shall hold the office till such time they resign or ceased to be Director/s of the Company or explore.

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| 76 | <p>The First Directors of the Company shall be:</p> <p>(1)SHRI SHARADCHANDRA SHOORJI KOTHARI</p> <p>(2) SMT. JAYSHREE SHARADCHANDRA KOTHARI</p>  | Directors              |
| 77 | <p>Any Trust Deed for securing and covering the issue of debentures or debenture stocks of the Company, may provide for the appointment, from time to time, by the Trustees thereof or by the holders of debentures or debenture stocks, of some person to be a Director of the Company for and on behalf of the debenture holders for such period for which the debentures or any of them shall remain outstanding and may empower such Trustees or holder of debentures or debenture stocks, from time to time, to remove and reappoint any Director so appointed. The Director appointed under this Article is herein referred to as “Debenture Director” and the term “Debenture Director” means the Director for the time being in office under this Article. The Debenture Director shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provision as may be agreed between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained.</p>  | Debenture<br>Directors |
| 78 | <p>(a) Subject to the provisions of the Act, and notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to any Financial Company or Body or Financial Corporation or Credit Corporation or Bank or any Insurance Corporation (each such financing Company or Body or Financial Corporation, Credit Corporation or Bank of any Insurance Corporation, is hereinafter referred to as “Financial Institution”) out of any loans granted by the Financial Institution to the Company or so long as the Financial Institution continues to hold debentures in the Company by direct subscription or private placement or so long as the financial Institution hold shares in the Company as a result of underwriting or direct subscription or so long as any liability of the Company arising out of any guarantee furnished by the financial Institution on behalf of the Company remains outstanding the financial Institution shall have right to appoint from time to time, Its nominees as a Director or Directors (which Director or Directors is/are) hereinafter referred to as Nominee Director/s on the board of the Company and to remove from such office the Nominee Director/s so appointed and at the time of such removal and also in the case of death or resignation of the Nominee Director/s so appointed at any time appoint any other person/s in his/their place/s and also fill any vacancy which may occur as a result of such Director/s ceasing to hold office for any reasons whatsoever such appointment or removal shall be made in writing on behalf of the Financial Institution appointing such Nominee Director/s and shall be delivered to the Company as its registered office.</p> | Nominee Directors      |

- (b) The Nominee Director's shall not be required to hold any qualification shares in the Company to qualify him them for the office of a Director/s nor shall he/they be liable to retirement by rotation. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s so appointed. Subject to the aforesaid, the said Nominee Director/s shall be entitled to same rights and privileges and the subject to the same obligations as any other Director of the Company.
- (c) The Nominee Director/s so appointed shall hold the office only so long as any moneys remain owing by the Company to the Financial Institutions or so long as the Financial Institution holds Debentures in the Company as a result of direct subscription or private placement or so long as the Financial institution holds shares in the Company as a result of underwriting or direct subscriptions or the liability of the Company arising out of any guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office, immediately the moneys owing by the Company to the Financial Institution is paid off or on the Financial Institution ceasing to hold debenture/s shares in the Company or on the satisfaction of the liability of the Company arising out of any Guarantee furnished by the Financial Institutions.
- (d) The Nominee Director/s appointed under the Article shall be entitled to receive all notices of and attend all General Meeting Board Meetings and the Meeting of the Committee of which the Nominee Director/s is/ are member/s as also the minutes of such meetings. The Financial Institution shall also be entitled to receive all such notices and minutes.
- (e) The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled. Provided that if the Nominee Director is an officer of the Industrial Development Bank of India (IDBI) the sitting fees in relation to such Nominee Director shall accrue to IDBI and the same shall accordingly be paid by the Company directly, to the IDBI. Any expenses, that may be incurred by the Financial Institution or such Nominee Director/s in connection with his/their appointment of Directorship shall be paid by the Company. The IDBI or the Financial Institution shall be entitled to depute observer to attend the meetings of the Board or any other Committee constituted by the Board.
- (f) The Nominee Director/s shall notwithstanding anything to the contrary contained in these Articles, be at liberty to disclose any information obtained by him them to the Financial Institution appointing him/them as such Director/s.

79      The Directors shall have power at any time from time to time to appoint any qualified person to be a Director to fill a casual vacancy. Such casual vacancy shall be filled by the Board of Directors at a Meeting of the Board. Any person so appointed shall hold office only upon the date upto which the Director in whose place he is appointed would have held office if it had not been vacated as aforesaid but he shall then be eligible for re-election.      Casual vacancy

80	The Board may appoint any person to act as an Alternate Director for a Director during latter's absence for a period of not less than three months from the State in which Meeting of the Board are ordinarily held and such appointee, whilst he holds office as an Alternate Director, shall be entitled to notice of Meetings of the Directors and to vote thereat accordingly and to the same rights and privileges as the Original Directors. An Alternate Director appointed under this Article shall not hold office as such for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to the State. If the term of office of the Original Director is determined before he so returns to the State as aforesaid any provisions in the Act or in this Article for the automatic re-appointment of a Retiring Director in default of any other appointment shall apply to the Original Director and not to the Alternate Director.	Alternate Director
81	The Directors shall not be required to hold any share as qualification.	Share qualification
82	Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint a person or person as an Additional Director or Director. Such Additional Director shall hold office only upto the date of the next Annual General Meeting of the Company but shall be eligible for re-election at that meeting as a Director, provided that, the number of Directors and the Additional Directors together, shall not exceed the maximum strength fixed by Article.	Additional Directors
83	The Company shall appoint such number of directors as an Independent Directors as may be required under the provisions of the Act and the rules made thereunder. The Candidate to be appointed as an Independent Director shall hold such qualifications and shall comply with such conditions as may be prescribed under the Act.	Independent Directors
84	The Company shall appoint such number of Women directors as may be required under the provisions of the Act and the rules made thereunder.	Women Directors
85	The remuneration payable to a non-whole-time-Director for attending each meeting of the Board or a Committee thereof shall be such sum as may be fixed by the Board of Directors not exceeding the maximum as may be prescribed by the Act (and the rules made thereunder), SEBI, or by the Central Government. The Directors, subject to the sanction of the Central Government (if any required), may be paid such further remuneration as the Company in general meeting shall, from time to time, determine and such further remuneration shall be divided among the Directors in such proportion and manner as the Board may from time to time determine; and in default of such determination shall be divided among the Directors equally.	Remuneration of Directors
86	Subject to the provisions of Sections 197 and 188 of the Act, and other applicable provisions of the Act and the rules made thereunder, if any Director, being willing shall be called upon to perform extra services (which expression shall include work done by a Director as a member of any committee formed by the Directors or in relation to signing share certificates) or to make special exertions in going or residing out of his usual place of residence or otherwise for any of the purposes of the Company, the Company shall remunerate the Director so doing either by fixed	Extra remuneration to Directors for special work

sum or otherwise as may be determined by the Directors, and such remuneration may be, either in addition to or in substitution for his share in the remuneration above provided.

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| 87 | The Board of Directors may subject to the limitations provided by the Act allow and pay to any Directors who attends a meeting at a place other than his usual place or residence for the purpose of attending a meeting, such sum as the Board may consider fair compensation for travelling, hotel and other incidental expenses properly incurred by him, in addition to his fee for attending such meeting as above specified.   | Travelling expenses incurred by Directors on Company's business |
| 88 | The Continuing Directors may act notwithstanding any vacancy in their body, but if and as long as their number is reduced below the quorum fixed by these Articles for a meeting of the Board of Directors, the Continuing Directors may act for the purpose of filling vacancies to increase the number of Directors to that fixed for the quorum or for summoning a general meeting of the Company, but for no other purpose.  | Directors may act notwithstanding vacancy                       |
| 89 | <p>(a) Subject to the provisions of Section 164 and 165 of the Act, a person shall not be capable of being appointed Director of the Company, if –</p> <ul style="list-style-type: none"> <li>(i) he is of unsound mind and stands so declared by a Court of competent jurisdiction;</li> <li>(ii) he is an undischarged insolvent;</li> <li>(iii) he has applied to be adjudged an insolvent and his application is pending;</li> <li>(iv) he has been convicted by a court of any offence involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence;</li> </ul> | Disqualification for appointment of Directors                   |

Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a director of the Company.

- (v) he has not paid any call in respect of shares of the Company held by him, whether alone or jointly with others, and six months have elapsed from the last day fixed for the payment of the call;
  - (vi) he has been convicted of the offence dealing with related party transactions under Section 188 of the Act, at any time during the last preceding five years; or
  - (vii) he has not complied with sub-section (3) of Section 152 of the Act.
- (b) No person who is or has been a director of a Company, where the Company—
- (i) has not filed financial statements or annual returns for any continuous period of three financial years; or
  - (ii) has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continues for one year or more, shall be eligible to be re-appointed as a director of that Company or appointed in other Company for a period of five years from the date on which the said Company fails to do so.

90	<p>(a) Subject to the provisions of Section 167 of the Act, the office of a Director shall become vacant if :</p> <ul style="list-style-type: none"> <li>(i) he incurs any of the disqualifications specified in Section 164 of the Act;</li> <li>(ii) he absents himself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence of the Board;</li> <li>(iii) he acts in contravention of the provisions of Section 184 of the Act, relating to entering into contracts or arrangements in which he is directly or indirectly interested;</li> <li>(iv) he fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interested, in contravention of the provisions of Section 184 of the Act;</li> <li>(v) he becomes disqualified by an order of a court or the Tribunal;</li> <li>(vi) he is convicted by a court of any offence, whether involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six months:</li> </ul>	Vacation of office by Directors
	<p>Provided that the office shall be vacated by the director even if he has filed an appeal against the order of such court;</p>	
	<ul style="list-style-type: none"> <li>(vii) he is removed in pursuance of the provisions of the Act;</li> <li>(viii) he, having been appointed a director by virtue of his holding any office or other employment in the holding, subsidiary or associate Company, ceases to hold such office or other employment in that Company.</li> </ul>	
91	<p>(a) Every 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 of Directors, in the manner provided in Section 184 of the Act.</p> <p>(b) Every 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—</p> <ul style="list-style-type: none"> <li>(i) with a body corporate in which such Director or such Director in association with any other Director, holds more than two per cent of the shareholding of that body corporate, or is a promoter, manager, chief executive officer of that body corporate; or</li> <li>(ii) with a firm or other entity in which, such Director is a partner, owner or member, as the case may be, shall disclose the nature of his concern or interest at the meeting of the Board in which the contract or arrangement is discussed and shall not participate in such meeting:</li> </ul>	Disclosure of Director's interest
	<p>Provided that where any Director who is not so concerned or interested at the time of entering into such contract or arrangement, he shall, if he becomes concerned or interested after the contract or arrangement is entered into, disclose his concern or interest forthwith when he becomes concerned or interested or at the first meeting of the Board held after he becomes so concerned or interested.</p>	

(c) Nothing in this Article shall –

- (i) be taken to prejudice the operation of any rule of law restricting a Director of the Company from having any concern or interest in any contract or arrangement with the Company;
- (ii) apply to any contract or arrangement entered into or to be entered into between the Company and any other Company where any one or more of the Directors of the Company together holds or hold not more than two percent of the paid up share capital in other Company.

92	<p>Except with the consent of the Board of Directors of the Company (or the Audit Committee) given by a resolution at a meeting of the Board and subject to such conditions as may be prescribed by the Company, a Company shall not enter into any contract or arrangement with a related party with respect to,</p> <ul style="list-style-type: none"><li>(a) sale, purchase or supply of any goods or materials;</li><li>(b) selling or otherwise disposing of, or buying, property of any kind;</li><li>(c) leasing of property of any kind;</li><li>(d) availing or rendering of any services;</li><li>(e) appointment of any agent for purchase or sale of goods, materials, services or property;</li><li>(f) such related party's appointment to any office or place of profit in the Company, its subsidiary Company or associate Company; and underwriting the subscription of any securities or derivatives thereof, of the Company;</li><li>(g) Notwithstanding the provisions of this sub-clause (a) of this Article, where prescribed, the Company shall enter into such contracts and/ or arrangements only with the prior approval of the members of the Company by a special resolution. However, no member of the Company shall vote on such special resolution, to approve any contract or arrangement which may be entered into by the Company, if such member is a related party:</li></ul> <p>It is clarified that this sub-clause shall not apply to any transactions entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis.</p>	Board resolution necessary for certain contracts
93	<p>Subject to the provisions of Section 185 of the Act, the Company shall not, directly or indirectly make any loan to any of its directors or to any other person in whom the director is interested or give any guarantee or provide any security in connection with a loan taken by him or such other person.</p>	Loans to Directors
94	<p>The Company shall observe the restrictions imposed on the Company in regard to making any loans, giving any guarantee or providing any security to the companies or bodies corporate under the same management as provided in Section 186 of the Act.</p>	Loan to Companies
95	<p>No Director of the Company shall as a Director take any part in the discussion of or vote on any contract or 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, it shall be void;</p>	Interested Director not to participate or to vote in Board's proceedings

## . ROTATION AND APPOINTMENT OF DIRECTORS

96	A Director may be or become a Director of any Company or in which it may be interested as a vendor, shareholder, or otherwise, and no such Director shall be accountable for any benefits received as Director or shareholder of such Company except in so far as Section 197 or Section 188 of the Act,(and the rules made thereunder) may be applicable.	Directors may be Directors of Companies promoted by the Company
97	Not less than two-thirds of the total number of Directors shall (a) be persons whose period of the office is liable to determination by retirement of Directors by rotation and (b) save as otherwise expressly provided in the Articles be appointed by the Company in General Meeting.	Rotation of Directors
98	Section 169(5) and 169 (6) of the Act, 2013, at every annual general meeting of the Company one-third of such of the Directors for the time being as are liable to retire by rotation, 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, Corporation Directors, Special Directors, or Managing Directors, if any, shall not be subject to retirement under this Article and shall not be taken into account in determining the number of Directors to retire by rotation. In these Articles a "Retiring Director" means a Director retiring by rotation.	Retirement of Directors
99	The Directors who retire by rotation at every annual general meeting shall be those who have been longest in office since their last appointment, but as between those who become Directors on the same day, those who are to retire shall, in default of and subject to any agreement amongst themselves, be determined by lot.	Ascertainment of Directors retire by rotation
100	A retiring Director shall be eligible for the re-appointment.	
101	Subject to the provisions of the Act, the Company at the annual general meeting at which a Director retires in manner aforesaid may fill up the vacancy by appointing the retiring Director or some other person thereto.	Company to fill vacancies
102	<p>(a) If the place of retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday till the next succeeding day which is not a public holiday, at the same time and place.</p> <p>(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 re-appointed at the adjourned meeting unless –</p> <p>(i) at the meeting or the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;</p> <p>(ii) the retiring Director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re-appointed;</p> <p>(iii) he is not qualified or is disqualified for appointment; or</p> <p>(iv) a resolution, whether special or ordinary, is required for his appointment or re-appointment in virtue of any provisions of the Act.</p>	Provisions in default of appointment

- 103 Subject to the provisions of Sections 149 and 152 of the Act, the Company may, by special resolution, from time to time, increase or reduce the number of Directors and may prescribe or alter qualifications. Appointment of Directors to be voted individually
- 104 (a) No motion at any general meeting of the Company shall be made for the appointment of two or more persons as Directors of the Company by a single resolution unless a resolution that it shall be so made, has been first agreed to by the meeting without any vote being given against it.
- (b) A resolution moved in contravention of clause (a) hereof shall be void, whether or not objection was taken at the time of its being so moved, provided where a resolution so moved is passed, no provision for the automatic re-appointment of retiring Director in default of another appointment as hereinbefore provided, shall apply.
- (c) For the purpose of this Article, a motion for approving a person's appointment or for nominating a person for appointment shall be treated as a motion for his appointment.
- 105 (a) Subject to the provisions of the Act, a person, not being a Retiring Director in terms of Section 152 of the Act, shall be eligible for appointment to the office of Director at any general meeting if he or some other member intending to propose him has, at least fourteen days before the meeting, left at the registered office of the Company a special notice in writing under his hand signifying his candidature for the office of a Director or the intention of such member to propose him as a Director for office as the case may be along with the deposit of Rupees one lakh or such higher amount as may be prescribed which shall be refunded to such person or as the case may be, to the member, if the person succeeds in getting elected as a Director or secures more than 25% of the total valid votes cast either by way of show of hands or on a poll on such resolution. Notice of candidature for office of Director except in certain cases
- (b) The Company shall inform its members of the candidature of the person for the office of Director in such manner as may be prescribed.
- (c) 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 160 of the Act, signifying his candidature for the office of a Director) proposed as a candidate for the office of a Director shall sign and file with the Company his consent in writing to act as a Director if appointed.
- (d) A person other than :
- (i) A Director re-appointed after retirement by rotation or immediately on the expiry of his term of office, or
- (ii) An Additional or Alternate Director or a person filling a casual vacancy in the office of a Director under Section 161 of the Act, appointed as a Director or re-appointed as an Additional or Alternate Director immediately on the expiry of his term of office shall not act as a Director of the Company unless he has within thirty days of his appointment signed and filed with the Registrar his consent in writing to act as such Director.

106	The Company shall keep at its registered office a Register containing the particulars of its Directors and key managerial personnel as specified in Section 170 of the Act, and shall send to the Registrar a Return containing the particulars specified in such Register, and shall otherwise comply with the provisions of the said Section in all respects.	Register of Director's etc., and notification of change
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**MANAGING DIRECTORS, WHOLE -TIME DIRECTORS**

107	Subject to the provisions of Section 196, 203 and other applicable provisions of the Act and these Articles, the Board may, from time to time appoint one or more Directors to be the Managing Director or Managing Director(s) or Whole Time Directors of the Company for a term not exceeding five (5) years at a time and may, from time to time, remove or dismiss him or them from office and appoint another or others in his place or their places.	Board may appoint Managing Director or Whole time Directors
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Provided that no re-appointment shall be made earlier than one year before the expiry of his term. Such a Managing Director can also act as Chairman of the Company.

108	Subject to the provisions of the Act and these Articles, the Managing Director, or the Whole Time Director shall not, while he continues to hold that office, be subject to retirement by rotation under Article 156 but he shall be subject to the provisions of any contract between him and the Company, be subject to the same provisions as the resignation and removal as the other Directors of the Company and he shall ipso facto and immediately cease to be a Managing Director or Whole Time Director if he ceases to hold the office of Director for any cause provided that if at any time the number of Directors (including Managing Director or Whole Time Directors) as are not subject to retirement by rotation shall exceed one-third of the total number of the Directors for the time being, then such of the Managing Director or Whole Time Director or two or more of them as the Directors may from time to time determine shall be liable to retirement by rotation in to the intent that the Directors so liable to retirement by rotation shall not exceed one-third of the total number of Directors for the time being.	What provisions they will be subject to
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109	The remuneration of the Managing Director, Whole Time Director, or Manager shall be subject to applicable provisions of the Act and of these Articles and of any contract between him and the Company) be fixed by the Directors from time to time and may be by way of fixed salary and/or perquisites or commission on profits of the Company or by participation in such profits, or by fee for such meeting of the Board or by and or all these modes or any other mode not expressly prohibited by the Act.	Remuneration to Managing or Whole time Director(s)
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110	Subject to the superintendence, control and direction of the Board the day to day management of the Company shall be in the hands of the Managing Director(s) and/or Whole Time Director(s) appointed under Article 166 with power to the Board to distribute such day to day management functions among such Director(s) in any manner as deemed fit by the Board and subject to the provisions of the Act and these Articles the Board may by resolution vest any such Managing Director or Managing Directors or Whole Time Director or Whole Time Directors such of the	Powers and duties of Managing and Whole time Director(s)
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power 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 and they may subject to the provisions of the Act and these Articles confer such powers either collaterally with or to the exclusion of or in substitution for all or any of the powers of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

**PROCEEDINGS OF THE BOARD OF DIRECTORS MEETING**

111	The Directors may meet together as a Board for the despatch of business from time to time, and unless the Central Government by virtue of the proviso to Section 173 of the Act, otherwise directs, shall so meet at least once in every one hundred and twenty days and at least four such meetings shall be held in every year. The Directors may adjourn and otherwise regulate their meetings as they think fit.	Meeting of Directors
112	<p>(a) Notice of every meeting of the Board of Directors shall be given in writing to every Director for the time being in India, and at his usual address in India to every other Director.</p> <p>(b) A Director may at any time and the Secretary upon the request of Director made at any time shall convene a meeting of the Board of Directors by giving a notice in writing to every Director for the time being in India and at his usual address in India to every other Director. Notice may be given by telex or telegram to any Director who is not in India.</p>	Notice of meetings
113	<p>(a) Subject to Section 174 of the Act, the quorum for a meeting of the Board of Directors shall be one-third of its total strength (excluding Directors, if any, whose place may be vacant at the time and any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher, PROVIDED that where at any time the number of interested Directors at any meeting exceeds or is equal to two-third 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 quorum during such time.</p> <p>(b) For the purpose of clause (a) :</p> <p>(i) "Total Strength" of the Board of Directors of the Company shall be determined in pursuance of the Act, after deducting there from number of the Directors, if any, whose places may be vacant at the time, and</p> <p>(ii) "Interested Directors" means any Director whose presence cannot by reason of Article 153 hereof or any other provisions in the Act count for the purpose of forming a quorum at a meeting of the Board, at the time of the discussion or vote on any matter.</p>	Quorum for Board meeting
114	If a meeting of the Board could not be held for want of quorum then the meeting shall automatically stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday at the same time and place.	Procedure when meeting adjourned for want of Quorum

115	One of the Directors shall be the Chairman of the Board of Directors who shall preside at all meetings of the Board. If at any meeting the Chairman is not present at the time appointed for the meeting then the Directors present shall elect one of them as Chairman who shall preside.	Chairman
116	Subject to provisions of Section 203, and 203 of the Act, and other applicable provisions of law, questions arising at any meeting of the Board shall be decided by a majority of votes, and in case of an equality of votes, the Chairman shall have second or casting vote.	Questions at Board meeting how decided
117	A meeting of the Board of Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions which by or under the Act or these Articles or the regulations for the time being of the Company are vested in or are exercisable by the Board of Directors generally.	Power of Board meeting
118	The Board of Directors may, subject to the provisions of Section 179 of the Act, and other relevant provisions of the Act and these Articles, appoint committees of the Board, and delegate any of the powers other than the powers to make calls and to issue debentures to such committee or committees and may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to the persons or purposes, but every committee of the Board so formed shall in exercise of the powers so delegated conform to any regulation that may from time to time be imposed on it by the Board of Directors. 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.	Directors may appoint committees
119	The meetings 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 meetings 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 Committee
120	<p>(a) A resolution passed by circular without a meeting of the Board or a Committee of the Board appointed under Article 179 shall subject to the provisions of sub-clause (2) hereof and the Act be as valid and effectual as the resolution duly passed at meeting of, the Directors or of a Committee duly called and held.</p> <p>(b) A resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, if the resolution, has been circulated in draft together with necessary papers, if any, to all the Directors or to all the members of the Committee then in India (not being less in number than in the quorum fixed for a meeting of the Board or Committee as the case may be), and to all other Directors or members of the Committee at their usual addresses in India in accordance with the provisions of Section 175(1) of the Act, and has been approved by such of the Directors or members of the Committee as are in India or by a majority of such of them as are entitled to vote on the resolution.</p>	Circular resolution

121	<p>All acts done by any meeting of the 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 one or more of such Directors or any person acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them is deemed to be terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed and was qualified to be a Director. Provided 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.</p>	<p>Acts of Board or Committee valid notwithstanding defect in appointment</p>
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### POWERS OF THE BOARD

122	<p>Subject to the provisions of the Act, the business of the Company shall be managed by the Board who 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 but no regulations made 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 by a special resolution in a general meeting:</p> <p>(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;</p> <p>(b) remit, or give time for the payment of any debt due by a Director;</p> <p>(c) invest otherwise than in trust securities the amount of compensation received by the Company as a result of a merger or amalgamation;</p> <p>(d) borrow money where the money to be borrowed together with the money already borrowed by the Company will exceed the aggregate of the paid up capital of the Company and its free reserves, (apart from temporary loans obtained from the Company's bankers in the ordinary course of business); or,</p> <p>(i) Provided that in respect of the matter referred to in sub-clause (d) such consent shall be obtained by a resolution of the Company which shall specify the total amount upto which monies may be borrowed by the Board under clause (d);</p> <p>(ii) Provided further that the expression "temporary loans" in clause (d) above shall mean loans repayable on demand or within six months from the date of the loan such as short term, cash credit arrangements, the discounting of bills and the issue of other short term loans of a reasonable character, but does not include loans raised for the purpose of financing expenditure of a capital nature.</p>	<p>Power of the Board of Directors</p>
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123	<p>Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolution passed at the meetings of the Board:</p> <ul style="list-style-type: none"> <li>(a) to make calls on shareholders in respect of money unpaid on their shares;</li> <li>(b) to authorise buy-back of securities under Section 68 of the Act;</li> <li>(c) to borrow monies;</li> <li>(d) to invest the funds of the Company;</li> <li>(e) to grant loans or give guarantee or provide security in respect of loans;</li> <li>(f) to approve financial statement and the Board's report;</li> <li>(g) to diversify the business of the Company;</li> <li>(h) to approve amalgamation, merger or reconstruction;</li> <li>(i) to take over a Company or acquire a controlling or substantial stake in another Company;</li> <li>(j) any other matter which may be prescribed under the Act and the rules made thereunder.</li> </ul> <p>Provided that the Board may by resolution passed at a meeting delegate to any Committee of Directors, Managing Director or any other principal officer of the Company, or in case of branch office of the Company a principal officer of the branch office, the powers specified in (c), (d) and (e) of this sub-clause on such terms as it may specify.</p>	Certain powers to be exercised by the Board at meeting only
124	<p>Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers and without prejudice to the last preceding Article it is hereby declared that the Directors shall have the following powers that is to say, power:</p> <ul style="list-style-type: none"> <li>(a) to pay the costs, charges and expenses preliminary and incidental to the formation, promotion, establishment and registration of the Company;</li> <li>(b) to pay and charge the capital account to the Company any commission or interest, lawfully payable thereout under the provisions of Section 40 of the Act, and other applicable provisions of law;</li> <li>(c) subject to Sections 179 and 188 of the Act, to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire at or for price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition accept such title as the Directors may believe or may be advised to be reasonably satisfactory;</li> <li>(d) at their discretion and subject to the provisions of the Act to pay for any property, rights or privileges 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 up 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 specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged;</li> <li>(e) to secure the fulfillments of any contracts or engagement entered into by the Company mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit;</li> </ul>	Certain powers of the Board

- (f) to accept from any member, so 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;
- (g) to appoint any person to accept and hold in trust for the Company any property belonging to the Company, or 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 such trust, and to provide for the remuneration of such trustee or trustees;
- (h) to institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its officer, or otherwise concerning the affairs of the Company, and also to compound and allow time for payment on satisfaction of any debts due, and of any claims or demands by or against the Company and to refer any difference to arbitration, either according to Indian law or according to foreign law and either in India or abroad and observe and perform or challenge any award made therein;
- (i) to act on behalf of the Company in all matters relating to bankrupts and insolvents;
- (j) to make and give receipts, release and other discharge for monies payable to the Company and for the claims and demands of the Company;
- (k) subject to the provisions of Sections 179, 180 and 185, of the Act, 2013 and other applicable provisions of law, to invest and deal with any monies of the Company not immediately required for the purpose thereof, upon such security (not being the shares of this Company) or without security and in such manner as they may think fit, and from time to time to vary or realise such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name;
- (l) 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 the benefit of the Company, such mortgage of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and other powers, provisions, covenants and agreements as shall be agreed upon;
- (m) to determine from time to time who shall be entitled to sign, on Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts, and documents and to give the necessary authority for such purpose;
- (n) 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 person employed by the Company a commission on the profits of any particular business or transaction; and to charge such bonus or commission as a part of working expenses of the Company;
- (o) to provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and wives, widows, and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwellings or chawls or by grants of money, pensions, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing to provident and other association

Institutions, funds, or trusts and by providing or subscribing or contributing towards places of instructions and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit, and subject to the applicable provisions of law to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other 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;

- (p) before recommending any dividend, subject to the provision of Section 123 of the Act, to set aside out of the profits of the Company such sums as they may think proper for depreciation or the depreciation fund, or to insurance fund, or as a reserve fund or sinking fund or any special fund to meet contingencies or to repay debentures or debenture stock or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the properties 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 interest of the Company, and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as required to be invested, upon such investments (other than share of this 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 which 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 to another reserve fund and/or division of a reserve fund and with full power to employ and assets constituting all or any of the above funds including the depreciation fund, in the business of the Company or in purchase or repayment of debentures or debenture stock and that 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 pay or allow to the credit of such funds interest at such rate as the Board may think proper, not exceeding nine percent per annum;
- (q) to appoint, and at their discretion remove or suspend such general manager, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisers, research workers, labourers, 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 to fix their salaries, or emoluments or remuneration, and to require security in such instances and to such amounts 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 specified locality in India or elsewhere in such manner as they think fit; and the provision contained in the next following sub-clauses shall be without prejudice to the general powers conferred by this sub-clause;

- (r) to comply with the requirement of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with;
- (s) from time to time and at any time to 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 person to be members of such Local Boards, and to fix their remuneration;
- (t) subject to Section 179 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 call or to make loans or borrow monies; and to authorise the member 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 such appointment or delegation may be made on such terms subject to such conditions as the Board may think fit, and the Board may at any time remove any person so appointed, and may annul or vary any such delegation;
- (u) 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 authorised by the Board the power to make loans and borrow monies) and for such period and subject to such conditions as the Board may from time to time think fit, and any such appointments may (if the Board thinks 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 firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such powers of Attorney may contain such powers for the protection or convenience of persons dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegated attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them;
- (v) subject to the provisions of the Act, for or in relation of any of the matters aforesaid or otherwise for the purposes 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 as they may consider expedient;
- (w) from time to time to make, vary and repeal by-laws for the regulation of the business of the Company, its officers and servants.

#### **KEY MANAGERIAL PERSONNEL**

125 Subject to the provisions of the Act,—

A Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer so appointed may be removed by means of a resolution of the Board;

126 A Director may be appointed as any Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer.

A provision of the Act or these regulations requiring or authorising a thing to be done by or to a Director and any Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, any Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer.

### CAPITALISATION OF PROFITS

- 127 (a) The Company in general meeting may, upon the recommendation of the Board, resolve— Capitalization of profits
- (i) that it is desirable to capitalise 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 otherwise available for distribution; and
  - (ii) that such sum be accordingly set free for distribution in the manner specified in clause (b) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (b) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (c), either in or towards—
- (i) paying up any amounts for the time being unpaid on any shares held by such members respectively;
  - (ii) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
  - (iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii);
- (c) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;
- (d) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.
- 128 (a) Whenever such a resolution as aforesaid shall have been passed, the Board shall—
- (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and
  - (b) generally do all acts and things required to give effect thereto.
- (b) The Board shall have power—
- (i) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and

- (ii) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;
- (c) Any agreement made under such authority shall be effective and binding on such members.

## **DIVIDENDS AND RESERVE**

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| 129 | The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.  | Declaration of Dividend |
| 130 | Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company.   |                         |
| 131 | <p>(a) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, thinks fit.</p> <p>(b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.</p>   |                         |
| 132 | <p>(a) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.</p> <p>(b) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.</p> <p>(c) 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 share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.</p> |                         |
| 133 | The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.   |                         |

134	<p>(a) (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque/ Demand draft or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.</p> <p>(ii) Every such cheque/ Demand draft or warrant shall be made payable to the order of the person to whom it is sent.</p> <p>(b) Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.</p> <p>(c) Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.</p>	Dividend how remitted
135	No dividend shall bear interest against the Company.	

UNCLAIMED DIVIDEND

136	<p>(a) Where the dividend has been declared by the Company but not paid or the warrant in respect thereof has not been posted within 42 days from the date of declaration to any shareholder entitled to the payment thereof, the Company shall within 7 days from the date of expiry of the said period of 42 days transfer the total amount of dividend which remain unpaid or in relation to which no dividend has been posted within the said period of 42 days to a special account to be opened by the Company in that behalf in any Scheduled Bank to be called Unpaid Dividend Account of the Company.</p> <p>(b) Any money transferred to the unpaid dividend account of the Company in pursuance of sub-clause (a) hereof which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company alongwith interest accrued, if any, threron to the Invest Education and Protection Fund of the Central Government.</p>	Unclaimed Dividend
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ACCOUNTS

137	<p>(a) The Company shall prepare and keep at its registered office proper books of account and other relevant books and papers and financial statement for every financial year in accordance with Section 128 of the Act, as would give a true and fair view of the state of affairs of the Company including that of its branch office or offices, if any, and explain the transactions effected both at the registered office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting:</p> <p>Provided that all or any of the books of accounts aforesaid and other relevant papers may be kept at such other place in India as the Board of Directors may decide and when the Board of Directors so decide the Company shall within seven days of the decision file with the Registrar a notice in writing giving the full address of that other place.</p> <p>Provided further that the Company may keep such books of account or other relevant papers in electronic mode in such manner as may be prescribed.</p>	Books to be kept
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(b) Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with the provisions of sub-clause (a) if proper books of accounts relating to the transactions affected at the branch are kept at that office and proper summarised returns made upto date at intervals of not more than three months are sent by the branch office to the Company at its registered office or the other place referred to in sub-clause (a).

(c) The books of accounts and other books and paper maintained by the Company within India shall be open to inspection at the registered office of the Company or at such other place in India by any Director during business hours and in the case of financial information, if any, maintained outside the country, copies of such financial information shall be maintained and produced for inspection by any Director subject to such conditions as may be prescribed:

Provided that the inspection in respect of any subsidiary of the Company shall be done only by the person authorised in this behalf by a resolution of the Board of Directors.

The books of account of the Company relating to a period of not less than eight financial years immediately preceding a financial year, or where the Company had been in existence for a period less than eight years, in respect of all the preceding years together with the vouchers relevant to any entry in such books of account shall be kept in good order:

Provided that where an investigation has been ordered in respect of the Company under Chapter XIV of the Act, the Central Government may direct that the books of account may be kept for such longer period as it may deem fit.

138 (a) The Board of Directors shall in accordance with Section 129, 133 and 134 of the Act, and the rules made thereunder, cause to be prepared and laid before each annual general meeting, financial statements for the financial year of the Company which shall be a date which shall not precede the day of the meeting by more than six months or such extended period as shall have been granted by the Registrar under the provisions of the Act.

Financial  
statements

(b) The financial statements of the Company shall give a true and fair view of the state of affairs of the Company and comply with the accounting standard notified under Section 133 of the Act, and shall be in the form set out in Schedule III to the Act.

Provided that the items contained in such financial statements shall be in accordance with the accounting standards.

(c) In case the Company has one or more subsidiaries, it shall, in addition to financial statements provided under sub-clause (1), prepare a consolidated financial statement of the Company and of all the subsidiaries in the same form and manner as that of its own which shall also be laid before the annual general meeting of the Company along with the laying of its financial statement under sub-section (1):

Provided that the Company shall also attach along with its financial statement, a separate statement containing the salient features of the financial statement of its subsidiary or subsidiaries in such form as may be prescribed:

Provided further that the Central Government may provide for the consolidation of accounts of companies in such manner as may be prescribed.

For the purposes of this sub-clause, the word “subsidiary” shall include associate Company and joint venture.

**AUDIT**

139	Once at least in every year the accounts of the Company shall be audited and the correctness of the financial statements ascertained by one or more Auditor or Auditors.	Accounts to be audited
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140	<p>(a) Auditors shall be appointed and their qualifications, rights and duties regulated in accordance with the provisions of Chapter X of the Act, and the rules made thereunder.</p> <p>(b) Subject to the provisions of Section 139 of the Act, the Company shall at the first annual general meeting appoint an individual or a firm as an Auditor to hold office from conclusion of that meeting until the conclusion of its sixth annual general meeting and thereafter till the conclusion of every sixth meeting and the manner and procedure of selection of auditors by the members of the Company at such meeting shall be such as may be prescribed.</p>	Appointment of Auditors
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Provided that the Company shall place the matter relating to such appointment for ratification by members at every annual general meeting;

Provided further that before such appointment is made, the written consent of the auditor to such appointment, and a certificate from him or it that the appointment, if made, shall be in accordance with the conditions as may be prescribed, shall be obtained from the auditor:

Provided also that the certificate shall also indicate whether the auditor satisfies the criteria provided in Section 141 of the Act.

Provided also that the Company shall inform the auditor concerned of his or its appointment, and also file a notice of such appointment with the Registrar within fifteen days of the meeting in which the auditor is appointed.

“Appointment” includes reappointment.

**DOCUMENTS AND NOTICES**

141	(a) A document or notice may be served by the Company on any member thereof either personally or by sending it by registered post or by speed post or by courier service or by leaving it at his registered address or if he has no registered address in India, to the address if any, within India supplied by him to the Company for serving documents or notice on him or by means of such electronic or other mode as may be prescribed.	Service of documents or notices to the members
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- (b) A document or notice advertised in a newspaper circulating in the neighbourhood of the registered office of the Company shall be deemed to be duly served on the day on which the advertisement appears, on every member of the Company who has no registered address in India and has not supplied to the Company an address within India for the giving of notices to him.
- (c) A document or notice may be served by the Company on the joint holders of a share by serving it on the joint holder named first in the Register in respect of the share.
- (d) A document or notice may be served by the Company on the person entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter, addressed to them by name or by title of representatives of the deceased, or assignees of the insolvent or by any like description, at the address, if any, in India supplied for the purpose by the person claiming to be so entitled, or until such an address has been so supplied, serving the document or notice in any manner in which it might have been served if the death or insolvency had not occurred.
- (e) The signature to any document or notice to be given by the Company may be written or printed or lithographed.

142	<p>(a) Document or notice of every general meeting shall be served or given in the same manner hereinbefore authorised 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,</p> <p>Provided that when the notice of the meeting is given by advertising the same in newspaper circulating in the neighbourhood of the office of the Company under Article 93 a statement of material facts referred to in Article 93 need not be annexed to the notice, as is required by that Article, but is shall merely be mentioned in the advertisement that the statement has been forwarded to the members of the Company.</p>	To whom documents must be served or given
143	<p>Every person who by operation of law, transfer or other means whatsoever, has become entitled to any share shall be bound by every document or notice in respect of such share, which prior to his name and address being entered on the Register of Members, shall have been duly served on or give to the person from whom he derived his title to such share.</p>	Members bound by document or notices served on or given to previous holders
144.	<p>A document may be served on the Company or an officer thereof by sending it to the Company or officer at the registered office of the Company by Registered Post or by speed post or by courier service or by leaving it at its registered office or by means of such electronic or other mode as may be prescribed:</p> <p>Provided that where securities are held with a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic or other mode.</p>	Service of documents on the Company

145	Save as provided in the Act or the rules made hereunder for filing of documents with the Registrar in electronic mode, a document may be served on the Registrar or any member by sending it to him at his office by post or by Registered Post or by speed post or by courier or delivering it to or leaving it for him at his office, or by such electronic or other mode as may be prescribed.	Service of documents by Company to the Registrar
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Provided that a member may request for delivery of any document through a particular mode, for which he shall pay such fees as may be determined by the Company in its annual general meeting.

The term “courier” means a person or agency which delivers the document and provides proof of its delivery.

146	Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the Company or contracts made on behalf of the Company may be signed by any key managerial personnel or other officer of the Company duly authorised by the Board of the Company and need not be under the common seal of the Company.	Authentication of documents and proceedings
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### SEAL

147	The Board of Directors shall provide 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 the Board of Directors shall provide for the safe custody of the seal for the time being under such regulations as the Board may prescribe and the seal shall never be fixed to any instrument except by the authority of the Board of Directors or Committee of the Board previously given and in the presence of atleast one Director of the Company who shall sign every instrument to which the Seal is affixed and every such instrument shall be countersigned by the Secretary (if any) or such other officer or person as the Board of Directors may from time to time resolve. Provided however, that the certificate of shares or debentures shall be signed in the same manner as the certificates of shares are required to be signed in conformity with the provisions of the Companies (Share Capital and Debenture) Rules, 2014, and the Statutory Modification for the time being in force.	Common seal
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148	The Company shall also be at liberty to use an official seal in any territory, district or place outside India.
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### SECRECY

149	Every Director, Secretary, Trustee for the Company, the Members or debenture holders, Members of a committee, officer, servant agent, accountant, or other person employed in or about the business of the Company shall, if so required by the Board before entering upon his duties sign, declaration undertaking himself to observe as strict secrecy respecting all transactions of the Company with its 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 so to do by the Board or by any General Meeting or by account of law and except so far as a court of law and except so far as may be necessary in order to comply with any of the provisions of the Articles.	Secrecy clause
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150	No shareholder or other person (not being a Director) shall be entitled to enter upon the property of the Company or to inspect or examine the premises or properties of the Company without the permission of the Board or, to require discovery of or any information respecting any detail of the trading of the Company or any matter which is or may be in the nature of a trade secret, or secret process or of any other whatsoever which may relate to the conduct of the business of the Company or and which in the opinion of the Board it will be inexpedient in the interest of the Company to contract entered into by the Company with third parties for obtaining rights under their secret know-how process and other secret information.	No member to enter the premises of Company without the permission
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#### INDEMNITY

151	Every Director, Secretary or Officer of the Company or any person (whether an officer of the Company or not) employed by the Company and any person appointed Auditor shall be indemnified out of the funds of the Company against all liability incurred by him as such Director, Secretary, Officer, Employee or Auditor in defending any proceedings, whether civil or criminal. In which judgement is given in his favour, or in which he is acquitted, or in connection with any application under Section 633 of the Act in which relief is granted to him by the Court.	Directors and officers right to indemnity
152	Subject to the provisions of Section 197 of the Act, no Director, Auditor or other Officer of the Company shall be liable for the acts, receipts, neglects, or defaults of any other Director or Officer or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for insufficiency or deficiency of any of any security in or upon which any of the monies of the Company shall be invested, or for any loss or damages arising from insolvency or tortuous act of any person, firm or Company to or with whom any monies, securities or effects shall be entrusted or deposited or any loss occasioned by any error of judgement, omission, default or oversight on his part or for any other loss, damage, or misfortune whatever which shall happen in relation to the execution of the duties of his office or in relation thereto unless the same shall happen through his own dishonesty.	Directors and officers not responsible for acts of others

We, the several persons, whose names, addresses and occupations are hereunder subscribed, are desirous of being formed into a Company, in pursuance of these Articles of Association and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names :

Signature, Name, Address Description and occupation of Subscribers	Number of Equity Shares taken	Signature of subscriber	Name, address of witness & his description, occupation & signature
Sharadchandra S. Kothari S/o. Shoorji Kothari. Guru Nanak House, 20/8, Rati Ahmed Kidwai Road, Wadala, Bombay – 400 031.  Occu : Business	10 (Ten)	Sd/-	Sd/- Maganlal Jivram Thacker, 7, Gola Lane, Fort, Bombay – 400 001  S/o. Jivram Thacker  Occ: Chartered Accountant
Jayshree S. Kothari W/o. Sharadchandra Kothari Guru Nanak House, 20/8, Rati Ahmed Kidwai Road, Wadala, Bombay – 400 031.  Occu : Business	10 (Ten)	Sd/-	
TOTAL	20 (Twenty)		

Bombay : Dated this 18<sup>th</sup> day of September 1973.



IN THE NATIONAL COMPANY LAW TRIBUNAL,  
MUMBAI BENCH, COURT-IV

C.P. (CAA)/18/MB/2024 IN

C.A. (CAA)/247/MB/2023

In the matter of

The Companies Act, 2013;

And

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

And

In the matter of the

Composite Scheme of Arrangement for

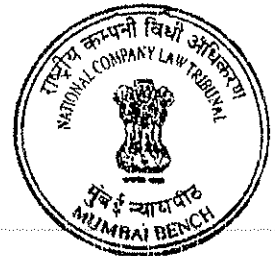
(i) Reduction of Capital and Re-

Organisation of reserves of

**JD Orgochem Limited**

("JDOL" or "Transferee Company" for  
Part C of the Scheme);

and (ii) Amalgamation of (by way of  
merger)





IN THE NATIONAL COMPANY LAW TRIBUNAL,  
MUMBAI BENCH, COURT – IV

C.P. (CAA)/18/MB/2024 IN  
C.A. (CAA)/247/MB/2023

**Jaysynth Dyestuff (India) Limited**  
("JDIL" or "Transferor Company 1" for  
Part D of the Scheme),

**Jaysynth Impex Private Limited**  
(Formerly Known as Jaysynth Impex  
Limited) ("JIPL" or "Transferor Company  
2" for Part D of the Scheme) with and into  
JD Orgochem Limited ("Transferee  
Company" for Part D of the Scheme) and  
their respective shareholders and creditors  
(‘the Scheme’ or ‘this Scheme’)

**Jaysynth Dyestuff (India) Limited,**

[CIN: L24114MH1985PLC035564]

...First Petitioner Company

**Jaysynth Impex Private Limited,**

(Formerly Known as Jaysynth Impex Limited)

[CIN: U29200MH1969PTC014266]

...Second Petitioner Company

**JD Orgochem Limited,**

[CIN: L24100MH1973PLC016908]

...Third Petitioner Company

*First, Second and Third Petitioner Company are collectively referred as  
"Petitioner Companies".*





IN THE NATIONAL COMPANY LAW TRIBUNAL,  
MUMBAI BENCH, COURT – IV

C.P. (CAA)/18/MB/2024 IN  
C.A. (CAA)/247/MB/2023

Order delivered on: 17.04.2024

**Coram:**

Ms. Anu Jagmohan Singh

Mr. Kishore Vemulapalli

Hon'ble Member (Technical)

Hon'ble Member (Judicial)

**Appearances (via videoconferencing):**

For the Petitioner:

CA Harsh Ruparelia i/b A R C  
H and Associates, Chartered  
Accountants.

For the Regional Director:

Mr. Tushar Wagh,  
Authorised Representative of  
the Regional Director,  
Ministry of Corporate Affairs

**ORDER**

1. Heard the Ld. Professional for the Petitioner Companies. No objector has come before the Tribunal to oppose the Petition nor any party has raised any averments in the captioned Petition.

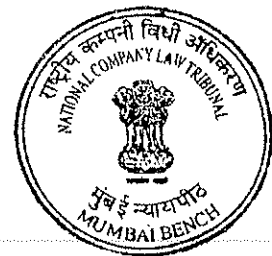




IN THE NATIONAL COMPANY LAW TRIBUNAL,  
MUMBAI BENCH, COURT – IV

C.P. (CAA)/18/MB/2024 IN  
C.A. (CAA)/247/MB/2023

2. The sanction of this Tribunal is sought under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Act") read with Companies (Compromises, Arrangements, and Amalgamation) Rules, 2016 and in the matter of Composite Scheme of Arrangement for (i) Reduction of Capital and Re-organization of reserves of JD Orgochem Limited ("JDOL" or "Transferee Company" for Part C of the Scheme); and (ii) Amalgamation of (by way of merger) **Jaysynth Dyestuff (India) Limited** ("JDIL" or "Transferor Company 1" for Part D of the Scheme), **Jaysynth Impex Private Limited** (Formerly Known as Jaysynth Impex Limited) ("JIPL" or "Transferor Company 2" for Part D of the Scheme) with and into **JD Orgochem Limited** ("Transferee Company" for Part D of the Scheme) and their respective shareholders and creditors ('the Scheme' or 'this Scheme').
3. The Professional for the Petitioner Companies submits that First Petitioner Company is incorporated with following objects:

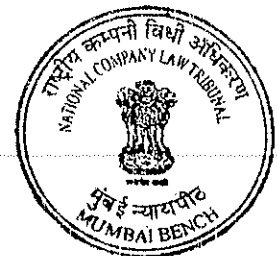




IN THE NATIONAL COMPANY LAW TRIBUNAL,  
MUMBAI BENCH, COURT – IV

C.P. (CAA)/18/MB/2024 IN  
C.A. (CAA)/247/MB/2023

- a. To carry on the business of Manufacturers of and dealers in dyes, dyes intermediates, organic chemicals, textiles auxiliaries, resins, pigment, plasticizers, emulsions.
  - b. To manufacture, refine, manipulate, Import and export and deal in leather dyes tannins, essences, Marine Minerals, mineral waters, white cement, oil, paints, pigments and varnishes, compounds, dyestuff, dyestuff intermediates, paints and colour grinders and heavy chemicals for manufacturing dyestuffs.
4. The Professional for the Petitioner Companies submits that Second Petitioner Company is incorporated with following objects:
- a. To carry on the business of manufacturers and dealers in Asafoetida (Hing), and for that purpose to acquire by purchase, lease or otherwise any land, houses, fixed assets plants, machinery, or other property in Mumbai or elsewhere as the Company from time to time determine and the selling and disposing of the same.
  - b. To carry on the business of dealers in Kariana, Dry Fruits, Spices, herbs, agricultural and Chemical products of any nature and kind whatsoever, and to manufacture, refine, manipulate, import, export, and deal in the same as wholesalers and retailers





IN THE NATIONAL COMPANY LAW TRIBUNAL,  
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- c. To manufacture, refine, manipulate, import and export and deal in heavy Chemicals, alkalies, acids, drugs, tannins, essences, salts and marine minerals and their derivatives, by-products and compounds, pharmaceutical, photographic, sizing, medicinal, chemical, industrial, and other preparations and articles of any nature any kind whatsoever, mineral and other waters, cement, oils, paints, pigments, and varnishes, compounds, drug, dyestuff, organic or mineral intermediates, paints and colour grinders, makers of and dealers in proprietary articles of all kinds and artical, chemical, photographic, surgical and scientific apparatus and materials.
- d. To cay on business as manufacturers of Chemicals, distillers, dye makers and to buy and sell, prepare for the market, import, export and to manufacture and deal in articles of all kinds in manufacture of which such product is used
5. The Professional for the Petitioner Companies submits that Third Petitioner Company is incorporated with following objects:
- a. To carry on the business of manufacturers of and dealers in dyes, dyes intermediates, organic chemicals, textiles auxiliaries, resins, pigments, plasticizers, emulsions as the Company from





IN THE NATIONAL COMPANY LAW TRIBUNAL,  
MUMBAI BENCH, COURT – IV

C.P. (CAA)/18/MB/2024 IN  
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time to time determine and the selling and disposing of the same.

- b. To manufacture, refine, manipulate, Import and export and deal in heavy Chemicals, alkalis, acids, drugs, tannins, essences, salts, and marine minerals, pharmaceuticals, sizing medicinal and photographic, chemicals, Industrial, mineral and other waters, cement, oil, paints, pigments, and varnishes, compounds, drug, dye organic or mineral intermediates, paints and colour grinders, chemical and photographic.
  - c. To carry on the business as manufacturers of Chemicals distillers, dye and dyes intermediates, and to buy, sell, prepare for the market Import, export the same.
  - d. To carry on the business of manufacturers and products of fats, fertilisers, manures, clips, sprays, vermifuges, fungicides, medicines, and remedies for agricultural, fruit growing or other purposes or as remedies for men or animals and whether produced from vegetable or animals' matter or by any chemical process.
6. The Learned Professional for the Petitioner Companies submits that the rationale mentioned in the Scheme is as under:



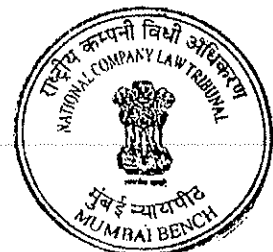


IN THE NATIONAL COMPANY LAW TRIBUNAL,  
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C.P. (CAA)/18/MB/2024 IN

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- Rationale for Part C of the Scheme which deals with reduction of capital and re-organization of reserves of the Third Petitioner Company in the manner set out in this Scheme can provide benefits to the shareholders/stakeholders as under:
  - a. The Third Petitioner Company had suffered substantial losses from 1999 till date, due to which the it's retained earnings had turned into negative;
  - b. In the circumstances, the scheme proposes to set off the debit balance of Retained Earnings of the Third Petitioner Company as on the Appointed date against the credit balance lying under the various reserves as specified herein.
  - c. The proposed reorganization of the reserves is in the interest of the Third Petitioner Company, shareholders, creditors, and all concerned stakeholders. If the Scheme is approved, the books of the Third Petitioner Company would present a fair representation of the financial position of the Third Petitioner Company.
- Rationale for Part D of the Scheme which deals with the Composite Scheme of Arrangement of (by way of merger) between Jaysynth Dyestuff (India) Limited and Jaysynth Impex



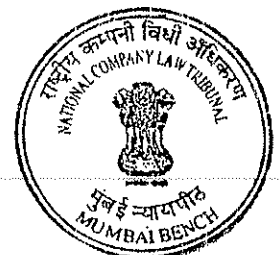


IN THE NATIONAL COMPANY LAW TRIBUNAL,  
MUMBAI BENCH, COURT – IV

C.P. (CAA)/18/MB/2024 IN  
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Private Limited (Formerly Known as Jaysynth Impex Limited) with and into JD Orgochem Limited and their respective shareholders and creditors under sections 230 to 232 read with section 66 and other applicable provisions of the Companies Act, 2013 which can provide benefits to the shareholders / stakeholders as under:

- a. Providing liquidity to the public shareholders of Third Petitioner Company through the merger of First Petitioner Company and Second Petitioner Company, having active manufacturing operations into Third Petitioner Company which does not carry out manufacturing operations at present;
- b. The First Petitioner Company, Second Petitioner Company and the Third Petitioner Company are already engaged in the same line of business activities i.e., of manufacturing of dye and dyes intermediary products, Trader of CPC-based Pigment, and Inks for digital printing and furthermore, the manufacturing facilities of the First Petitioner Company, Second Petitioner Company and the Third Petitioner Company are situated adjacent to each other. The proposed merger will enable the integration of the business activities



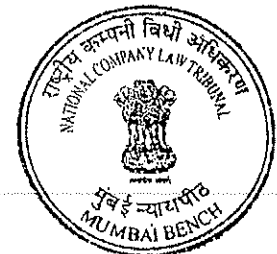


IN THE NATIONAL COMPANY LAW TRIBUNAL,  
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C.P. (CAA)/18/MB/2024 IN  
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of the First Petitioner Company, Second Petitioner Company and the Third Petitioner Company.

- c. Economies of scale will play a bigger role as the consolidated entity's operational efficiency will increase, which will in turn allow the merged entity to compete on a larger scale in the industry, thus benefiting the merged entity and the shareholders.
- d. The combined net worth of all entities will enable the merged entity to tap into new business opportunities thereby unlocking growth opportunities for the merged entity considering the financial strength of the Third Petitioner Company post the amalgamation
- e. It will provide an opportunity to leverage assets and build a stronger sustainable business. It will provide an opportunity to fully leverage the combined net worth, capabilities, experience, expertise, consolidation of adjoining land parcels in MIDC, Patalganga, and infrastructure of First Petitioner Company and Second Petitioner Company and thus increase the ability for promotion of business activities as well as fundraising for business development

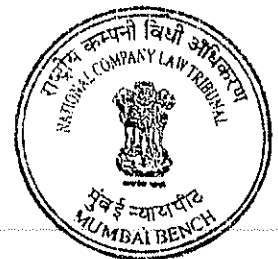




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- f. It would result in the consolidation of business activities and will facilitate effective management of investment and synergies in operations
- g. Being a part of the same management, this amalgamation would facilitate reduction in the management overlaps due to operation of the multiple entities and more focused leadership
- h. Reduction in multiplicity of legal and regulatory compliances, reduction in overheads, including administrative, managerial and other costs amongst all; and
- i. Consolidation and simplification of the group structure and reduction of administrative costs at the group level
7. The Petitioner Companies have approved the Scheme by passing their respective Board Resolutions dated 24<sup>th</sup> January 2023 and have approached the Tribunal for sanction of the Scheme.





IN THE NATIONAL COMPANY LAW TRIBUNAL,  
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C.P. (CAA)/18/MB/2024 IN

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8. The Petitioner Companies submits that the Company Scheme Petition has been filed in consonance with the order dated 09<sup>th</sup> November, 2023, passed by this Hon'ble Tribunal in C.A.(CAA)/247/MB/2023.
9. The meetings of the equity shareholders for the First Petitioner Company and the Third Petitioner Company were held in accordance with directions of the Hon'ble Tribunal on 21<sup>st</sup> December 2023, wherein the equity shareholders of the First Petitioner Company and the Third Petitioner Company have approved the Scheme with requisite majority. Further, the meetings of the shareholders of the Second Petitioner Company and creditors of the all Petitioner Companies were dispensed with by the Hon'ble Tribunal vide order dated 09<sup>th</sup> November, 2023 in C.A.(CAA)/247/MB/2023.

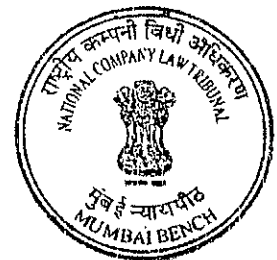




IN THE NATIONAL COMPANY LAW TRIBUNAL,  
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10. The Petitioner Companies states that the Petitioner Companies have complied with all requirements as per directions of the Hon'ble Tribunal and they have filed necessary affidavits of compliance with Hon'ble Tribunal. Moreover, Petitioner Companies undertake to comply with all statutory requirements, if any, as required under the Companies Act, 2013 and the relevant Rules & Regulations made there under. The said undertaking is accepted.
11. The Professional for the Petitioner Companies submits that the present Company Scheme Petition has been filed in consonance with the order delivered on 09<sup>th</sup> November 2023 passed by this Tribunal in C.A. (CAA)/247/MB/2023.



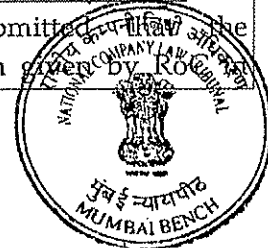


IN THE NATIONAL COMPANY LAW TRIBUNAL,  
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C.P. (CAA)/18/MB/2024 IN  
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12. The Regional Director, Western Region has filed its report dated 01<sup>st</sup> March, 2024 ("Report") praying that this Tribunal may pass such orders as it thinks fit, save and except as stated in paragraphs 2(a) to (k) and in response to the observations of the Regional Director, the Petitioner Companies have filed their responses vide its Affidavit in reply to the Observations of the Regional Director dated 14<sup>th</sup> March, 2024 as under:

Para No.	Regional Observations 01 <sup>st</sup> March, 2024	Director dated	Response from the Petitioner Companies
2 (a)	<p>i. <i>That the No Inquiry, Inspection, Investigations, Prosecutions, Technical Scrutiny under CA, 2013 have been pending against the Petitioner Companies</i></p> <p>ii. <i>Further ROC has mentioned as follows: -</i></p> <p>i. <i>One open charge in respect of the First Petitioner Company.</i></p> <p>ii. <i>Notices should be served to Unsecured Creditors of the Transferor Company 1 and Transferee Company.</i></p>		<p>Apropos the observation of the Regional Director, Western Region, Mumbai, as stated in paragraph 2 (a) of the Report is concerned, it is submitted that:</p> <p><u>Response to 2(a)(i):</u> It is submitted that the observation given by RoC in point no 2(a)(i) are merely factual in nature and no further response is required.</p> <p><u>Our response to 2(a)(ii)(i):</u> It is submitted that the observation given by ROC</p>





IN THE NATIONAL COMPANY LAW TRIBUNAL,  
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<p>iii. Notices issued to Equity Shareholders of the Transferor Company 1 and Transferee Company on 20.12.2023 and date of meeting is 21.12.2023. Companies have not given 21 days clear notice. Hence, The Applicant Companies may clarify the same.</p> <p>iv. Transferor Company 1 and Transferee Company being a listed entity. Observations letter from BSE Limited is received on 30.08.2023. Notice should be issued to SEBI for their observations.</p> <p>v. 21 (Twenty) "Open Charges" are there on the Transferee Company. List is attached</p> <p>vi. As per provisions of section 232(3)(i) of CA, 2013 where the transferor company is dissolved, the fee, if any, paid by the transferor company on its authorized capital shall be set off against any fees payable by the transferee company on its authorized capital shall be set off against any fees payable by the transferee</p>	<p>point no 2(a)(ii)(i) are merely factual in nature and no further response is required.</p> <p><u>Our response to 2(a)(ii)(ii):</u></p> <ul style="list-style-type: none"><li>It is submitted that notices to the Unsecured Creditors of the Petitioner Companies have been duly served by way of filing an Additional Affidavit on direction by way of Hon'ble NCLT, Mumbai Bench dated 08<sup>th</sup> January, 2024 evidencing dispatch of notice and its delivery receipt.</li></ul> <p><u>Our response to 2(a)(ii)(iii):</u></p> <ul style="list-style-type: none"><li>It is submitted that the notice to equity shareholders of the First Petitioner Company and the Third Petitioner Company were served with 30 days of clear notice; however, there was a typographical error in the date of the notice. Further, the Petitioner Companies would like to bring your attention to the affidavit</li></ul>
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IN THE NATIONAL COMPANY LAW TRIBUNAL,  
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<p>company on its authorized capital subsequent to the amalgamation. Therefore, the remaining fee, if any after setting off the fees already paid by the transferor company on its authorized capital, must be paid by the transferee company on the increased authorized capital subsequent to amalgamation.</p> <p>vii. Interest of the Creditors should be protected.</p> <p>viii. May be decided on its merits.</p> <p>Hence, the Petitioner Companies shall undertake to submit detailed replies against the observations mentioned above .</p>	<p>of service dated 28<sup>th</sup> November, 2023, evidencing date of dispatch of notice to the shareholders.</p> <p>Additionally, an email received from M/s. Link Intime India Private Limited further substantiates that the notice was dispatched within the stipulated timelines, as per Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. Hence, the First Petitioner Company and the Third Petitioner Company has duly complied with timelines for service of notices upon the shareholders.</p> <p><u>Our response to 2(a)(ii)(iv):</u></p> <ul style="list-style-type: none"><li>• In so far as the observation made in paragraph 2(a)(ii)(iv) of the Report of the Regional Director is concerned, it is submitted that the First Petitioner Company and Third Petitioner</li></ul>
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IN THE NATIONAL COMPANY LAW TRIBUNAL,  
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		<p>Company had received observation letter from BSE (including observations of the SEBI) vide their letter dated 30<sup>th</sup> August, 2023 which has been annexed as <u>Exhibit 14</u> to the Company Scheme Petition. It is further stated that the notices have been served to the SEBI for their observations.</p> <p><u>Our response to 2(a)(ii)(v):</u></p> <ul style="list-style-type: none"><li>• It is submitted that the observation given by RoC in point no 2(a)(ii)(v) are merely factual in nature and no further response is required.</li></ul> <p><u>Our response to 2(a)(ii)(vi):</u></p> <ul style="list-style-type: none"><li>• In so far as observations made in paragraph 2(a)(ii)(vi) of the Report is concerned, the Petitioner Companies hereby undertake to comply with the provisions of section 232(3)(i) of the Companies Act, 2013 regarding set-off of fees paid by the Transferor</li></ul>
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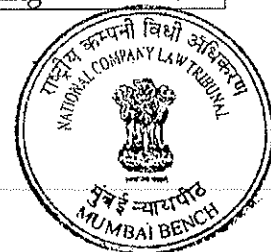


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		<p>Companies i.e., First Petitioner and Second Petitioner Company against any fees and stamp duty payable by the Third Petitioner Company i.e., Transferee Company on its authorized capital subsequent to the Scheme. The aggregate authorised share capital of the Third Petitioner Company shall automatically stand increased to that effect by simply filing the requisite e-form INC-28 with the relevant Registrar of Companies without any further act, instrument or deed on the part of Third Petitioner Company. Further, in the event of any increase in the authorised share capital of First Petitioner and Second Petitioner Company before the Effective Date, such increase shall be given effect to while aggregating the</p>
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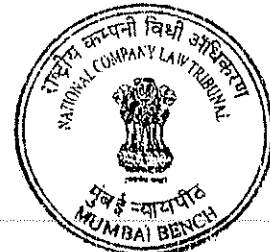




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		<p>authorised share capital of the Third Petitioner Company.</p> <p><u>Our response to 2(a)(ii)(vii):</u></p> <ul style="list-style-type: none"><li>• The Petitioner Companies hereby undertakes that the interest of the creditors shall be duly protected under scheme.</li></ul> <p><u>Our response to 2(a)(ii)(viii):</u></p> <ul style="list-style-type: none"><li>• It is submitted that the observation given by RoC in point no 2(a)(ii)(viii) are merely factual in nature and no further response is required.</li></ul>
2 (b)	<i>"In compliance of Accounting Standard—14 or IND AS-103, as may be applicable, the Transferee Company shall pass such accounting entries which are necessary for connection with the scheme to comply with other applicable Accounting Standards such as AS-5 or IND AS-8 etc.</i>	<p>Apropos the observation of the Regional Director, Western Region, Mumbai, as stated in paragraph 2 (b) of the Report is concerned, it is submitted that that in addition to compliance with IND AS-103 (AS-14 is not applicable), in connection with the scheme, the Petitioner Companies shall pass such accounting entries which are necessary to comply with all other applicable Accounting Standards such as</p>





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		IND AS-8, etc. to the extent applicable.
2 (c)	<i>The Hon'ble Tribunal may kindly direct the Petitioner Companies to file an affidavit to the extent that the Scheme enclosed to the Company Application and Company Petition are one and same and there is no discrepancy, or no change is made.</i>	Apropos the observation of the Regional Director, Western Region, Mumbai, as stated in paragraph 2 (c) of the Report is concerned, it is submitted that by way of this affidavit that Scheme enclosed to Company Scheme Petition and Company Scheme Application are one and same and there is no discrepancy or change made to the scheme.
2 (d)	<i>The Petitioner Companies under provisions of section 230(5) of the Companies Act 2013 have to serve notices to concerned authorities which are likely to be affected by the Amalgamation or arrangement. Further, the approval of the scheme by the Hon'ble Tribunal may not deter such authorities to deal with any of the issues arising after giving effect to the scheme. The decision of such authorities shall be binding on the Petitioner Companies.</i>	Apropos the observation of the Regional Director, Western Region, Mumbai, as stated in paragraph 2 (d) of the Report is concerned, it is submitted that the Petitioner Companies had served notices to concerned authorities which are likely to be affected by the Amalgamation. Further, Petitioner Companies hereby undertakes the approval of the Scheme by the Hon'ble Tribunal would not deter such authorities to deal with any of the issues arising after giving effect to the Scheme. The decision of such authorities shall be binding on





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		the concerned Petitioner Companies.
2 (e)	<p><i>As per Definition of the Scheme, "Appointed Date" means the 1<sup>st</sup> day of April, 2023 or such date as approved by Honourable NCLT for the purpose of this scheme.</i></p> <p><i>"Effective Date" means the date on which last of the conditionalities specified in clause 21 of the scheme is fulfilled. Any reference in this scheme to date "upon the scheme becoming effective" or "effectiveness of the scheme" or "upon coming into effect of this scheme" or "upon the scheme coming into effect" shall mean the Effective Date, as defined in the clause</i></p> <p><i>"Record Date" means the date to be fixed by the Board of Directors of the Transferee Company or a committee thereof, in consultation with the Board of Directors of the Transferor Companies for the purpose of determining the members of the Transferor Companies to whom new shares in the Transferee</i></p>	<p>Apropos the observation of the Regional Director, Western Region, Mumbai, as stated in paragraph 2 (e) of the Report is concerned, it is submitted that the Appointed Date i.e., 01<sup>st</sup> April 2023 has been indicated in the Scheme in accordance with provisions of section 232(6) of the Companies Act 2013 and the scheme shall become effective from the Appointed Date.</p> <p>Further, the Petitioner Companies hereby submit that they are in compliance with the applicable requirements of the General Circular No. 9/2019 dated 21/08/2019 issued vide F. No. 7/12/2019/CL-I by the Ministry of Corporate Affairs by clearly specifying the Appointed Date and Effective Date in the Scheme. Without prejudice to the above, the Petitioner Companies undertakes to comply with the requirements clarified vide circular no. F. No. 7/12/2019/CL-I dated</p>





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	<p><i>Company shall be allotted under Part D of the Scheme.</i></p> <p><i>In this regard, it is submitted that Section 232(6) of the Companies Act, 2013 stated that the scheme under this section shall clearly indicate an appointed date from which it shall be effective and the scheme shall be deemed to be effective from such date not a date subsequent to the appointed date. However, this aspect may be decided by the Honorable Tribunal taking into account its inherent powers.</i></p> <p><i>The Petitioner Company asked to comply with the requirements as clarified vide circular no. F. No. 7/12/2019/CL-I dated 21.08.2019 issued by the Ministry of Corporate Affairs .</i></p>	<p>21.08.2019 issued by the Ministry of Corporate Affairs.</p>
2 (f)	<p><i>"The Honorable Tribunal may kindly seek undertaking that this Scheme is approved by the requisite majority of members and creditors as per Section 230(6) of the Act in meeting duly held in terms of Section 230(1) read with section 7 subsection (3) to (5) of Section 230 of the Act and the Minutes thereof are duly placed before the Tribunal</i></p>	<p>Apropos the observation of the Regional Director, Western Region, Mumbai, as stated in paragraph 2 (f) of the Report is concerned, the Petitioner Companies undertakes that the scheme has been approved by the majority of members of the First Petitioner Company and the Third Petitioner Company in the respective meetings of</p>





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		<p>the Equity Shareholders dated 21<sup>st</sup> December 2023, wherein Chairperson Report of the First Petitioner Company and the Third Petitioner Company has been annexed in Annexure 19 and 20 respectively to the Company Scheme Petition. Further, the meeting of Equity Shareholders of the Second Petitioner Company was dispensed with by Hon'ble NCLT vide its order dated 09<sup>th</sup> November , 2023 on account of the consent affidavit received from all its Equity Shareholders. Further, the meeting of the secured creditors was dispensed with by Hon'ble NCLT vide its order dated 09<sup>th</sup> November , 2023 on account of the consents received from the secured creditors. Further, the meeting of unsecured creditors of Petitioner Company was dispensed with vide order dated 09<sup>th</sup> November , 2023. The Petitioner Companies have duly complied with the directions in the order of the Hon'ble Tribunal in this</p>
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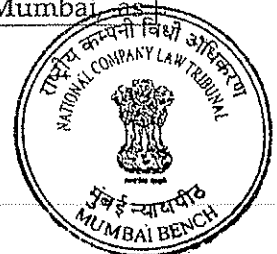


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		Company Application.	Scheme
2 (g)	<i>"Petitioner Companies shall undertake to comply with the directions of the Income Tax Department &amp; GST Department, if any.</i>	Apropos the observation of the Regional Director, Western Region, Mumbai, as stated in paragraph 2 (g) of the Report is concerned, it is submitted that Petitioner Companies undertake to comply with the directions of the Income Tax Department & GST Department, if any. The Petitioner Companies have not received any directions from the Income-tax Department & GST Department.	
2 (h)	<i>"Petitioner/Transferor Company and Transferee Company shall undertake to comply with the directions of the concerned sectoral Regulatory, if any .</i>	Apropos the observation of the Regional Director, Western Region, Mumbai, as stated in paragraph 2 (h) of the Report is concerned, it is submitted that Petitioner Companies undertake to comply with the directions of the concerned sectoral Regulatory, if any. Further, the businesses of the Petitioner Companies are not governed by any sectoral regulators.	
2 (i)	<i>Petitioner Company States that the Transferee Company shall be in compliance with provisions of</i>	Apropos the observation of the Regional Director, Western Region, Mumbai, as	

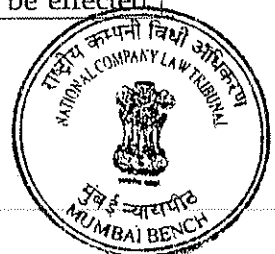




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	<i>Section 2(1B) of the Income Tax Act, 1961. In this regard, the petitioner company shall ensure compliance of all the provisions of the Income Tax and Rules thereunder</i>	stated in paragraph 2 (i) of his Report is concerned, it is submitted that Third Petitioner Company shall undertake to comply with the provisions of Section 2(1B) of Income Tax Act, 1961 as well as the Petitioner Companies shall ensure to comply with all the provisions of the Income Tax and Rules thereunder
2 (j)	<i>Petitioner Transferor Company 1 and Transferee Company are Listed Company hence Transferor Company 1 and Transferee Company directed to place on record the prior notice to BSE, NSE and SEBI and obtain NOC from BSE, NSE and SEBI, Therefore public interest may be protected in this matter</i>	Apropos the observation of the Regional Director, Western Region, Mumbai, as stated in paragraph 2 (j) of his Report is concerned, it is submitted that First Petitioner and Third Petitioner Company had issued a notice to BSE and SEBI as well as obtain an NOC from BSE/SEBI vide observation letter dated 30 <sup>th</sup> August, 2023 which has been annexed in Annexure 14 of Company Scheme Petition.
2(k)	<i>It is observed at para 6 of the Scheme, that the Transferee Company proposes to reduce the share capital and reorganization reserves under the scheme. Hence, the Transferee Company all undertake to comply with provision of section 52 and 66 Companies Act, 2013 and Rules</i>	Apropos the observation of the Regional Director, Western Region, Mumbai, as stated in paragraph 2 (k) of his Report is concerned, it is submitted that Petitioner Companies re-organisation of reserves and reduction of share capital shall be effected.





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	<i>made thereunder by the Petitioner Companies</i>	as an Integral part of the Scheme and shall be in accordance with the provisions of sections 52 and 66 of the Companies Act, 2013 and Rules & Regulations made thereunder.
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13. The Official Liquidator, High Court, Bombay, has filed his report dated 17<sup>th</sup> January, 2024 ("Report") praying that this Tribunal may pass such orders as it thinks fit, save and except as stated in paragraphs 5 and 6 and in response to the observations of the Official Liquidator, the Petitioner Companies have filed their responses vide its Affidavit in reply to the Observations of the Official Liquidator dated 06<sup>th</sup> February, 2024 as under for which the Petitioner Companies were required to clarify before this Hon'ble Tribunal.

Para No.	Official Liquidator observations dated 17 <sup>th</sup> January, 2024	Response from the Petitioner Companies
5	<i>Para 5: With reference to clause 13.1 of the scheme it is stated that such clause overrides the provisions of the Companies Act, 2013 namely section 232(3)(i) which inter alia provides that, 'if a company is dissolved, the fees</i>	Apropos the observation of the Official Liquidator, as stated in paragraph 5 of the Report is concerned, it is submitted that the Petitioner Companies hereby undertake to comply with the provisions of section





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<p><i>paid by such company on its Authorised share capital shall be set off against any fees paid payable by the transferee company on its Authorised Share Capital. Hon'ble Tribunal may be pleased to direct Transferee Company to pay differential amount, if any, after setting off fees already paid by the Transferor Company:</i></p>	<p>232(3)(i) of the Companies Act, 2013 regarding set-off of fees paid by the Transferor Companies i.e., First Petitioner Company and Second Petitioner Company against any fees and stamp duty payable by the Third Petitioner Company i.e., Transferee Company on its authorized capital subsequent to the Scheme. The aggregate authorised share capital of the Third Petitioner Company shall automatically stand increased to that effect by simply filing the requisite e-form INC-28 with the relevant Registrar of Companies without any further act, instrument or deed on the part of Third Petitioner Company. Further, in the event of any increase in the authorised share capital of First Petitioner Company and Second Petitioner Company before the Effective Date, such increase shall be given effect to while aggregating the authorised share capital</p>
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		of the Third Petitioner Company.
6	<p><i>Para 6: it has been noticed from the Financial Statement as at 31.03.2023 of Jaysynth Dyestuff (India) Limited (First Transferor Company) that the company owes Rs.1339.86 Lakhs and Jaysynth Impex Private Limited (Second Transferor Company) owes Rs.711.31 Lakhs to MSME. In this respect it is stated that under MSMED Act, 2006 the buyer is to make payment within 45 days of it becoming due. In case of failure to pay to the MSME supplier, the company is liable to pay compound interest rate. Hon'ble Tribunal may be requiring the Transferor Company to clarify whether they have paid the said amount to the MSME creditor or whether there is any dispute with respect to payment of such amount. In case of dispute with regard to amount due whether the reference has been made to the MSME facilitation council constituted by the respective</i></p>	<p>Apropos the observation of the Official Liquidator, as stated in paragraph 6 of his Report is concerned, it is submitted that that as per the Scheme, all the liabilities of the First Petitioner Company and Second Petitioner Company shall be transferred to Third Petitioner Company including any dues owed to MSME in terms of Clause 7 of the Scheme. It is submitted that as on date:</p> <ul style="list-style-type: none"><li>• The First Petitioner Company has settled the entire outstanding dues of Rs.1339.86 Lakh to MSME Registered Vendors as of March 31, 2023; and</li><li>• The Second Petitioner Company has settled the entire outstanding dues of Rs. 711.31 Lakhs to MSME Registered Vendors as of March 31, 2023.</li></ul> <p>FORM MSME 1 along with its challan for the period October</p>





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	<p><i>Government or not. Company may also be required to produce form MSME-1 filed with the ROC for the above said dues</i></p>	<p>to March 2023 of the First Petitioner Company and Second Petitioner Company respectively are enclosed in Annexure 'A and B' to the Affidavit.</p> <p>Accordingly, outstanding dues including MSME dues, if any, shall be transferred to the Third Petitioner Company and the Third Petitioner Company undertakes to pay the same in the ordinary course of its business pursuant to sanction of the Scheme by this Hon'ble Tribunal. The Petitioner Companies are in compliance with provisions of the MSMED Act and shall continue to adhere to the same to the extent applicable.</p>
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14. Mr. Altap Shaikh, Authorized Representative of the Regional Director, MCA (WR), Mumbai, present at the time of the hearing has submitted that the explanation and clarifications given by the Petitioner/ Transferor Company are found satisfactory and stated that the Regional Director has no objections for approving the scheme by the Tribunal.





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15. The Professional for the Petitioner Companies states and submits that the First Petitioner Company has paid-off all the outstanding dues of Rs. 1,339.86 Lakhs to the MSME Registered Vendors, which were outstanding as on 31<sup>st</sup> March 2023.
16. From the material on record, the Scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy. Upon effectiveness of the Part IV of the Scheme all the assets and properties comprised in the First Petitioner Company, Second Petitioner Company respectively of whatsoever nature and wheresoever situated, shall, under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act or deed, be and stand transferred to and vested in the Third Petitioner Company or be deemed to be transferred to and vested in Third Petitioner Company as a going concern so as to become the assets and properties of Third Petitioner Company.



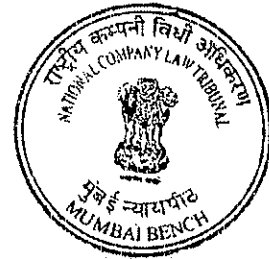


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17. As consideration under the Scheme, upon coming into effect of the Scheme and in consideration for amalgamation of the First Petitioner Company with and into the Third Petitioner Company, the Third Petitioner Company shall, without any further application or deed and without any further payment, issue and allot to all the equity shareholders of the First Petitioner Company (whose names appear in the register of members as on the Record Date) in the following manner:

*"14 fully paid-up equity shares of INR 1/- each of Third Petitioner Company to be issued and allotted for every 1 share having Face Value of INR 1/-each held by the Equity Shareholders of First Petitioner Company".*





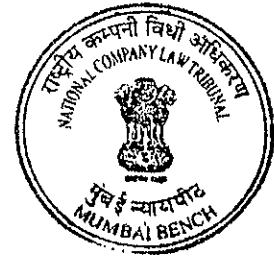
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18. As consideration under the Scheme, upon coming into effect of the Scheme and in consideration for amalgamation of the Second Petitioner Company with and into the Third Petitioner Company, the Third Petitioner Company shall, without any further application or deed and without any further payment, issue and allot to all the equity shareholders of the Second Petitioner Company (whose names appear in the register of members as on the Record Date) in the following manner:

*"252. fully paid-up 2% Redeemable Non-convertible Non-Cumulative Non-Participating Preference Shares of INR 1/- each of Third Petitioner Company to be issued and allotted for every 1 share having Face Value of INR 1/- each held by the Equity Shareholders of Second Petitioner Company"*

19. Since all the requisite statutory compliances have been fulfilled, C.P.(CAA)/18/MB/2024 is made absolute in terms of the prayer clauses of the said Company Scheme Petition.





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20. The Appointed Date of the Scheme is **01<sup>st</sup> April, 2023**. It shall be binding on the Petitioner Companies involved in the Scheme and all concerned including their respective Shareholders, Secured Creditors, Unsecured Creditors/Trade Creditors, Employees and/or any other stakeholders concerned.
21. The Petitioner Companies 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 INC-28 within **30 days** or an extended timeline with payment of additional fees, as may be applicable, from the date of receipt of the Order duly certified by the designated registrar of this Tribunal. The Scheme will become effective on filing of the copy of this order with the concerned Registrar of Companies.
22. On filing of this Order with the concerned Registrar of Companies as instructed in paragraph b above, the First Petitioner Company and Second Petitioner Company shall stand dissolved without winding up.

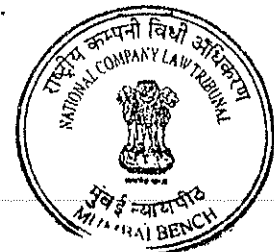




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23. Upon this scheme becoming effective, without any further act, instrument or deed, the name of the Third Petitioner Company shall be changed to "**Jaysynth Orgochem Limited**". Further, the name "JD Orgochem Limited" wherever occurs in the memorandum of association and articles of association of the Third Petitioner Company, shall be substituted by such name.
24. The Petitioner Companies to lodge a copy of this Order along with the Scheme duly authenticated/certified by the Designated Registrar, Hon'ble National Company Law Tribunal, Mumbai Bench, with the concerned Superintendent of Stamps for the purpose of adjudication of stamp duty payable, if any, within 60 working days from the date of receipt of the certified copy of the Order along with the Scheme from the Registry of this Tribunal.
25. All concerned regulatory authorities to act on a copy of this Order along with Scheme duly certified by the Designated Registrar, National Company Law Tribunal, Mumbai Bench.





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26. Any person interested is at liberty to apply to this Tribunal in the above matters for any directions that may be necessary.
27. Any concerned Authorities are at liberty to approach this Tribunal for any further clarification as may be necessary.
28. Ordered accordingly. Thus, the Company Scheme Petition with C.P.(CAA)/18/MB/2024 in C.A.(CAA)/247/MB/2023 shall stand to be disposed-off.

Sd/-

Anu Jagmohan Singh  
Member (Technical)  
Suresh 17.04.2024

Sd/-

Kishore Vemulapalli  
Member (Judicial)



Certified True Copy \_\_\_\_\_  
Date of Application 17/04/2024  
Number of Pages 35  
Fee Paid Rs. 175/-  
Applicant called for collection copy on 23/04/2024  
Copy prepared on 23.4.2024  
Copy Issued on 23/04/2024

*[Signature]*  
Deputy Registrar  
23.4.2024

National Company Law Tribunal, Mumbai Bench

## COMPOSITE SCHEME OF ARRANGEMENT

AMONGST

JAYSYNTH DYESTUFF (INDIA) LIMITED

("Transferor Company 1" for Part D of the Scheme)

AND

JAYSYNTH IMPEX PRIVATE LIMITED

(FORMERLY KNOWN AS JAYSYNTH IMPEX LIMITED)

("Transferor Company 2" for Part D of the Scheme)

AND

JD ORGOCHEM LIMITED

("Transferee Company" for Part D of the Scheme)

AND

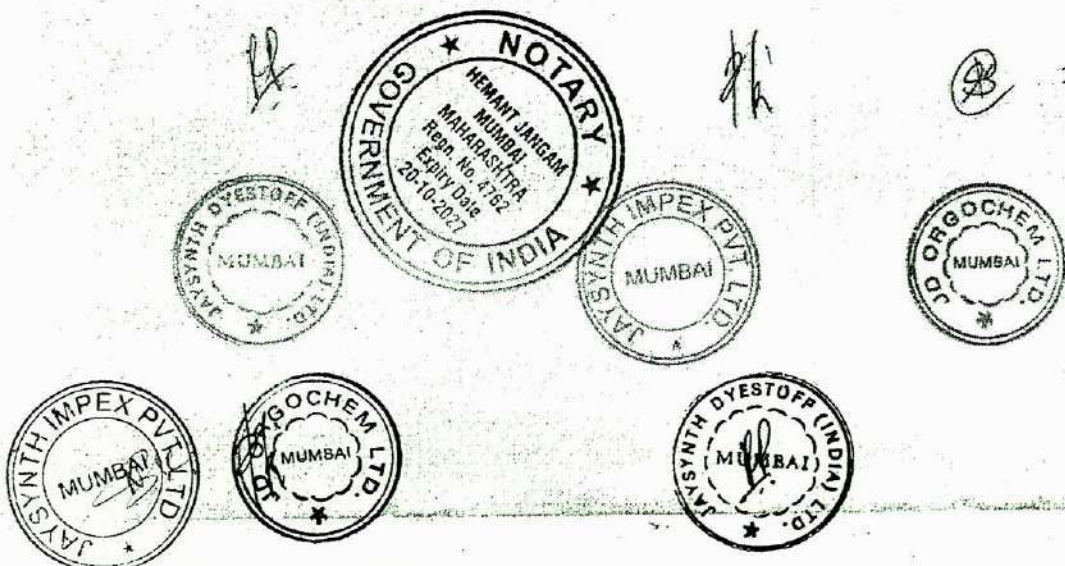
THEIR RESPECTIVE SHAREHOLDERS &amp; CREDITORS

UNDER SECTIONS 230 TO 232 READ WITH SECTION 66 OF THE COMPANIES ACT, 2013 AND OTHER  
APPLICABLE PROVISIONS AND RULES FRAMED THEREUNDER

## (A) PREAMBLE

This Composite Scheme of Arrangement and Merger by Absorption ("Scheme") is presented under Sections 230 to 232 read with Section 66 of the Companies Act, 2013 and the rules and regulations made thereunder for:

- a. Reduction of Capital and Reorganization of Reserves of the Transferee Company (as defined hereinafter); and



- b. Amalgamation of Jaysynth Dyestuff (India) Limited ("JDIL" or "Transferor Company 1") and Jaysynth Impex Private Limited (Formerly Known as Jaysynth Impex Limited) ("JIPL" or "Transferor Company 2") with and into JD Orgochem Limited ("JDOL" or "Transferee Company")

#### (B) Parts of the Scheme

This Scheme is divided into the following parts:-

Part A deals with the description of the companies and the rationale for the Scheme;

Part B deals with the definitions and the share capital of the Transferor Companies and Transferee Company;

Part C deals with reduction of capital and re-organization of reserves of the Transferee Company;

Part D deals with the Amalgamation by absorption of Transferor Companies with and into Transferee Company and certain consequential aspects thereto

Part E deals with the general terms and conditions applicable to this Scheme.

The Scheme also provides for various other matters consequential, incidental or otherwise integrally connected herewith.

#### PART A – GENERAL

##### 1. DESCRIPTION OF THE COMPANIES

- 1.1. Jaysynth Dyestuff (India) Limited ("JDIL" or "Transferor Company 1" for Part D of the Scheme) was incorporated as a public limited company in the State of Maharashtra under the provisions of the Companies Act, 1956 on 08<sup>th</sup> March 1985 vide Corporate Identity Number L24114MH1985PLC035564, having registered office at 301, Sumer Kendra, P.B Marg, Worli, Mumbai – 400 018 and having PAN AAACJ1253F and email ID of its authorised representative as jsec@jaysynth.com. The Transferor Company 1 is engaged in the manufacturing and trading of CPE based Pigments, Inks for digital printing & Dyes. The equity shares of JDIL are listed on Bombay Stock Exchange Limited ("BSE Limited").



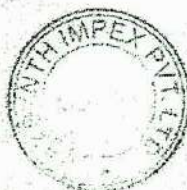
1.2. Jaysynth Impex Private Limited (Formerly Known as Jaysynth Impex Limited) ("JIPL" or "Transferor Company 2" for Part D of the Scheme) was incorporated as a private limited company in the State of Maharashtra under the provisions of the Companies Act, 1956 on 25<sup>th</sup> April 1969 vide Corporate Identity Number U29200MH1969PTC014266, having registered office at E-16, Everest Tardeo Road, Mumbai - 400 034 and having PAN-AAACJ7732K and email ID of its authorised representative as jaysynthimpex@gmail.com. The Transferor Company 2 is engaged in the manufacturing and trading of dyes and auxiliaries.

1.3. JD Orgochem Limited ("JDOL" or the Transferee Company" for Part D of the Scheme) was incorporated as a public limited company in the State of Maharashtra under the provisions of the Companies Act, 1956, on 05<sup>th</sup> October 1973 vide Corporate Identity Number L24100MH1973PLC016908, having registered office 301, Sumer Kendra, P.B Marg, Worli, Mumbai - 400 018 and having PAN-AAACJ0902B and email ID of its authorised representative as investor.relations@jdorgochem.com. The Transferee Company was engaged in manufacturing of several dyes, and dyes Intermediates products in India, but has not been actively engaged into manufacturing activity since number of years, but has been engaged in certain trading activities in the same segment. The equity shares of JDOL are listed on Bombay Stock Exchange Limited ("BSE Limited").

## 2. OBJECT AND RATIONALE OF THIS SCHEME

2.1 Rationale for Part C of the Scheme which deals with reduction of capital and re-organization of reserves of the Transferee Company in the manner set out in this Scheme can provide benefits to the shareholders / stakeholders as under:

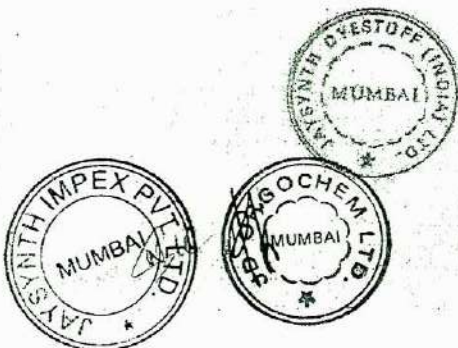
- a. The Transferee Company had suffered substantial losses from 1999 till date, due to which the Company's retained earnings had turned into negative,
- b. In the circumstances, the scheme proposes to set-off the debit balance of Retained Earnings of the Transferee Company as on the appointed date against the credit balance lying under the various reserves as specified herein.



- c. The proposed reorganization of the reserves is in the interest of the Transferee Company, shareholders, creditors, and all concerned stakeholders. If the Scheme is approved, the books of the company would present a fair representation of the financial position of the Transferee Company.

2.2 Rationale for Part D of the Scheme which deals with the amalgamation of the Transferor Company 1 and Transferor Company 2 with and into the Transferee Company. Integration of the business of the Transferor Company 1 and the Transferor Company 2 with and into the Transferee Company can provide benefits to the shareholders / stakeholders as under:

- a. Providing liquidity to the public shareholders of Transferee Company through the merger of Transferor Companies, having active manufacturing operations into Transferee Company which does not carry out manufacturing operations at present;
- b. The Transferor Companies and the Transferee Company are already engaged in the same line of business activities i.e., of manufacturing of dye and dyes intermediary products, Trader of CPC-based Pigment, and Inks for digital printing and furthermore, the manufacturing facilities of the Transferor Companies and the Transferee Company are situated adjacent to each other. The proposed merger will enable the integration of the business activities of the Transferor Companies and the Transferee Company;
- c. Economies of scale will play a bigger role as the consolidated entity's operational efficiency will increase, which will in turn allow the merged entity to compete on a larger scale in the industry, thus benefiting the merged entity and the shareholders;
- d. The combined net worth of all entities will enable the merged entity to tap into new business opportunities thereby unlocking growth opportunities for the merged entity considering the financial strength of the Transferee Company post the amalgamation;
- e. It will provide an opportunity to leverage assets and build a stronger sustainable business. It will provide an opportunity to fully leverage the combined net worth, capabilities, experience, expertise, consolidation of adjoining land parcels in MIDC, Patalganga, and infrastructure of Transferor companies and thus increase the ability for promotion of business activities as well as fund raising for business development;



- f. It would result in the consolidation of business activities and will facilitate effective management of investment and synergies in operations;
- g. Being a part of the same management, this amalgamation would facilitate reduction in the management overlaps due to operation of the multiple entities and more focused leadership;
- h. Reduction in multiplicity of legal and regulatory compliances, reduction in overheads, including administrative, managerial and other costs amongst all; and
- i. Consolidation and simplification of the group structure and reduction of administrative costs at the group level.

Accordingly, the Board of Directors of the Transferor Companies and the Transferee Company have formulated this Scheme to undertake various steps as envisaged in this Scheme pursuant to the provisions of Sections 230-232 read with Section 66 of the Companies Act, 2013 (including any statutory modification or re-enactment or amendment thereof).

There is no likelihood that the interests of any shareholder or creditors of any of the Transferor Companies or the Transferee Company would be prejudiced as a result of the Scheme. The Scheme does not affect the rights of the creditors of the Transferor Companies or the Transferee Company. There will not be any reduction in amounts payable to the creditors of the Transferor Companies or the Transferee Company, nor there shall be any change in terms with creditors which are adverse to their interest, pursuant to the sanctioning of this Scheme.

#### PART B – DEFINITIONS AND SHARE CAPITAL

##### 3. DEFINITIONS

In this Scheme, unless repugnant to the context, the following expressions shall have the following meaning:

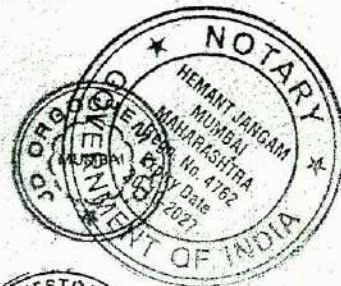
- 3.1 "Act" means the Companies Act, 1956 and/or Companies Act, 2013, to the extent its provisions relevant for this Scheme are notified and ordinances, rules and regulations made thereunder and shall include any statutory modifications, re-enactment or amendment thereof for the time being in force;



- 3.2 "Appointed Date" means the 1<sup>st</sup> day of April, 2023 or such other date as may be approved by the Honorable National Company Law Tribunal(s), for the purposes of this Scheme;
- 3.3 "Board of Directors" or "Board" means the Board of Directors of the Transferor Companies or the Transferee Company, as the case may be, and shall include a duly constituted committee(s) thereof;
- 3.4 "BSE" shall mean BSE Limited;
- 3.5 "Effective Date" means the date on which last of the conditionalities specified in Clause 21 of the Scheme is fulfilled. Any reference in this Scheme to the date "upon the Scheme becoming effective" or "effectiveness of the Scheme" or "upon coming into effect of this Scheme" or "upon the Scheme coming into effect" shall mean the Effective Date, as defined in this Clause;
- 3.6 "Encumbrance" means any options, pledge, mortgage, lien, security, interest, claim, charge, pre-emptive right, easement, limitation, attachment, restraint or any other encumbrance of any kind or nature whatsoever, and the term "Encumbered" shall be construed accordingly;
- 3.7 "Governmental Authority" means any applicable Central, State or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction and shall include any other authority which supersedes the existing authority;
- 3.8 "Merger" or "Merger by absorption" or "Amalgamation" or "Amalgamation by Absorption" means the merger or amalgamation in accordance with the provisions of Section 2(1B) of the Income Tax Act, 1961 of the Transferor Companies with and into the Transferee Company;
- 3.9 "NCLT" means Honorable National Company Law Tribunal(s), having jurisdiction in relation to the Transferor Companies and Transferee Company, being the Mumbai Bench;
- 3.10 "Record Date" means the date to be fixed by the Board of Directors of the Transferee Company or committee thereof, in consultation with the Board of Directors of the Transferor Companies for the purpose of determining the members of the Transferor Companies to whom new shares in the Transferee Company shall be allotted under Part D of the Scheme;



- 3.11 "Scheme" or "the Scheme" or "this Scheme" or "Composite Scheme of Arrangement and Amalgamation" means this Composite Scheme of Arrangement, as amended or modified, in its present form submitted to the NCLT for approval, with or without any modifications, as may be approved or imposed or directed by the NCLT or any other appropriate authority.
- 3.12 "SEBI" means Securities and Exchange Board of India;
- 3.13 "Stock Exchange" means BSE Limited;
- 3.14 "Taxation" or "Tax" or "Taxes" means all forms of taxes and statutory, governmental, state, provincial, local government or municipal impositions, duties, contribution and levies and whether levied by reference to income, profit, book profits, gains, net wealth, asset values, turnover, added value or otherwise and shall further include payments in respect of or on account of Tax, whether by way of deduction at source, advance tax, minimum alternate tax, minimum alternate tax credit or otherwise or attributable directly or primarily to Transferor Companies and Transferee Company, as the case may be or any other person and all penalties, charges, costs and interest relating thereto;
- 3.15 "Tax Laws" means all the applicable laws, acts, rules and regulations dealing with Taxes including but not limited to the any tax liability under the Income-tax Act, 1961, Customs Act 1962, Central Excise Act, 1944, Goods and Services Tax Act, 2017, State Value Added Tax laws, Central Sales Tax Act, 1956 or other applicable laws/ regulations dealing with taxes/ duties/ levies of similar nature;
- 3.16 "Transferee Company" or "JDOL" means JD Orgochem Limited, a listed company incorporated under the Companies Act, 1956 and having CIN L24100MH1973PLC016908 and having its registered office at 301, Sumer Kendra, P.B Marg, Worli, Mumbai - 400 018 and listed its equity shares / securities on BSE Limited;
- 3.17 "Transferor Company 1" or "JDIL" means Jaysynth Dyestuff (India) Limited, a listed company incorporated under the Companies Act, 1956 and having CIN L24114MH1985PLC035564, having registered office at 301, Sumer Kendra, P.B Marg, Worli, Mumbai - 400 018 and listed its equity shares / securities on BSE Limited;
- 3.18 "Transferor Company 2" or "JIPL" means Jaysynth Impex Private Limited (Formerly Known as Jaysynth Impex Limited), an unlisted company incorporated under the Companies Act, 1956 and having CIN U29200MH1969PTC014266, having registered office at E-16, Everest Tardeo Road, Mumbai - 400 034;



3.19 "Transferor Companies" shall collectively mean Transferor Company 1 and Transferor Company 2;

3.20 "Transition period" means period starting from the Appointed Date till the Effective Date

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 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.

#### 4. DATE OF TAKING EFFECT AND OPERATIVE DATE

4.1 The Scheme shall be effective in its present form or with any modification(s) approved or imposed or directed by the NCLT or any other appropriate authority and shall become effective from the Appointed Date, as defined under this Scheme in accordance with Section 232(6) of the Act.

4.2 The merger of the Transferor Companies with and into the Transferee Company shall be in accordance with Section 2(1B) of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with Section 2(1B) of the Income Tax Act, 1961 at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provision of the Income Tax Act, 1961 shall prevail. The Scheme shall then stand modified to the extent deemed necessary to comply with the said provisions. Such modification will, however, not affect other parts of the Scheme.

#### 5. SHARE CAPITAL

5.1 The share capital structure of JDOL or the Transferee Company as on 31<sup>st</sup> March, 2022 is as under:

Particulars	Amount (INR)
Authorised Capital	
30,00,00,000 Equity shares of Rs. 1 each	30,00,00,000
Total Authorised Capital	30,00,00,000
Issued, subscribed and, paid-up Share Capital	
1,32,50,000 Equity shares of Rs. 1 each fully paid up	1,32,50,000
Total	1,32,50,000



As on the date of approval of the Scheme by the Board of Directors of the Transferee Company, there is no change in the authorised, issued, subscribed and paid-up share capital of the Transferee Company.

5.2 The share capital structure of JDIL or the Transferor Company 1 as on 31<sup>st</sup> March, 2022 is as under:

Particulars	Amount (INR)
<b>Authorised Capital</b>	
11,00,00,000 Equity shares of Rs. 1/- each	11,00,00,000
7,00,000 5% Non-Convertible Non-Cumulative Preference Shares of Rs. 10/-each	70,00,000
43,00,000 Unclassified Shares of Rs. 10 /each	4,30,00,000
<b>Total</b>	<b>16,00,00,000</b>
<b>Issued, subscribed and, paid-up Share Capital</b>	
86,89,700 Equity shares of Rs. 1/- each fully paid up	86,89,700
<b>Total</b>	<b>86,89,700</b>

As on the date of approval of the Scheme by the Board of Directors of the Transferor Company 1, there is no change in the authorised, issued, subscribed, and paid-up share capital of Transferor Company 1.

5.3 The share capital structure of JIPL or the Transferor Company 2 as on 31<sup>st</sup> March, 2022 is as under:

Particulars	Amount (INR)
<b>Authorised Capital</b>	
1,50,00,000 Equity shares of Rs. 1/- each	1,50,00,000
<b>Total</b>	<b>1,50,00,000</b>
<b>Issued, subscribed and, paid-up Share Capital</b>	
25,00,000 Equity shares of Rs. 1/- each fully paid up	25,00,000
<b>Total</b>	<b>25,00,000</b>

As on the date of approval of the Scheme by the Board of Directors of the Transferor Company 2, there is no change in the authorised, issued, subscribed, and paid-up share capital of Transferor Company 2.



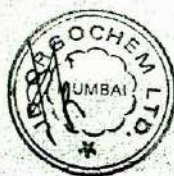
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PART C – REDUCTION OF CAPITAL AND REORGANISATION OF RESERVES OF THE JD ORGOCHEM LIMITED

6. CAPITAL REORGANIZATION OF TRANSFeree COMPANY

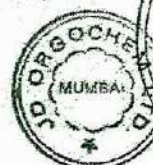
- 6.1. Upon the Scheme becoming effective, the entire credit balances appearing as Securities Premium, Capital Redemption Reserve and Debenture Redemption Reserve in the books of the Transferee Company as on the Appointed Date, shall be adjusted against the debit balance in Retained Earnings of the Transferee Company as on the Appointed Date.
- 6.2. The reduction of capital and reorganization of reserves of the Transferee Company, as stated in Clause 6.1 above shall be affected as an integral part of this scheme itself, and the order of the Tribunal sanctioning the scheme shall confirm the reduction of capital and reorganization of reserves of the Transferee Company
- 6.3. Pursuant to the scheme in Part C, there shall be no outflow of/payout of funds from the Company and hence, the interest of the shareholder /creditors is not adversely affected. For the removal of doubts, it is expressly recorded and clarified that the Scheme shall not in any manner involve the distribution of capital reserves or revenue reserves and the same shall be accounted for in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act.
- 6.4. The reduction of capital and reorganization of reserves of the Transferee Company would not involve either a diminution of liability in respect of the unpaid share capital or payment of the paid-up share capital.
- 6.5. The utilization of the Securities Premium, Capital Redemption Reserves, and Debenture Redemption Reserves as aforesaid shall be effected an integral part of the Scheme and the order of the NCLT sanctioning the scheme shall be deemed to be an order under section 66 and other applicable provisions of the Act, and no separate sanction under section 66 and other applicable provisions of the Act will be necessary



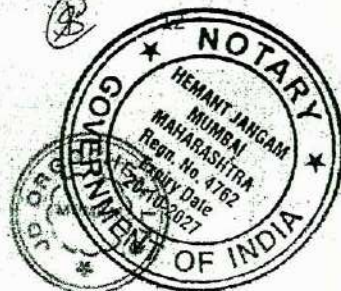
PART D – MERGER BY ABSORPTION OF TRANSFEROR COMPANIES WITH AND INTO THE TRANSFEREE COMPANY

7. AMALGAMATION AND VESTING OF ASSETS AND LIABILITIES AND THE BUSINESS OF THE TRANSFEROR COMPANIES WITH THE TRANSFEREE COMPANY

- 7.1. With effect from the Appointed Date and upon the Scheme becoming effective, the Transferor Companies, along with all the assets, liabilities, contracts, power purchase agreements, employees, licences, records, approvals, etc. being integral part of the Transferor Companies shall, without any further act, instrument or deed, stand amalgamated with and be vested in or be deemed to have been vested in the Transferee Company on a going concern basis so as to become as and from the Appointed Date, the undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme.
- 7.2. Without prejudice to the generality of the above clauses and to the extent applicable, unless otherwise stated herein, upon the coming into effect of this Scheme and with effect from the Appointed Date:
- All the properties and assets of the Transferor Companies, tangible or intangible, balance in bank, cash or investments (including but not limited to investment in subsidiaries, if any) and other assets of whatsoever nature and tax credits including under GST law, quotas, rights, consents, entitlements, licenses, certificates, permits, MIDC Lease as specified in Schedule 1 tenancy rights, and facilities of every kind and description whatsoever for all intents and purposes, permissions under any Tax Laws, incentives, if any, without any further act or deed so as to become the business, properties and assets of the Transferee Company.
  - All the movable assets of the Transferor Companies or assets otherwise capable of transfer by manual delivery or by endorsement and delivery, including cash in hand, shall be physically handed over by manual delivery or by endorsement and delivery, to the Transferee Company to the end and intent that the property therein passes to the Transferee Company on such manual delivery or endorsement and delivery, without requiring any deed or instrument of conveyance for the same and shall become the property of the Transferee Company accordingly.



- c. All other movable properties of the Transferor Companies, including investments in shares of the subsidiaries of the Transferor Companies (including shares in Jaysynth (Europe) Limited, subsidiary of the Transferor Company 1), mutual funds, bonds and any other securities, 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, pursuant to the orders of this Scheme becoming effective and by operation of law become the properties of the Transferee Company, and the title thereof together with all rights, interests or obligations therein shall be deemed to have been mutated and recorded as that of the Transferee company. All investments of the Transferor Companies shall be recorded in the name of the Transferee Company by operation of law as transmission in favour of the Transferee Company as a successor in interest and any documents of title in the name of the Transferor Companies shall also be deemed to have been mutated and recorded in the name of the Transferee Company to the same extent and manner as originally held by the Transferor Companies and enabling the ownership, right, title and interest therein as if the Transferee Company was originally the Transferor Companies. The Transferee Company shall subsequent to this Scheme becoming effective be entitled to the delivery and possession of all documents of title of such movable property in this regard;
- d. All the consents, permissions, licenses, certificates, insurance covers, clearances, authorities, power of attorneys given by, issued to or executed in favour of the Transferor Companies, shall stand vested in or transferred automatically to the Transferee Company without any further act or deed and shall be appropriately mutated by the authorities concerned therewith in favour of the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder and the rights and benefits under the same shall be available to the Transferee Company. The benefit of all statutory and regulatory permissions including the statutory or other licenses, Tax registrations, permits, permissions or approvals or consents required to carry on the operations of the Transferor Companies shall automatically and without any other order to this effect, vest into and become available to the Transferee Company pursuant to this Scheme becoming effective in accordance with the terms thereof. Without prejudice to the provisions of the above clauses, in respect of such of the assets and properties of the Transferor Companies, as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and/or delivery, the same shall be so transferred

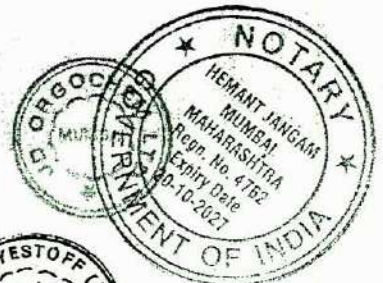


by the Transferor Companies and shall upon such transfer become the assets and properties of the Transferee Company without requiring any deed or instrument or conveyance for the same.

- e. All debts, liabilities, contingent liabilities, duties, Taxes (including any advance taxes paid, MAT credit, TDS deducted on behalf of the Transferor Companies, etc.), GST liabilities, and obligations of the Transferor Companies, as on the Appointed Date, whether provided for or not, in the books of accounts of the Transferor Companies, and all other liabilities which may accrue or arise after the Appointed Date but which relates to the Transition Period, shall, pursuant to this Scheme becoming effective as per the order of the NCLT or such other competent authority, as may be applicable under Section 232 and other applicable provisions of the Act, and without any further act or deed, be vested or deemed to be vested in and be assumed by the Transferee Company, so as to become as from the Appointed Date the debts, liabilities, contingent liabilities, Taxes, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Companies.
- f. All intangible assets including various business or commercial rights, pre-qualification for past projects / sales, customer-base, etc. belonging to but not recorded in books of the Transferor Companies shall be transferred to and vested with the Transferee Company and shall include all letters of intent, request for proposal, prequalification, permits, registrations, bid acceptances, tenders, technical experience (including experience in executing projects), goodwill earned in execution of the projects, technical know-how, contracts, deeds, memorandum of understanding, bonds, agreements, track record and all other rights claims, powers in relation to or enjoyed by or granted in favour of the Transferor Companies, and the historical financial strength including turnover, profitability, performance, market share, net-worth, liquid/ current assets and reserves of the previous years and all empanelment's, accreditations, recognitions as approved vendors for undertaking any jobs;
- g. In so far as the various incentives, indirect tax benefits, subsidies, grants, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by the Transferor Companies are concerned, the same shall, without any further act or deed, vest with and be available to the Transferee Company on the same terms and conditions on and from the Appointed Date.



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- h. The Transferee Company, may, at any time after this Scheme coming into effect, if required under law or otherwise, execute deeds of confirmation in favour of any other party with which the Transferor Companies has a contract or arrangement, or give any such writing or do any such things, as may be necessary, to give effect to the above.
- i. In so far as loans and borrowings of the Transferor Companies pertaining to the loans and liabilities, which are to be vested to the Transferee Company shall, without any further act or deed, become loans and borrowings of the Transferee Company, and all rights, powers, duties and obligations in relation thereto shall be and stand vested in and shall be exercised by or against the Transferee Company as if it had entered into such loans and incurred such borrowings. Thus, the primary obligation to redeem or repay such liabilities upon the Scheme becoming effective shall be that of the Transferee Company. However, without prejudice to such vesting of liability amount, where considered necessary for the sake of convenience and towards facilitating single point creditor discharge, the Transferee Company may discharge such liability (including accretions thereto) by making payments on the respective due dates to the Transferor Companies, which in turn shall make payments to the respective creditors.
- j. The vesting of the assets comprised in the Transferor Companies to the Transferee Company under this Scheme shall be subject to the mortgages and charges, if any, affecting the same as hereinafter provided.
- (i) The existing securities, mortgages, charges, encumbrances or liens, if any, created by the Transferor Companies after the Appointed Date and during the Transition Period, in terms of this Scheme, over the assets comprised in the Transferor Companies, or any part thereof, shall be vested in the Transferee Company by virtue of this Scheme, and the same shall, after the Transition Period, continue to relate and attach to such assets or any part thereof to which they relate or attached prior to the Transition Period and are vested with the Transferee Company, and such Encumbrances shall not relate or attach to any of the other assets, of the Transferor Companies.
- (ii) In so far as the existing Encumbrances, if any, in respect of the loans, borrowings, debts, liabilities, is concerned, such Encumbrance shall, without any further act, instrument or deed be modified and shall be extended to and shall operate only over the assets comprised in the Transferor Companies which have been Encumbered in respect of the



transferred liabilities as transferred to the Transferee Company pursuant to this Scheme. Provided that if any of the assets comprised in the Transferor Companies which are being transferred to the Transferee Company pursuant to this Scheme have not been Encumbered in respect of the transferred liabilities, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above.

- (iii) In so far as the existing security in respect of the loans or borrowings of the Transferor Companies and other liabilities relating to the Transferor Companies are concerned, such security shall, without any further act, instrument or deed be continued with the Transferor Companies. The Transferor Companies and the Transferee Company shall file necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.
- (iv) The foregoing provisions insofar as they relate to the vesting of liabilities with the Transferee Company shall operate, notwithstanding anything to the contrary contained in any deed or writing or the terms of sanction or issue or any security documents, all of which instruments shall stand modified and/or superseded by the foregoing provisions.
- k. With effect from the Appointed Date and during the Transition Period, subject to the other provisions of the Scheme, all approvals, quotas, rights, consents, entitlements, licenses, certificates, permits, and facilities of every kind and description whatsoever, privileges, deeds, bonds, quality certifications and approvals, powers of attorneys, agreements and other instruments of whatsoever nature in relation to the Transferor Companies, as the case may be, is a party, or the benefit to which the Transferor Companies may be eligible, subsisting or operative immediately on or before the Effective Date, shall be in full force and effect against or in favour of the Transferee Company and may be enforced fully and effectively as if instead of the Transferor Companies, the Transferee Company had been a party or beneficiary thereto for continuation of operations of the Transferor Companies by the Transferee Company without any hindrance or disruption after the Transition Period. The Transferee Company shall enter into and/or issue and/or execute deeds, writings, endorsements or confirmation or enter into any tripartite agreement, confirmations or novation's to which the Transferor Companies will, if necessary, also be a party, in order to give formal effect to the provisions of this Scheme, if so required or if it becomes necessary. Further, the Transferee Company shall be deemed to be



authorized to execute any such deeds, writings, endorsements or confirmations on behalf of the Transferor Companies and to implement or carry out all formalities required on the part of the Transferor Companies to give effect to the provisions of this Scheme.

- l. With effect from the Appointed Date and upon the Scheme becoming effective, the entitlement to various benefits under incentive schemes and policies, if any, in relation to the Transferor Companies shall stand vested in and/or be deemed to have been vested in the Transferee Company together with all benefits and entitlements of any nature whatsoever. Such entitlements shall include Taxes benefits under the Tax Laws in the nature of exemption, deferment, refunds and incentives in relation to the Transferor Companies to be claimed by the Transferee Company with effect from the Appointed Date as if the Transferee Company was originally entitled to all such benefits under such scheme and/or policies, subject to continued compliance by the Transferee Company of all the terms and conditions subject to which the benefits and entitlements under such incentive schemes were made available to the Transferor Companies. The Transferee Company shall be entitled to such benefits in its name, without any additional liabilities or expenses whatsoever.
- m. Taxes as per the Tax Laws of the Transferor Companies to the extent not provided for or covered by the Tax provision in the accounts made as on the date immediately preceding the Appointed Date related to the Transferor Companies shall be vested with the Transferee Company.
- n. All Taxes paid or payable by the Transferor Companies in respect of the operations and/ or the profits of Transferor Companies before the Appointed Date shall be on account of the Transferor Companies and in so far as it relates to the Tax payment whether by way of deduction at source, collection at source, advance tax or otherwise howsoever, by the Transferor Companies in respect of the profits or activities or operations of the Transferor Companies after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall in all proceedings be dealt with accordingly.
- o. On and from the Appointed Date, if any Certificate for Tax Deducted at Source, Tax collected at source or any other tax credit certificate relating to the Transferor Companies is received in the name of the Transferor Companies, it shall be deemed to have been received by the Transferee Company, which alone shall be entitled to claim credit for such tax deducted or paid.



- p. Upon the Scheme becoming effective, the Transferor Companies shall have right to revise their respective returns filed under Tax Laws, along with prescribed forms, filings and annexures under the Tax Laws and claim refunds and / or credit for Taxes paid and for matters incidental thereto, if required, to give effect to the provisions of the Scheme;
- q. On and from the Appointed Date, the benefit of all balances relating to Taxes under the Tax Laws being balances pertaining to the Transferor Companies, if any, shall stand vested in the Transferee Company as if the transaction giving rise to the said balance or credit was a transaction carried out by the Transferee Company. The liabilities of the Transferor Companies as on the Appointed Date shall stand vested in the Transferee Company, save as otherwise in respect of the liabilities, which were met by the Transferor Companies during the Transition Period, which shall be construed to have been met by the Transferee Company as if the transaction giving rise to the said liability was a transaction carried out by the Transferee Company.
- r. Upon the coming into effect of this Scheme and notwithstanding the other provisions of this Scheme, all contracts, deeds, agreements, licenses, engagements, certificates, permissions, consents, approvals, concessions and incentives, remissions, remedies, subsidies, guarantees, etcetera of whatsoever nature to which the Transferor Companies is a party or to the benefit of which the Transferor Companies or any Project owned or promoted by the Transferor Companies may be eligible and which have not lapsed and are vested, subsisting or having effect on the Effective Date shall be in full force and effect in favour of the Transferee Company, as the case may be, and may be enforced by the Transferee Company as fully and effectually as if, instead of the Transferor Companies, the Transferee Company had been a party thereto or beneficiary thereof. The Transferee Company may enter into and/or issue and/or execute deeds, writings or confirmations, or enter into any bipartite or multipartite arrangements, confirmations or novations, in order to give formal effect to the provisions of this Scheme, if so required or if so considered necessary. The Transferee Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Companies and to implement or carry out all formalities required on the part of the Transferor Companies to give effect to the provisions of this clause. The Transferee Company shall perform the Transferor Companies obligations under all existing contracts, deeds, agreements, licenses and other such instruments, as the new obligor replacing the original obligor, i.e., the Transferor Companies.



- s. On and from the Effective Date, and till such time that the name of the bank accounts of the Transferor Companies has been replaced with that of the Transferee Company, the Transferee Company shall be entitled to maintain and operate the bank accounts of the Transferor Companies in the name of the Transferor Companies and for such time as may be determined to be necessary by the Transferee Company. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Companies after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of Transferee Company, if presented by the Transferee Company;
- t. It is hereby clarified that the vesting of the Transferor Companies in the Transferee Company shall be on a going concern basis.

#### 8. STAFF & EMPLOYEES

- 8.1. The Transferee Company will take over all the staff in the service of the Transferor Companies immediately preceding Effective Date, and that they shall become the staff and employees, of the Transferee Company on the basis that their services shall be deemed to have been continuous and not have been interrupted by reasons of the said transfer. The terms and conditions of service applicable to such staff or employees after such transfer shall not in any way be less favourable to them than those applicable to them immediately preceding the transfer.
- 8.2. The equitable interest in accounts/funds of the employees and staff, if any, whose services are vested with the Transferee Company, relating to superannuation, provident fund and gratuity fund, if any, shall be identified, determined and vested with the respective trusts/funds of the Transferee Company and such employees shall be deemed to have become members of such trusts/funds of Transferee Company. Until such time, the Transferor Companies may, subject to necessary approvals and permissions, if any, continue to make contributions pertaining to the employees of the Transferor Companies to the relevant funds of the Transferor Companies.



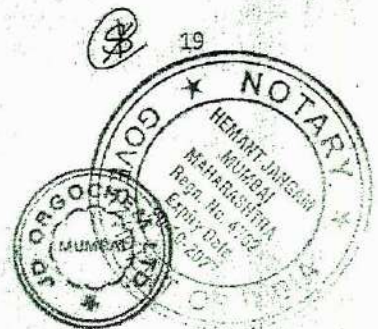
- 8.3 The Transferee Company, at any time after the Scheme becoming effective in accordance with the provisions hereof, if so required under any law or otherwise, will execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to the Transferor Companies to which any of the Transferor Companies is a party in order to give formal effect to the provisions of the Scheme. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Companies and to carry out or perform all such formalities or compliances, referred to above, on behalf of the Transferor Companies.

## 9. LEGAL PROCEEDINGS

- 9.1 If any suit, appeal or proceedings of whatsoever nature (hereinafter referred to as "the said proceedings") by or against the Transferor Companies be pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the transfer of the Transferor Companies or by anything in this Scheme, but the said proceedings may be continued, prosecuted and enforced, as the case may be, by or against the Transferee Company in the same manner and to the same extent as it would be or might have been continued and enforced, as the case may be, by or against the Transferor Companies if this Scheme had not been made. On and from the Effective Date, the Transferee Company may initiate any legal proceeding for and on behalf of the Transferor Companies.
- 9.2 The Transferee Company undertakes to have all legal or other proceedings initiated by or against the Transferor Companies referred to above transfer into its name and to have the same continued, prosecuted and enforced by or against the Transferee Company to the exclusion of Transferor Companies.
- 9.3 After the Effective Date, the Transferee Company shall and may, if required, initiate any legal proceedings in relation to the Transferor Companies.

## 10. AMALGAMATION NOT TO AFFECT TRANSACTIONS / CONTRACTS OF TRANSFEROR COMPANIES

- 10.1 The transfer and vesting of the business of the Transferor Companies and the continuance of the said proceedings by or against the Transferee Company shall not affect any transaction or proceedings already concluded by or against the Transferor Companies after the Appointed



Date to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done or executed by the Transferor Companies after the Appointed Date as done and executed on its behalf. The said transfer and vesting pursuant to Sections 230 to 232 of the Act, shall take effect from the Appointed Date unless the NCLT otherwise directs.

# 11. CONSIDERATION / ISSUE OF SHARES

- 11.1 Upon coming into effect of the Scheme and in consideration for amalgamation of the Transferor Company 1 with and into the Transferee Company, the Transferee Company shall, without any further application or deed and without any further payment, issue and allot to all the equity shareholders of the Transferor Company 1 (whose names appear in the register of members as on the Record Date) in the following manner:

*"14 fully paid-up equity shares of INR 1/- each of JDOL to be issued and allotted for every 1 share having Face Value of INR 1/- each held by the Equity Shareholders of JDIL"*

- 11.2 Upon coming into effect of the Scheme and in consideration for amalgamation of the Transferor Company 2 with and into the Transferee Company, the Transferee Company shall, without any further application or deed and without any further payment, issue and allot to all the equity shareholders of the Transferor Company (whose names appear in the register of members as on the Record Date) in the following manner:

*"252 fully paid-up 2% Redeemable Non-convertible Non-Cumulative Non-Participating Preference Shares of INR 1/- each of JDOL to be issued and allotted for every 1 share having Face Value of INR 1/- each held by the Equity Shareholders of JIPL"*

Preference Shares shall be issued on terms and conditions as set out in Annexure I.

- 11.3. Equity shares or preference shares, as the case may be, shall be issued by the Transferee Company in dematerialized form to those equity shareholders of the Transferor Companies respectively who hold shares of the Transferor Companies in dematerialized form, in to the account in which the Transferor Companies shares are held or such other account as is intimated by the shareholders to the Transferee Company and / or its Registrar. All those shareholders who hold shares of the



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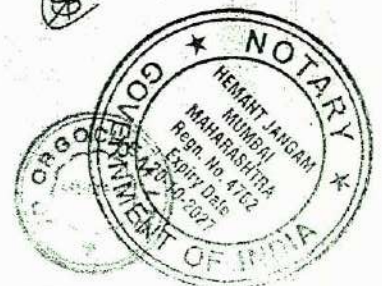
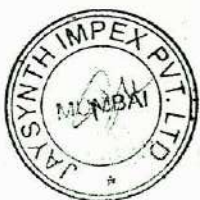


Transferor Companies in physical form shall also have the option to receive the equity shares in the Transferee Company in dematerialized form provided the details of their account with the Depository Participant are intimated in writing to the Transferee Company and / or its Registrar. Otherwise, they would be issued equity shares in physical form. Such shares shall be issued to all the equity shareholders of the Transferor Companies whose names appear in the register of members as on the Record Date or to their respective heirs, executors, administrators, or other legal representatives, or successors-in-title, as the case may be.

- 11.4. The Transferee Company shall take necessary steps to increase or alter or re-classify, (if necessary), its authorized share capital suitably to enable it to issue and allot equity shares and preference shares required to be issued and allotted by it under this Scheme.
- 11.5. The equity shares to be issued to the shareholders of the Transferor Company 1 as above shall be subject to the Memorandum and Articles of Association of the Transferee Company and shall rank pari passu with the existing equity shares of the Transferee Company in all respects.
- 11.6. The Preference Shares to be issued by the Transferee Company to the equity shareholders of the Transferor Company 2 shall be subject to the Scheme and the Memorandum and Articles of Association of the Transferee Company, shall rank for dividend in priority to the equity shares of the Transferee Company, and shall, on winding up of the Transferee Company be entitled to rank, as regards repayment of capital upto the commencement of winding up, in priority to the equity shares of the Transferee Company.
- 11.7. If any shareholder becomes entitled to any fractional shares, entitlements or credit on the issue and allotment of the equity shares or preference shares by the Transferee Company in accordance with Clause 11.1 and Clause 11.2 above, the Board of the Transferee Company shall consolidate all such fractional entitlements and shall round up the aggregate of such fractions to the next whole number and issue consolidated Equity Shares or Preference Shares, as the case may be, to a trustee nominated by the Transferee Company (the "Trustee"), who shall hold such Equity Shares or preference shares, as the case may be, with all additions or accretions thereto in trust for the benefit of the respective shareholders, to whom they belong and their respective heirs, executors, administrators or successors for the specific purpose of selling such equity shares in the market at such price or prices and on such time or times within ninety (90) days from the date of allotment, as the Trustee may in its sole discretion decide and on such sale, pay to the Transferee Company, the net sale proceeds (after deduction of applicable taxes and costs incurred) thereof and any additions



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and accretions, whereupon the Transferee Company shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders of the Transferor Companies in proportion to their respective fractional entitlements.

11.8. Pursuant to the issuance of equity shares and preference shares by the Transferee Company, the shareholders of the Transferor Companies shall become the shareholders of the Transferee Company.

11.9. The equity shares of the Transferee Company to be issued in terms of this Scheme will be listed and/ or admitted to trading on the Stock Exchanges where the shares of the Transferee Company are already listed and/ or admitted to trading, subject to necessary approvals under the Regulations issued by the Securities and Exchange Board of India and from the Stock Exchanges and all necessary applications and compliances being made in this respect by the Transferee Company.

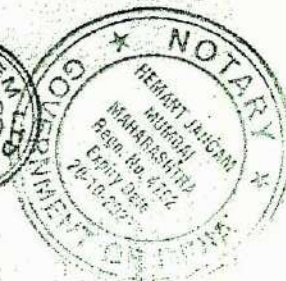
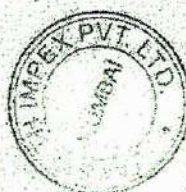
11.10. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Companies, the Board of Directors of the Transferee Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties after the effectiveness of the Scheme.

11.11. In the event that the Transferee Company restructures its equity share capital by way of share split/ consolidation/ issue of bonus shares during the pendency of this Scheme, the Share Exchange Ratio for the equity shares to be issued in the Transferee Company to the shareholders of the Transferor Companies shall be adjusted accordingly to take into account the effect of any such corporate actions.

11.12. The approval of this Scheme by the equity shareholders of the Transferee Company shall be deemed to be the due compliance of the provisions of Section 55 of the Act and / or any other applicable provisions of the Act for the issue of Preference Shares by the Transferee Company to the equity shareholders of the Transferor Company 2, as provided in this Scheme.



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11.13 The approval of this Scheme by the equity shareholders of Transferor Company 1, Transferor 2 and Transferee Company, under Sections 230 to 232 of the Act shall be deemed to have the approval under Sections 13 and 14 of the Act and other applicable provisions of the Act and any other consents and approvals required in this regard.

## 12. ACCOUNTING TREATMENT

12.1 Amalgamation of the Transferor Companies with the Transferee Company shall be accounted in the books of the Transferee Company for by way of as per "Pooling of Interests Method" under Appendix C of Ind-AS 103 (Accounting for Business Combinations) and any other relevant Indian Accounting Standard prescribed under Section 133 of the Act.

12.2 All the assets and liabilities of Transferor Companies shall be recorded in the financial statements of the Transferee Company at the carrying value as appearing in the financial statements of the Transferor Companies as on the Appointed Date.

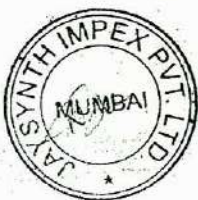
12.3 The identity of the reserves pertaining to the Transferor Companies, shall be preserved and shall appear in the merged financial statements of Transferee Company in the same form in which they appeared in the financial statements of the Transferor Companies and it shall be aggregated with the corresponding balance appearing in the financial statements of the Transferee Company, as on the Appointed Date.

12.4 The Transferee Company shall credit its share capital account in its books of account with the aggregate face value of the new equity shares and new preference shares issued to the shareholders of Transferor Companies.

12.5 To the extent that there are inter-company loans, deposits, obligations, balances or other outstanding including any interest thereon, as between the Transferor Companies and the Transferee Company as the case may be, the obligations in respect thereof shall come to an end and there shall be no liability in that behalf and corresponding effect shall be given in the books of account and records of the Transferee Company for the reduction of such assets or liabilities as the case may be.



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12.6 The excess / deficit of the value of the assets over the value of liabilities of the Transferor Companies, pursuant to Amalgamation of the Transferor Companies with and into the Transferee Company, and as recorded in the books of account of the Transferee Company shall, after adjusting as above, be recorded as 'Capital Reserve' in the books of the Transferee Company.

12.7 Notwithstanding anything to the contrary contained herein above, the Board of Directors of the Transferee Company, in consultation with its statutory auditors to account for any of these balances in any manner whatsoever, as may be deemed fit, in accordance with the applicable Accounting Standards issued by the Institute of Chartered Accountant of India and generally accepted accounting principles.

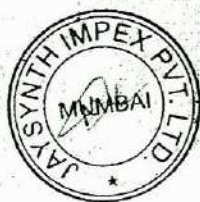
**13. COMBINATION OF AUTHORISED SHARE CAPITAL OF TRANSFEROR COMPANIES AND THE TRANSFEE COMPANY, RECLASSIFICATION AND FURTHER INCREASE OF AUTHORISED SHARE CAPITAL OF THE TRANSFEE COMPANY PURSUANT TO THE MERGER**

13.1 Upon the Scheme becoming effective, the current Authorised Share Capital of the Transferor Companies shall get merged, and appropriately be reclassified with that of the Transferee Company, without any further act or deed and, without any payment of additional fees, stamp duty and other duties as the said fees have already been paid by the Transferor Companies and the Authorised Share Capital of the Transferee Company will be increased to that effect without any compliances in respect of the notices, meetings etc. but only by filing requisite Statutory Forms with the Registrar of Companies.

13.2 Upon the Scheme becoming effective, the Authorised Share Capital of the Transferee Company shall stand further increased as an integral part of the scheme, upon payment of requisite ROC fees and stamp duty. The Transferee Company shall take necessary steps to give effect to increased Authorised Share Capital and to enable it to issue and allot the Equity Shares and Preference Shares required to be issued and allotted by it in terms of this Scheme. Thus, the Authorised Share Capital of the Transferee Company of INR 30,00,00,000/- (Rupees Thirty crores only) divided into 30,00,00,000 equity shares of INR 1 each, shall stand increased and enhanced to INR 78,00,00,000/- (Seventy-Eight Crores only) divided into 15,00,00,000 equity shares of INR 1 each, and 63,00,00,000



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2% Redeemable Non-convertible Non-Cumulative Non-Participating Preference Shares of INR 1 each. The capital clause of the Memorandum of Association and Articles of Association of the Transferee Company shall be altered on such increase and hence, the capital clause of the Memorandum of Association and Articles of Association of Transferee Company will therefore be modified to be read as follows:

*"The Authorised Share Capital of the Company is Rs. 78,00,00,000/- (Rupees Seventy-Eight Crores only) comprising of 15,00,00,000 Equity Shares of Rs. 1/- (Rupees one Only) each, 63,00,00,000 2% Redeemable Non-convertible Non-Cumulative Non-Participating Preference Shares of INR 1. (Rupees One Only) each"*

- 13.3. It is clarified that approval of this Scheme by the members of the Transferee Company under Sections 230 to 232 of the Act shall be deemed to be sufficient for the alternation of the Memorandum and Articles of Association of the Transferee Company under Sections 13, 14, 61 and 64 of the Companies Act, 2013 and other applicable provisions of the Act and any other consents and approvals required in this regard.

#### 14. CHANGE OF NAME OF THE TRANSFEE COMPANY

- 14.1. Upon this scheme becoming effective, without any further act, instrument or deed, the name of the Transferee Company shall be changed to "Jaysynth Orgochem Limited". Further, the name "JD Orgochem Limited" wherever occurs in the memorandum of association and articles of association of the Transferee Company shall be substituted by such name.

- 14.2. The approval and consent of this scheme by the shareholders of the Transferee Company shall be deemed to be the approval of shareholders by way of special resolution under section 13 of the Companies Act, 2013 for change of name of the Transferee Company as contemplated herein and shall be deemed to be sufficient for the purpose of effecting the amendments in the memorandum of association and articles of association of the Transferee Company in relation to the change of name of the Transferee Company in accordance with provisions of



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the Companies Act, 2013. The sanction of this scheme by the NCLT shall be deemed and no further resolution(s) would be required to be separately passed to be complying with the provisions of the Companies Act, 2013, for the purpose of effecting the change in name of the Transferee Company.

- 14.3. The Board of Directors and the shareholders of the Transferor Companies shall not have any objection to the adoption and use of the name "Jaysynth Orgochem Limited" by the Transferee Company pursuant to the scheme.

## 15. CONDUCT OF BUSINESS

### 15.1. Transferor Companies as Trustees

With effect from the Appointed Date and up to and including Effective Date, the Transferor Companies shall carry on and shall be deemed to have carried on all their business and activities as hitherto and shall hold and stand possessed of and shall be deemed to have held and stood possessed on account of and for the benefit of and in trust for, the Transferee Company, as the Transferee Company is taking over the business as a going concern. The Transferor Companies shall preserve and carry on their business and activities with reasonable diligence and business prudence and shall neither undertake any additional financial commitments of any nature whatsoever, borrow any amounts nor incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitments either for themselves or on behalf of any third parties, sell, transfer, alienate, charge, mortgage or encumber or deal with the assets of the Transferor Companies or any part thereof save and except in the ordinary course of business as carried on by them as on the date of filing of this Scheme with the NCLT or if the written consent of the Transferee Company has been obtained.

### 15.2. Profit or Losses up to Effective Date

With effect from the Appointed Date and up to and including the Effective Date, all profits or incomes accruing or arising to the Transferor Companies or all expenditure or losses incurred or arising, as the case may be, by the Transferor Companies shall, for all purposes, be treated and deemed to be and accrue as the profits or incomes or expenditures or losses, as the case may be, of the Transferee Company.

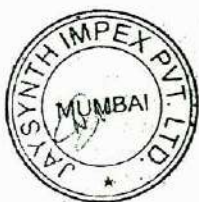


## 15.3. Taxes

- a. All taxes paid or payable by the Transferor Companies in respect of the operations and / or profits of the business before the Appointed Date and from the Appointed Date till the Effective Date, shall be on account of the Transferor Companies and in so far as it relates to the tax payment by the Transferor Companies in respect of the profits or activities or operation of the business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall in all proceedings be dealt with accordingly.
- b. Any refund under Income Tax Act, 1961 or other applicable laws or regulations dealing with taxes allocable or related to the business of the Transferor Companies and due to the Transferor Companies consequent to the assessment made on the Transferor Companies 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 the Transferee Company.
- c. All tax benefits of any nature, duties, cesses or any other like payments or deductions available to the Transferor Companies under Income Tax, Goods and Services Tax, Service Tax etc. or any Tax Deduction/Collection at Source, MAT Credit, tax credits, GST input tax credits, benefits of CENVAT credits, benefits of input credits, and in respect of set-off, carry forward of tax losses, and unabsorbed depreciation shall be deemed to have been on account of or paid by the Transferee Company and the relevant authorities shall be bound to transfer to the account of and give credit for the same to the Transferee Company upon the passing of the order on this Scheme by the NCLT upon relevant proof and documents being provided to the said authorities.

- 15.4. The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require to carry on the business of the Transferor Companies.

- 15.5. Upon the Scheme becoming effective, the Main objects as well as relevant incidental objects of the Memorandum of Association of Transferor Companies shall form part of Memorandum of Association of Transferee Company.



# 16. ENFORCEMENT OF CONTRACTS, DEEDS, BONDS & OTHER INSTRUMENTS:

16.1. Subject to other provisions contained in this Scheme, all contracts, deeds, bonds, agreements and other instruments of whatever nature to which the Transferor Companies are a party, subsisting or having effect immediately before the Amalgamation, shall remain in full force and effect against or, as the case may be, in favour of the Transferee Company and may be enforced as fully and effectively as if instead of the Transferor Companies, the Transferee Company was a party thereto. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting occurs by virtue of this Scheme itself, 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, take such actions and execute such deeds, confirmations or other writings or arrangements to which the Transferor Companies are a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Companies and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Companies to be carried out or performed

16.2. For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Companies shall stand transferred to the Transferee Company and the Transferee Company shall be bound by the terms thereof, the obligations and duties there under, and the rights and benefits under the same shall be available to the Transferee Company. The Transferee Company shall receive relevant approvals from the Government Authorities concerned as may be necessary in this behalf

# 17. MATTERS RELATING TO SHARE CERTIFICATES:

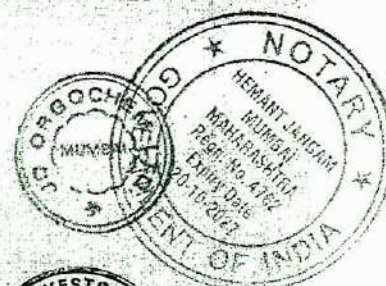
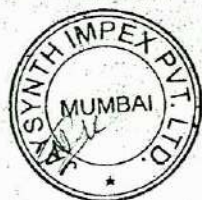
The Share Certificates held by the shareholders of the Transferor Companies shall automatically stand cancelled without any necessity of them being surrendered to the Transferee Company.

# 18. DISSOLUTION OF THE TRANSFEROR COMPANIES:

Upon the Scheme being sanctioned by an Order made by the NCLT under Sections 230 to 232 of the Act, the Transferor Companies shall stand dissolved without winding up on the Effective Date.



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## PART E - GENERAL TERMS AND CONDITIONS

## 19. APPLICATION TO NCLT

19.1. Necessary applications and/ or petitions by the Transferor Companies and the Transferee Company shall be made for the sanction of this Scheme to the NCLT, for sanctioning of this Scheme under the provisions of law and obtain all approvals as may be required under the law.

19.2. It is prayed to the NCLT to sanction this Scheme, with or without modification.

## 20. MODIFICATION OR AMENDMENTS TO THE SCHEME

20.1. Subject to approval of NCLT, the respective Boards or the respective authorized representative appointed by the Boards of the Transferor Companies and the Transferee Company, may assent to any modifications, alterations or amendments of this Scheme or any conditions which the NCLT and / or any other competent authority may deem fit to direct or impose and the said respective Boards and after dissolution of the Transferor Companies (without winding up), the Board of the Transferee Company may do all such acts, things and deeds necessary in connection with or to carry out the Scheme into effect and take such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any order of the NCLT or any directions or order of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and / or matters concerned or connected therewith.

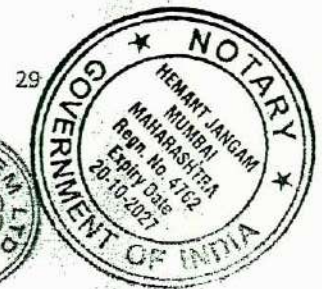
20.2. In the event of any of the conditions that may be imposed by the NCLT or other authorities which the Transferor Companies and/or the Transferee Company may find unacceptable for any reason, in whole or in part, then Transferor Companies and/or the Transferee Company are at liberty to withdraw the Scheme. In such a case, Transferor Companies and/or the Transferee Company shall respectively bear their own cost or as may be mutually agreed. It is hereby clarified that notwithstanding anything to the contrary contained in this Scheme, the Transferor Companies and/or the Transferee Company shall not be entitled to withdraw the Scheme unilaterally without the prior written consent of the other.



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## 21. DECLARATION OF DIVIDEND, BONUS ETC.

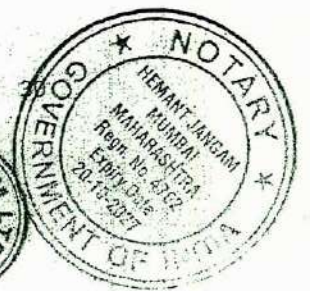
21.1. The Transferor Companies and the Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date but only in the ordinary course of business. Any declaration or payment of dividend otherwise than as aforesaid, by the Transferor Companies and/or by the Transferee Company shall be subject to the prior approval of the Board of Directors of respective companies and in accordance with applicable laws. It is clarified that prior approval of any of the Board of the Directors shall not be required for payment of any dividend already announced or declared but yet to be paid, by either of the Transferor Companies and / or the Transferee Company to its shareholders.

21.2. It is clarified that the aforesaid provisions in respect of declaration of dividends, whether interim or final, are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Companies and / or the Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of the Transferor Companies and / or the Transferee Company and subject, wherever necessary, to the approval of the shareholders of the Transferor Companies and / or the Transferee Company, respectively.

## 22. SCHEME CONDITIONAL ON APPROVALS/ SANCTIONS

The Scheme is conditional upon and subject to:

- 22.1. Receipt of approval of the Scheme by the Stock Exchange and Securities and Exchange Board of India, pursuant to the Listing Regulations and the SEBI Circular, wherever applicable.
- 22.2. The approval by the requisite majorities of the respective members and/or creditors (where applicable) of the Transferor Companies and/or the Transferee Company, if directed by the NCLT or any other competent authority, as may be applicable.



22.3. The scheme is conditional upon approval by the public shareholders of the Transferee Company and the Transferor Company 1 through e-voting in terms of Part - I (A)(10)(a) of SEBI Master circular No. SEBI/HO/CFD/DIL/CIR/P/2021/0000000665 dated 23<sup>rd</sup> November, 2021, and the scheme shall be acted upon only if vote cast by the public shareholders of the Transferee Company and the Transferor Company 1 in favour of the proposal are more than the number of votes cast by the public shareholders of the Transferee Company against it.

22.4. The sanction of the Scheme by the NCLT under Sections 230 to 232 and other applicable provisions, if any, of the Act.

22.5. The requisite order(s) of the NCLT being obtained for sanctioning the Scheme under Section 230 read with Section 232 of the Act being filed with the concerned Registrar of Companies.

22.6. The provisions contained in this Scheme are inextricably inter-linked with the other provisions and the Scheme constitutes an integral whole. The Scheme would be given effect to only if it is approved in its entirety unless specifically agreed otherwise by the Transferor Companies and the Transferee Company and by their respective Board of Directors or any Committee constituted by them.

#### 23. OPERATIVE DATE OF THE SCHEME

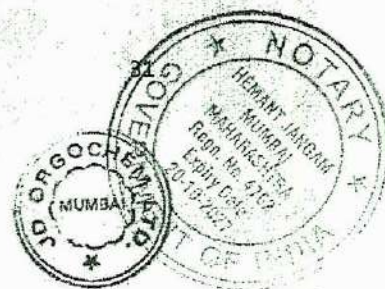
The Scheme, although operative from the Appointed Date, as the case may be, shall become effective from the Effective Date.

#### 24. BINDING EFFECT

Upon the Scheme becoming effective, the same shall be binding on the Transferor Companies and/or the Transferee Company and all concerned parties without any further act, deed, matter or thing.

#### 25. EFFECT OF NON-RECEIPT OF APPROVALS

25.1. In the event any of the said approvals or sanctions referred to in Clause 21 above not being obtained or conditions enumerated in the Scheme not being complied with, or for any other reason, the Scheme cannot be implemented, the Boards of Directors or committee empowered thereof of the



Transferor Companies and/or the Transferee Company shall by mutual agreement waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement, the Scheme shall become null and void and shall stand revoked, cancelled and be of no effect and each party shall bear and pay their respective costs, charges and expenses in connection with the Scheme.

- 25.2. Further, in case of non-receipt of approvals to the Scheme, no rights and liabilities whatsoever shall accrue or to be incurred inter-se by the Transferor Companies or the Transferee Company or their respective shareholders or creditors or employees or any other person.

## 26. GIVING EFFECT TO THE SCHEME

- 26.1. For the purpose of giving effect to the Scheme, the Board of Directors of the Transferor Companies and/or the Transferee Company or any Committee thereof, is authorized to give such directions as may be necessary or desirable and to settle as they may deem fit, any question, doubt or difficulty that may arise in connection with or in the working of the Scheme and to do all such acts, deeds and things necessary for carrying into effect the Scheme.

## 27. EFFECT OF SCHEME NOT GOING THROUGH

In the event of this Scheme failing to take finally effect for whatsoever reasons, this Scheme shall become null and void and in that case no rights and liabilities whatsoever shall accrue to or be incurred inter se between the parties or their respective Shareholders or Creditors or employees or any other person.

## 28. COSTS

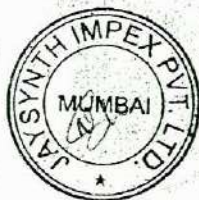
All costs, charges, taxes including duties, levies, stamp duty, transfer premium for lease from MIDC and all other expenses, if any (save as expressly otherwise agreed) in relation to the Scheme shall be borne by the Transferee Company or the Transferor Companies, as may be mutually decided by the Boards of the Transferor Companies and Transferee Company.



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## Schedule 1: Description of the MIDC Lease Property

## JDIL- Transferor Company 1

Sr. No.	City	Type of Property	Property details
1	Patalganga	Immovable Property (Factory Unit)	Plot no A-29, admeasuring 4050 Sq. Mtr Patalganga Industrial Area, Patalganga MIDC, Raigad, Raigad, Maharashtra, 410220
2	Antop Hill Warehousing Company Limited	Immovable Property (Commercial Unit)	Unit No. A-250, admeasuring 557 sq.ft. (BUA) on the Second Floor in the 'A' Wing of the Company's building premises, situated on Plot of Land bearing C.S.NO. 158, Survey No. 254 at Salt Pan Division, Wadala (East), Mumbai-400 037

## JIPL- Transferor Company 2

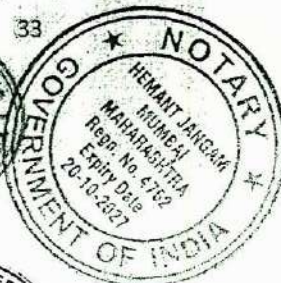
Sr. No.	City	Type of Property	Property details
1	Taloja & Patalganga	Immovable Property (Factory Unit)	<ul style="list-style-type: none"> <li>Plot NO17/34&amp; 17/35, admeasuring 2000 Sq. Mtr, MIDC, Taloja, Raigad, Maharashtra, 410208</li> <li>Plot No A4/3, admeasuring 6552 Sq. Mtrs, Patalganga Industrial Area, Raigad, Raigad, Maharashtra, 410 220</li> </ul>



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## Annexure I

## TERMS AND CONDITIONS OF THE REDEEMABLE PREFERENCE SHARES

## a. Face Value

The Preference Shares issued pursuant to Clause 11.2 shall have a face value of Rs 1 (Rupees One) per Preference Share.

## b. Accumulation of dividend and convertibility

The Preference Shares shall be non-cumulative in nature and non-convertible.

## c. Coupon

The Preference Shares shall, subject to the provisions of the Articles of Association of the Transferee Company and subject to the provisions of the Act, confer on the holders thereof a right to a fixed preferential dividend of 2% per annum in priority to the dividend, if any, payable to equity shares subject to deduction of taxes at source if applicable. The Preference Shares shall not be entitled to participate in any profits in addition to the coupon rate mentioned above.

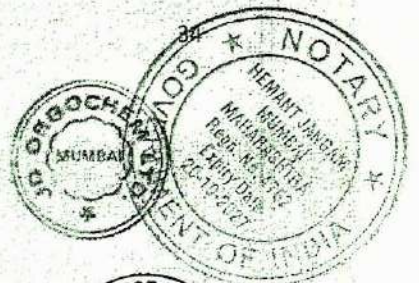
## d. Voting Rights

The holder of Preference Share shall have the right to vote in accordance with Section 47 of the Companies Act, 2013.

## e. Redemption

i. INR 6 Crore shall be redeemed on 31<sup>st</sup> March of every year commencing from 31<sup>st</sup> March 2025 till 31<sup>st</sup> March 2033.

ii. In the interim period between 31<sup>st</sup> March 2025 to 31<sup>st</sup> March 2033, in case of sale of any capital asset, being investment property or property, plant and equipment (as disclosed in the PPE Schedule), as held by the Transferor Companies and Transferee Company, upto 75% of such realisation proceeds (net of taxes, as applicable) shall be utilised towards redemption of the preference shares, subject to provisions of the Companies Act, 2013. This clause is applicable only if the realisation proceeds on sale of capital asset (net of taxes, as applicable) exceeds INR 3.5 Crores in the given financial years.



- iii. The balance amount, if any, after giving effect to clause (i) and (ii) above, if any, shall be redeemed by the Company on 31<sup>st</sup> March 2034, as a final redemption of the preference shares.

f. Taxation

All payments in respect of redemption of Preference Share shall be made after deducting or withholding taxes or duties as may be applicable.

g. Listing

The Preference Shares shall not be listed on any stock exchange.

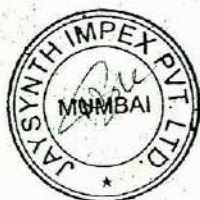
h. Winding Up

In the event of winding up of the Transferee Company, the holders of Preference Shares shall have a right to receive repayment of the capital paid-up and arrears of dividend, whether declared or not, up to the commencement of winding up, in priority to any payment of capital on the equity shares out of the surplus of the Transferee Company but shall not have any further right to participate in the profits or assets of the Transferee Company.


*[Signature]*

*[Signature]*

*[Signature]*



Certified True Copy \_\_\_\_\_  
Date of Application 17/04/2024  
Number of Pages 35  
Fee Paid Rs. 175/-  
Applicant called for collection copy on 28/04/2024  
Copy prepared on 23-4-2024  
Copy issued on 23/04/2024

  
Deputy Registrar  
National Company Law Tribunal, Mumbai Bench



# HIGH COURT, BOMBAY

0933949

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY PETITION NO.966 OF 2007  
CONNECTED WITH  
COMPANY APPLICATION NO.1002 OF 2007

In the matter of sections 100,  
391 and 392 of the Companies Act,  
1956;

And

In the matter of Scheme of  
Compromise or Arrangement between  
JD Orgochem Ltd and its Secured  
Creditors and Equity  
Shareholders

JD Orgochem Ltd.

.. Petitioner

WITH

COMPANY APPLICATION NO.53 OF 2008

IN

COMPANY PETITION NO.966 OF 2007

J.D. Orgochem Ltd.

.. Petitioner/  
Respondent

And

Dyes and Chemical Workers Union

.. Applicant

Mr.Hemant Sethi i/by Hemant Sethi & Co for petitioner.  
Ms.Priya Ranade i/by Harshal & Co for UTI.  
Mr.C.J.Joy i/by S.K.Mohapatra for Regional Director.  
Mr.S.M.Dak with Ms.Bhavana Mhatre i/by Ms.Gayatri Singh  
for workers & applicant in C.A.No.53 of 2008.

CORAM: S.C.DHARMADHIKARI J.

DATE : 20th June, 2008

P.C.

1. This Company Petition has been filed under  
sections 100, 391 and 392 of the Companies Act, 1956.  
Sanction of this Court is sought to the scheme of  
compromise arising between petition company and its

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secured creditors so also equity shareholders.

2. In the petition it has been pointed out that the petitioner was incorporated on 05th October, 1973. Thereafter, name of the petitioner underwent change. After a fresh certificate of incorporation, the present name of the company has been inserted in the scheme as well as proceedings.

3. After setting out the objects, share capital and the financial position, it is contended that the petitioner manufactures dyes, dyes intermediates and organic chemicals. Its manufacturing facilities are at Thane-Belapur Industrial area and MIDC Industrial area, Patalganga, District Raigad. Both plants of the petitioner are closed. The contention is that the operations have become un-economic. In order to meet the business and long-term working capital requirements, the petitioner company is required to obtain financial assistance from banks and financial institutions by way of secured loans and privately placed secured debentures. The securities are set out and thereafter the market position and the losses are referred to. The accumulated losses leading to reference under BIFR and the petitioner being declared a sick company so also rehabilitation scheme are referred to. Subsequently some of secured creditors exercised their rights under the Securitization and Reconstruction of Financial

## HIGH COURT, BOMBAY

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Assets and Enforcement of Security Interest Act, 2002 (for short Securitization Act). In the light of the exercise of the powers conferred by Securitization Act by a majority of secured creditors the reference before BIFR has abated. This is the position in terms of statutory provisions.

4. Now, the present scheme, according to petitioner is for revival of operations through induction of fresh equity resources, sale of surplus assets to retire a part of the unsustainable debt and reorganization of the remaining debt burden to sustainable level through a comprehensive restructuring-cum-waivers of the liabilities. The scheme envisages sale of surplus assets and restructuring of the debt. The present debt burden of the company cannot be satisfied and that is how the petition averments proceed. Further, it is contended that the revival scheme is prepared with the help of Asset Reconstruction Company (India) Ltd. The said agency/company had approved the scheme in particular. They are the majority secured creditors. It is in such circumstances and the above factual background that the sanction is sought. The object of the scheme and its salient features are set out in the petition. A copy of the scheme is also annexed to the petition.

5. It is pointed out that the statutory compliance

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was made in as much as Company Application No.1002 of 2007 was moved and direction sought with regard to convening of meetings of the secured creditors (1st and 2nd charge holders) and equity share holders. The meetings were directed to be convened vide order dated 21st September, 2007. Accordingly, meetings were held of the above creditors on 27th October, 2007. The order is in Company Application No.1002 of 2007 and a copy thereof is annexed to the petition. Thereafter, the chairman's report and the text of the resolution passed at the meeting are annexed. In para 21 to 24 it is pointed out that the scheme was put before the three secured creditors who are 2nd charge holders and two out of them have voted in favour of the scheme. Their claim is to the tune of Rs.39 crores approximately. One secured creditor (2nd charge holder) to whom an amount of Rs.3,29,920/- is allegedly due and payable opposed the scheme. Thus, the percentage of this majority approval has been set out alongwith text of resolution. Similar is the position with regard to equity share holders who have voted in favour of the scheme substantially. Thus, 28 out of 30 equity share holders present at the meeting voted in favour of the scheme. The resolutions also have been set out and the same are annexed along with Chairman's reports. Thus, all statutory compliances have been made, declarations given on oath given and the petition prays that the Court should sanction the above scheme.

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6. The Regional Director has filed an affidavit and has stated that upon scrutiny of the scheme so also verification thereof, certain queries were raised by the Registrar of Companies to whom the Regional Director had forwarded the scheme. It is stated that he examined the scheme from various angles including shareholder's interest, creditor's interest and the public interest. The Registrar of Companies has forwarded his report and has stated that there is no violation of any law nor is the scheme contrary to the interest of the above and public. In such circumstances, he prays that appropriate orders be passed.

7. The scheme is opposed by the workers. Affidavit in reply is filed by one Shashikant Gawade who claims to be a workman/employee employed at Turbhe. He states that he is working in factory for more than 18 years. He submits that possession of the factory was taken and thereafter a sale took place pursuant to private treaty. The sale was certified at the amount mentioned in the affidavit. But according to him the property was sold at a value much below its worth in the market. Thus, it is stated that dues of above 420 workers are outstanding and there are no business operations. Secured creditors have stepped in and have taken over movable and immovable assets and therefore, the company is as good as non-functional. He refers to certain resignation

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letters of workmen. The resignations were conditional. Only part payment of dues has been made and the dues which is legal and legitimate has not been cleared. Reference is also made to various orders passed by the Industrial Court in favour of the workmen. Finally, it is contended that the scheme of arrangement does not have any clause pertaining to payment of legal dues of workers who were employed with the petitioner company at Turbhe plant. The petition does not contain the correct statement of facts and some of the statements are misleading. Thus, neither is the employment assured nor payment of legal dues.

8. The secured creditor, namely the administrator of UTI Asset Management Company Ltd. and UTI Trustee Company Pvt. Ltd. are the other objector and they have pointed out that the notice/intimation of the meeting was received by the objectors on 04th October, 2007. By the time the sanction of the appropriate authority was obtained, the statutory period of 21 days for filing proxy forms expired. In such circumstances, though the objector's representative attended the meeting and expressed their intention to oppose the Scheme, on technical grounds, the Chairman has not allowed the representative to raise objections nor has taken into consideration their objections. In para 3 of the affidavit filed in this Court on 04th April, 2008 it is contended that the scheme/arrangement proposes that the

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petitioner will reduce its liability to the UTI from the present principal of Rs.400 lakhs to Rs.180 lakhs and that too by extending period of payment to four years from 30th March, 2007 to 30th September, 2011. The scheme is therefore not viable and certainly not in the interest of the unit holders. The unit holders have to make a large sacrifice and the administrator as well as the UTI being trustees of the funds of these unit holders have rightly stepped in and opposed the scheme.



The parameters within which the objections to the scheme have to be considered so also the issue of sanction are by now well settled. In the latest decision brought to my notice by Mr. Sethi appearing for the petitioner, the Supreme Court was concerned with the proceedings initiated by UTI itself. The Supreme Court has after referring to section 391 read with section 393 in para 33 of the decision set out the exceptions laid down in the earlier decision. The decision is in the case of Miheer H. Mafatlal V. Mafatlal Industries Ltd. (792 Company Cases Vol.87). This decision has been followed consistently. In such circumstances, while rejecting that the stand of UTI that a separate meeting should be convened and they be treated as separate class, the Supreme Court has observed that when this Court considers the scheme it must scrutinise it as a whole and if it is found to be fair and reasonable from the point of view of sound business and commercial

decision, beneficial to the class for whom the scheme is meant, then, the Court cannot interfere. The Court is not exercising appellate powers and has no authority to substitute its own views and opinions. It cannot suggest any alternatives and direct their inclusion. Ultimately, the scheme is a commercial document according to the Supreme Court. In such circumstances, the present proceedings also will have to be decided on the touchstone of these settled principles.



10. Having examined the scheme with the assistance of learned counsel appearing for the parties so also perusing the affidavit of Regional Director, I am of the view that the same is not prejudicial to the interest of the creditors and shareholders. The same is also not contrary to public policy and public interest.

11. Mr.Oak appearing for the union however would urge that the union has locus to object to the Scheme having sanctioned. After inviting my attention to section 391 (a), 393 and other provisions of the Companies Act so also the decision of the Supreme Court reported in [(2007) 7 S.C.C. 753 (Meghal Homes (P) Ltd. Vs. Shree Niwas Girni K.K.Samiti & Ors.) he contends that if workers interest are sacrificed or are completely ignored then this Court should not sanction the scheme. Ultimately, this is a Public Limited Company. It cannot be said that the workers have no role in its

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functioning. Placing reliance upon the decision reported in AIR 1983 Supreme Court 75 and another decision of the Division Bench of this Court reported in 2006(108) FLR 605 (Khandelwal Tube Mill Kamgar Sangh, Kanhan and Government of Maharashtra & Ors.) he submits that the present scheme does not take care of any claims and legal dues of the workman. The workman have no employment and now even their dues are not being paid. In such circumstances, this Court should not sanction the scheme.

12. The learned counsel appearing for the UTI reiterated contents of the affidavit in reply and the objections therein. She urges that the scheme is not in the interest of the unit holders and the first charge holders. Therefore, the scheme should not be sanctioned.

13. Assuming for the purposes of the present petition that the workers can be heard when the scheme is being sanctioned and proceeding on the basis that they can step in because they had filed application being Company Application No.53 of 2008, I am of the opinion that other larger issues need not be addressed in the facts of this case. Assuming that the workers can step in and raise the objection to the scheme, yet, I am of the opinion that sanction cannot be refused in peculiar facts of this case to the scheme only because the

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workers are objecting to it. The workers have admittedly their remedies and they have availed of the same. Some of the decisions as stated by them are in their favour. The matter pertaining to the legal dues is also pending. All their legal rights and contentions in such proceedings are not affected merely because the arrangement as proposed by the Company with its shareholders, equity share holders and secured creditors is sanctioned. No provision is brought to my notice by Mr. Oak which would jeopardise the rights of the workers under industrial law or otherwise. The remedy available to them under the industrial law so also company law is not affected neither their contentions in the same prejudiced in any manner. Such being the legal position, in my view, there is no substance in the objection raised by the workers to the scheme. Additionally, Mr. Sethi after taking instructions makes a statement that the petitioner would provide for settlement of all legal dues of the workmen and merely because the present scheme is sanctioned does not mean that the same would not be settled or met by the petitioner. The workers dues are thus secured by the statement of the company.

14. As far as UTI is concerned, all that is suggested is another alternative. That four years is too longer a period and that UTI and its trustees will have to wait for repayment of the dues till that time is the

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objection. It is contended that because the objections have not been allowed to be raised in the meeting or that objections during the hearing of this petition have not been accepted, that would be considered as an act of consent on the part of UTI to the scheme. In my view, there is no force in this contention. No amount of consent can take away the legal rights vested in the UTI as secured creditor. Merely because the scheme envisages postponement of repayment or rescheduling of the debt does not mean that the UTI cannot exercise its powers under general law. If they can be otherwise exercised and all remedies in that behalf are provided for then I see no prejudice to UTI in this case. Merely because this Court sanctions the scheme does not mean that the legal rights of UTI come to an end. All those rights and remedies so also contentions therein are intact and the sanction is without prejudice thereto. Needless to state that the clarification sought by Mr. Sethi appearing for the company in so far as the effect of the order of sanction is not diluted nor is affected adversely. The law, if permits the petitioner to take a plea in the proceedings that are to be initiated or may be initiated by secured creditors including UTI with regard a sanctioned scheme being binding on all, is also available for being urged. If urged, the clarification as above does not prejudice the petitioner. As of now, there are no proceedings by UTI. It may instituted proceedings or may not and accept the

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arrangement. Therefore, all apprehensions of the petitioner are premature. In any event petitioners' legal rights are also intact.



15. Having thus disposed of the objections and clarified the matter, I am of the opinion that the scheme deserves to be sanctioned. More so, in the light of the report of Registrar of Companies and the affidavit of the Regional Director. As a result of the above discussion, Company Petition is made absolute in terms of prayer clauses (a) to (c). Company Applications which are placed alongwith this petition are accordingly disposed of.

16. At this stage Mr.Oak appearing for the Union applies for stay of this order. Mr.Sethi opposes and submits that the order does not in any manner affect the workers. More particularly in the light of the clarification issued and statements recorded. In my view, the objection of Mr.Sethi has some basis. In the light of the above clarification, there is no necessity of staying the operation of this order. Accordingly application is refused.

17. Petitioner company to lodge a copy of this order and the scheme with the concerned superintendent of Stamps for the purposes of adjudication of stamp duty payable, if any, on the same within 30 days of obtaining

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the certified copy and/or an authenticated copy of the order.

18. Petitioner to pay cost of Rs.5000/- to the Regional Director and Official Liquidator each. Costs to be paid within four weeks from today.

19. Filing and issuance of the drawn up order is dispensed with.

20. All Authorities concerned to act on a copy of this order alongwith scheme to be authenticated by the company Registry.

(S.C.Dharmadhikari, J)

TRUE-COPY

*M. D. Narvekar*  
M. D. NARVEKAR  
COMPANY REGISTRAR  
HIGH COURT (O.S.)  
BOMBAY

TRUE COPY

*AMS 27/06/08*  
Section Officer  
High Court, Appellate Side  
Bombay.

# **SCHEME OF COMPROMISE / ARRANGEMENT BETWEEN JD ORGOCHEM LIMITED AND ITS SECURED CREDITORS AND EQUITY SHAREHOLDERS**

## **PART I – INTRODUCTION :**

- 1) This Composite Scheme of Compromise/Arrangement hereinafter referred to as 'the Scheme' provides for compromise by (i) the Secured Creditors and (ii) the Equity Shareholders (as referred hereinafter) under provisions of Section 391 to 394 and other relevant provisions of the Companies Act, 1956 in the manner provided for herein and for increase of paid up Equity Capital by issue of new Equity Shares for conversion of Secured Loans into Equity and for raising fresh funds to meet the requirement of funds for restarting of the Company's operations as envisaged in the Scheme.
- 2) The Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

## **PART II - PRELIMINARY:**

### **1. DEFINITIONS**

In the Scheme, unless repugnant to the meaning, subject or context thereof, the following expressions shall have the following meaning:

- a) **"The Company"** means JD Orgochem Limited, a public limited company incorporated under provisions of the Companies Act, 1956 having its registered office at 301, Sumer Kendra, Pandurang Budhkar Marg, Worli, Mumbai - 400 018.
- b) **"Arcil"** means Arcil – JD Orgochem Ltd. Trust, Arcil -JDOL Trust, Arcil – SBPS – 001 –IX Trust.
- c) **"The Act"** means the Companies Act, 1956 or any statutory modifications thereto or re-enactment thereof.
- d) **"The Court"** means the High Court of Judicature at Bombay.
- e) **"Cut off Date"** means September 30, 2006.
- f) **"Effective Date"** or **"Coming into effect of this Scheme"** means the date on which a certified / authenticated copy of the order of the Court, that may be passed sanctioning this Scheme, is filed with the Registrar of Companies, Maharashtra at Mumbai.
- g) **"The Scheme"** means this Scheme of Compromise/ Arrangement in the present form or with any modifications or alterations approved or imposed or directed by the Court.
- h) **"Secured Creditors"** means 1) Arcil – JD Orgochem Ltd. Trust, 2) Arcil -JDOL Trust, 3) Arcil – SBPS – 001 –IX Trust, 4) Stressed Assets Stabilization Fund (SASF), 5) Unit Trust of India (UTI), 6) Life Insurance Corporation of India (LIC), 7) LIC Mutual Fund (LICMF) and includes their assigns.
- i) **"Equity Capital"** means 1,32,50,000 Equity Shares of Rs. 10/- each, fully paid up issued by the Company.
- j) **"Equity Shareholders"** means shareholder holding Equity Shares of Rs. 10/- each, fully paid up issued by the Company.
- k) **"Guarantors"** means 1) Shri Sharadchandra S Kothari, 2) Shri Mahendra K Kothari, 3) Shri Rajesh K Kothari and 4) Shri Shrikant K Kothari, who have provided personal guarantees in respect of the Secured Financial Assistances.
- l) **"Turbhe Unit"** means all the movable and immovable assets in respect of the Company's Unit situate at Plot No: D-55, D-54/2, D-54/3 and D-56, T.T.C Indl.Area, Thane Belapur Road, Village Turbhe, Dist:Thane, Maharashtra .
- m) **"Patalganga Unit"** means all the movable and immovable assets in respect of the Company's Unit situate at Plot No. A-4/2, MIDC Industrial Area, Patalganga, Village – Khalapur, Dist: Raigad, Maharashtra .
- n) **"Asset Sale Committee"** or **"ASC"** means a committee constituted by majority of the Secured Lenders representing more than 75% of the secured creditors to sell the Turbhe Unit.

### **2. AUTHORISED AND PAID UP SHARE CAPITAL**

The details of authorised and paid up Share Capital as on the Cut off Date are as under :-

<u>Authorised Share Capital</u>	<u>Rs in Lacs</u>
2,98,80,000 Equity Shares of Rs. 10/- each	2988.00
12,000 9% Redeemable Cumulative Preference Shares of Rs. 100/- each	12.00
	<u>3000.00</u>
<u>Paid up Share Capital</u>	<u>Rs in Lacs</u>
1,32,50,000 Equity Shares of Rs. 10/- each	1325.00
	<u>1325.00</u>

### **PART III – ARRANGEMENT/COMPROMISE WITH THE SECURED CREDITORS:**

The Scheme provides for arrangement / compromise with the creditors, without any other or further act, application or deed, in the following manner:

#### **1. SALE OF TURBHE UNIT**

The Asset Sale Committee (ASC) has sold the Turbhe unit, possession of which has been taken over by Arcil under Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. ("SARFAESI Act"). The sale proceeds realised have been distributed amongst secured creditors holding first charge and secured creditors holding second charge, as per the decision of Asset sale Committee, in proportion to their principal outstanding dues as on Cut off date as a part of Settlement cum Restructuring Scheme. The sale proceeds have been distributed amongst secured creditors as under :

<u>(A) Secured Creditors holding First charge :</u>	<u>Sale Proceeds (%)</u>	<u>Sale Proceeds (Rs)</u>
Arcil – JD Orgochem Ltd. Trust	24.29%	7,89,82,440
Arcil – JDOL Trust	31.82%	10,34,71,561
Stressed Assets Stabilization Fund	27.40%	8,90,81,234
Unit Trust of India	2.25%	73,04,734
Life Insurance Corporation of India	1.12%	36,52,367
LIC Mutual Fund	1.12%	36,52,367
<b>Total (A)</b>	<b>88.00%</b>	<b>28,61,44,703</b>
<u>(B) Secured Creditors holding Second charge :</u>		
Arcil – JD Orgochem Ltd. Trust	6.23%	2,02,54,939
Arcil – JDOL Trust	4.81%	1,56,46,526
Arcil – SBPS – 001 – IX Trust	0.96%	31,18,267
<b>Total (B)</b>	<b>12.00%</b>	<b>3,90,19,732</b>
<b>Total (A) + (B)</b>	<b>100.00%</b>	<b>32,51,64,435</b>

- a) The Company / Guarantors shall make payment as per law for full and final settlement of the workmen's liabilities pertaining to Turbhe unit of the company within 60 days of confirmation of sale by ASC, without any recourse to the company's existing assets. In respect of the Legal cases pending before the court, pertaining to the terminated employees, the Company/ Guarantor(s) undertake to comply with the court orders without recourse to the purchaser or the assets of the company or the secured lenders.
- b) The Company / Guarantors shall provide adequate proof to the ASC that it has made payment as per law for full and final settlement of the workmen's liabilities pertaining to Turbhe unit of the company within 60 days of confirmation of sale by ASC.

## 2. RESTRUCTURING OF DEBT

### a) Zero Coupon Loan (ZCL) :

- i) Upon Sanction of the Scheme, an amount of Rs. 12.00 crore shall be carved out of the existing secured financial assistances as Zero Coupon Loan as under :

<u>Secured Creditor</u>	<u>Amount of ZCL</u>
Arcil - JD Orgochem Ltd. Trust	3,66,00,000
Arcil - JDOL Trust	4,39,50,000
Stressed Assets Stabilization Fund	3,29,00,000
Unit Trust of India	27,00,000
Life Insurance Corporation of India	13,50,000
LIC Mutual Fund	13,50,000
Arcil - SBPS - 001 -IX Trust	11,50,000
<b>Total</b>	<b>12,00,00,000</b>

- ii) The ZCL, envisaged above, shall be carved out based on the proportion of 88% for Secured creditors holding first charge on fixed assets and 12% for secured creditors holding second charge on fixed assets and within the common chargeholder same shall be in proportion to their outstanding balances as on cut off date.
- iii) The Zero Coupon Loan shall be repaid in five quarterly installments commencing from March 30, 2008 and ending on March 30, 2009 as detailed in **Annexure A** hereto.

### b) Zero Coupon Non Convertible Debentures (ZCD) :

- i) Upon Sanction of the Scheme, an amount of Rs. 16.80 crore shall be carved out of the existing secured financial assistances as 16,80,000 Zero Coupon Non Convertible Debentures of Rs. 100/- each as under :

<u>Secured Creditor</u>	<u>Amount of NCD</u>
Arcil - JD Orgochem Ltd. Trust	5,13,00,000
Arcil - JDOL Trust	6,15,00,000
Stressed Assets Stabilization Fund	4,60,00,000
Unit Trust of India	38,00,000
Life Insurance Corporation of India	19,00,000
LIC Mutual Fund	19,00,000
Arcil - SBPS - 001 -IX Trust	16,00,000
<b>Total</b>	<b>16,80,00,000</b>

- ii) The ZCD, envisaged above, shall be carved out based on the proportion of 88% for Secured creditors holding first charge on fixed assets and 12% for secured creditors holding second charge on fixed assets and within the common chargeholder same shall be in proportion to their outstanding balances as on cut off date.
- iii) The ZCD shall be redeemable at a premium of 50% in ten quarterly installments commencing from June 30, 2009 and ending on September 30, 2011, as detailed in **Annexure B** hereto.
- iv) The ZCD shall be issued within 60 days of the Effective Date.
- v) Where called upon to do so, on or before March 31, 2009, the company shall arrange for early redemption of the Debentures or shall arrange to sell the debentures to a third party by way of take out financing. Such pre-mature redemption / sale of ZCD to third party shall be at a discount of 9% per annum. The company shall be liable to get the debentures listed as and when requested by secured creditors.

### c) Re-organization of Security :

- i) Upon sanction of the Scheme all existing security/securities and charges for the secured loans will stand re-organized to the extent ZCL of Rs. 12.00 crore and ZCD of Rs. 16.80 crore with premium payable thereon, secured by first pari passu charge on all the existing assets of the company situate at the Patalganga Unit and upon creation of such security, the existing security/ securities/ existing personal guarantees and charges shall stand satisfied and released without any further act on part of the Secured Creditors.
- ii) All the Guarantor(s) of the Company shall, jointly and severally, provide an irrevocable and unconditional Guarantee cum Shortfall Undertaking in favour of the Secured Creditors to make good the shortfall, if any, in the event realization to Secured Creditors from the sale of the Patalganga Unit is less than Rs. 12.00 crore.
- iii) The Company, Guarantors & Secured Creditors shall enter into any documentation that may be required, to give effect to reorganization of security and for the creation of the security as contemplated by the Scheme and to govern the prospective/ongoing relationship between the Company, Guarantors & Secured Creditors.

### d) Waiver of the Secured Financial Assistances :

Subject to compliance with Part-III and IV as contemplated in the Scheme, the residual debt including interest, penal interest, liquidated damages and other charges of whatsoever nature, shall be waived.

## 3. REORGANISATION OF CAPITAL :

- a) **TRANSFER OF SHARES:** The Guarantor(s) shall arrange to transfer in electronic form 12 lac fully paid-up equity shares of face value of Rs. 10/- each of equivalent to 9.1% of the paid up capital of the Company to secured creditors as detailed in **Annexure D** hereto.

- b) **EQUITY SHARE CAPITAL:** The Scheme provides for reorganisation of the Equity Capital in the following manner:

- i) The issued, subscribed and paid-up Equity Share Capital of the Company of Rs. 13,25,00,000/- comprising of 1,32,50,000 Equity Shares of Rs. 10/- each, fully paid up shall be reduced to Rs. 1,32,50,000/- comprising of 1,32,50,000 Equity Shares of Re. 1/- each, fully paid up. The paid up value per Equity Share shall reduce by 90% i.e. by canceling Rs. 9/- per Equity Share from the face value of Rs. 10/- each held by the Equity Shareholders as on the Record Date to be fixed by the Board of Directors of the Company in consultation with the Stock Exchange, Mumbai.



- ii) Upon the Effective Date and inconsideration of cancellation of Equity Share Capital, the existing certificates representing Equity Shares of the face value of Rs.10/- each held by the Equity Shareholders, whose names appears in the Register of Members as on Record date, shall without further act, application or deed be deemed to have been cancelled and in lieu thereof, the Company shall issue new certificates representing Equity Shares of the face value of Re.1/- each. In case of Equity Shares held in Dematerialised Form, as on the Record Date, the face value of Equity Shares shall be reduced automatically to Re. 1/- per share.
- iii) The reduction of the Equity Share Capital as aforesaid shall be effected as an integral part of the Scheme itself and no separate act, application, petition or deed would be required in accordance with the Section 101 or any other provisions of the Act, as the same does not involve either the diminution of any liability in respect of unpaid share capital or payment to any shareholder of any paid-up share capital, and the order of the Court sanctioning the Scheme shall be deemed to be an order under Section 102 of the Act confirming the reduction. The Company will not be required to add the words "and reduced" after its name. The Company shall pass Special Resolution under Section 100 of the Act, confirming reduction of existing Equity Share Capital in the manner set out hereinabove

Form of Minutes reflecting reduction of the Equity Share Capital is enclosed as "Annexure - C" hereto.

**c) AMENDMENT TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION :**

The Capital clause no IV of the Memorandum of Association of the Company and Article 5 of the Article of Association of the Company shall upon the coming into effect of this Scheme and without any further act, application or deed, be replaced and substituted by the following clauses respectively :

**MEMORANDUM OF ASSOCIATION**

- A. The Authorised Share Capital of the Company is Rs. 300,000,000/- (Rupees Thirty Crores only) divided into 300,000,000 (Thirty Crores only) Equity Shares of Re.1/- (Rupee One only) each.
- B. The Company has power to increase or reduce the Share Capital with the rights privileges and conditions attaching hereto as are provided by the Articles of Associations of the company for the time being, with the power to divide the share in the capital for the time being into several classes and to attach thereto respectively into preferential qualified or special rights privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary modify or abrogate any such rights privilege or condition in such manner as may be permitted by the Companies Act, 1956 or statutory modification thereof or provided by the Articles of Association of the company for the time being.

**ARTICLES OF ASSOCIATION**

The Authorised Share Capital of the Company is Rs. 300,000,000/- (Rupees Thirty Crores only) divided into 300,000,000 (Thirty Crores only) Equity Shares of Re.1/- (Rupee One only) each with power to increase and reduce the capital and to divide the Shares in the capital for the time being into several classes and to attach thereto respectively any preferential rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company and allowed by law.

The Company shall file amended copy of the Memorandum and Articles of Association with concerned Registrar of Companies.

**4. ISSUE OF FRESH EQUITY SHARES:**

- a) Upon the Scheme becoming effective and after reduction of the Equity Capital, as envisaged in this Scheme:
- i) the Company shall proceed to make a Right Issue of new 377 Equity Shares of Rupee 1/- each for every 100 existing Equity Share of Rupee 1/- each held by the Equity Shareholders whose names appear on the Register of Members on the Record Date to be fixed by the Board of Directors of the Company in consultation with the Stock Exchange, Mumbai, to meet the requirement of funds to restart the operations. Shareholders holding less than 100 shares will be entitled to Right shares on proportionate basis. Fractional shares shall be ignored.
- ii) the Company shall, within 180 days of the Effective Date or within 60 days of issue of new shares under Rights issue, whichever is later, make allotment of 9,60,00,000 Equity Shares of Rupee 1/- each to the Secured Creditors against conversion of financial assistances granted by them as under :

<u>Secured Creditor</u>	<u>No of Shares</u>
Arcil - JD Orgochem Ltd, Trust	2,92,90,000
Arcil - JDOL Trust	3,51,70,000
Stressed Assets Stabilization Fund	2,63,00,000
Unit Trust of India	21,60,000
Life Insurance Corporation of India	10,80,000
LIC Mutual Fund	10,80,000
Arcil - SBPS - 001 - IX Trust	9,20,000
<b>Total</b>	<b>9,60,00,000</b>

- b) The Guarantor(s)/Promoter(s) shall bring in advance subscription of Rs.5,00,00,000/- (Five Crore) within 7 days of 75% of the secured creditors voting in favour of the Scheme and same shall be utilized to meet capital expenditure requirements and for restarting Patalganga Unit. Such amount received by the Company as advance subscription to the Rights Issue, as envisaged in the Scheme, shall be adjusted / appropriated towards the monies payable for the Right Issues.
- c) The Guarantor(s)/Promoter(s) shall make up for any shortfall in the raising of funds in the Rights Issue by way of additional subscription.
- d) The details of the Rights Issue shall be worked out by the Company in accordance with the rules, regulations and guidelines of the Bombay Stock Exchange Ltd., Mumbai, National Stock Exchange Ltd., and Securities and Exchange Board of India (SEBI), governing the Rights Issue of Equity Shares.
- e) Post-write-down of equity capital and conversion of debt into equity, the holding of secured creditors in the equity share capital of the company shall be 61.00% of the fully diluted equity capital of the company. Reference to equity shares means shares in electronic form only. The share holding pattern of the company pre sanction and post sanction of the said Scheme is as detailed in "Annexure - D" hereto. As long as any of the obligations of the company and/or

Guarantors/Investors remains outstanding, the company shall not issue /allot any shares, so as to effect change in the shareholding pattern, without the express approval of the secured creditors.

- f) The Equity Shares to be issued and allotted by the Company, as mentioned above, shall rank pari passu in all respect with the existing Equity Shares of the Company.
- g) The Equity Shares so issued by the Company shall, subject to applicable regulations, be listed and/or admitted to trading on the relevant stock exchanges where the Equity Shares of the Company are listed and/or admitted to trading.
- h) The Equity Shares so issued by the Company to Secured Creditors shall be exempt under Preferential Issue Guidelines and Takeover Regulations and other guidelines of the Bombay Stock Exchange Ltd, National Stock Exchange Ltd., and Securities and Exchange Board of India (SEBI), governing the Issue of Equity Shares.
- i) Approval of this Scheme by the Shareholders of the Company shall, without any further act or deed, be deemed to be the due compliance of the relevant provisions of the Act for consequential alterations of Clause IV of the Memorandum of Association and Article 5 of the Articles of Association of the Company and provisions of Section 81(1A) of the Act, SEBI (Disclosure & Investor Protection) Guidelines, 2000, SEBI (Substantial Acquisition of Shares & Takeover) Regulation, 1997 and such other regulations as are relevant and applicable for the issue and allotment of New Equity Shares by the Company.
- j) The Company shall, if and to the extent required, apply for and obtain any permissions, sanctions or approvals from concerned authorities for the issue and allotment by the Company of New Equity Shares under the Scheme.
- k) **Transfer of Shares:**
  - i. Stand Still: The Guarantor(s)/Promoter(s) shall not transfer or otherwise dispose of any of its shareholding or any interest in its shareholding, allotted under the proposed Right Issue, till March 31, 2010 subject to clauses "ii & iii" herein below.
  - ii. Right of First Offer: In the event of proposed sale by any secured creditor(s) of the equity shares issued to it pursuant to the Scheme to a third party buyer, the Guarantor(s)/ Promoter(s) shall have right of first offer to purchase or arrange for purchase such shareholding at the same price as that offered by the third party buyer;
  - iii. Drag along: In the event of the Guarantor(s)/ Promoter(s) failure to purchase or arrange for procuring a third party to purchase shareholding of secured creditor(s) at the same price as that offered by the third party buyer as per clause "ii" above, it will be mandatory for the Guarantor(s)/ Investor to sell their entire shareholding in the company to the third party buyer at the same price as that offered by the third party buyer to such secured creditor(s).
  - l) The company and the Guarantor(s) shall comply with all procedural compliances as required to keep the company's equity shares listed on Bombay Stock Exchange and National Stock Exchange at all times.

#### PART IV – KEY PERFORMANCE PARAMETERS:

1. The company and/or the Guarantor(s), shall restart operations at Patalganga unit before 31<sup>st</sup> December, 2007 or within 3 months of Effective Date whichever is earlier.
2. The company undertakes to constitute a **Monitoring Committee** comprising of representatives of the company and/or secured creditor(s) as and when required by the majority secured creditor (s) to monitor the progress of the Scheme and the performance of the company post Scheme on a monthly basis.
3. The company and Guarantor(s) shall procure working capital finance for running the day-to-day operations of the company, upon the terms and conditions and to the extent as may be agreed to by majority secured creditors.
4. The company shall recast its balance sheet to incorporate write down of unrealizable assets and write back of dues payable to "related parties" as defined in the Accounting Standard 18.
5. The company undertakes to repay the statutory liabilities and workers dues, as per law, in a timely manner, subject to and based upon approvals of concerned authorities.
6. The company shall reconstitute its Board of Directors, in consultation with and to the satisfaction of majority secured creditor(s) and the company and the Guarantor(s) shall ensure that more than half of the company's Board of Directors shall comprise non-promoter and professional director(s). Further, during the currency of the settlement of restructured liability as mentioned hereinabove, the company shall keep one-half of its strength of its Board of Directors vacant to facilitate majority secured creditor(s) to appoint its nominee(s). Any appointment/change/ substitution/addition/re-appointment of the Director(s) of the company's Board shall be done only with the prior consent of majority secured creditor(s) in writing. Further, the Chairman of the Board shall be such person as may be nominated by majority secured creditor(s).
7. The company shall open a **Trust and Retention Account/s (TRA)** with bank(s) acceptable to majority secured creditor(s) within 30 days from the Effective Date: All receipts and payments of any nature of the company shall be routed through these accounts only. The company shall only operate such accounts as may be permitted by majority secured creditor(s) and not open any other account with any bank without prior approval of majority secured creditor(s) in writing.
8. **TRA** shall have pre-defined mechanism for utilization of funds as agreed from time to time by majority secured creditors. All the amounts available in **TRA** would be utilized as per the business plan approved by the **Monitoring Committee** and certified by the auditors to be nominated by majority secured creditors.
9. The company shall settle unsecured creditors independent of the Scheme without causing any prejudice to the secured lenders.
10. The company shall obtain approvals from various agencies including Government of India, State Government of Maharashtra, Sales Tax Authorities, Employees State Insurance Authorities, Provident Fund Authorities, Employees etc. and/or any other Authorities, statutory and others as applicable, the relief and concessions as maybe necessary to the satisfaction of secured creditors.
11. The company and/or Guarantor(s) shall procure renewal from the concerned authorities/ bodies of all the existing leases/ licenses/ approvals/ permissions, whether in company's name or otherwise.
12. The company and/or Guarantor(s) shall observe General Terms & Conditions as described in **Annexure - E** enclosed hereto.

#### PART V — EVENT OF DEFAULT AND RIGHTS AND REMEDIES:

1. **Event of Default:** Subject to a review being conducted by secured creditors/Arcil anytime before the **Effective Date** and subject to "force-majure" events such as war, flood, earthquake, and/or any such act of God, breakdown of law and order in the area, non compliance with any of the conditions in Parts III and IV hereinabove shall constitute





- a) Dispose of the equity shares held by secured creditor(s) in its name in a manner it deems fit to a third party investor for taking over the control of the company's management and/or;
- b) Take over the management control of the business of the company and/or;
- c) Exercise of its rights under section 13(4) of the SARFAESI Act
- d) Cancel, suspend, reduce or modify, including withdrawal with retrospective effect, all or any of the relief and concessions and/or amend or vary the terms and conditions hereof in the Event of Default as a result of non-compliance with the conditions in Part III - 1.(a), 2.(b). (i) and (iii), 2.(c)(i) and (ii), 3.(a) and (b), 4.(a) (i) and (ii), 4.(b), 4.(k), 4.(l), and Part IV - 1, 2 and 6 hereinabove.
- e) Convert any part of the debt into equity (after any withdrawal of concessions hereof) as may be applicable to the company in the Event of Default

1. Any proceedings, pending or decrees / award obtained before or after the Cut off date against the Company, its Directors, officers or any other person arising due to, directly indirectly, from non payment of dues by the Company, relating to any of the Secured Credits shall, on the Scheme being effective, be terminated and the rights, obligations and liabilities of the parties shall be governed by the terms of the Scheme.
2. Further all the Secured Creditors would now be governed by the terms and conditions as stipulated in the Scheme and would not be entitled to take recourse under the present agreements unless the company makes default in payment, as per the Scheme and the same falls under the events of default.
3. Subject to Clause 2(d) of part III of the Scheme, the claims of Secured creditors and/or payment to be made by the company to the Secured creditors, as mentioned under the Scheme, shall be treated final & conclusive.

1. The Company, through its Board of Directors, may assent to any alterations/ modifications/ amendments to the Scheme or to any conditions or limitation that the Court and/or any other authority may deem fit to approve, direct or impose. The Company may withdraw the Scheme if any alteration/ modification/ amendment thereto is not acceptable to it. The Board of Directors of the Company shall have authority to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions, whether by reason of any directive or order of the Court and/or any authority or otherwise, howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.
2. The Secured Creditors covered by the Scheme shall not be entitled to claim any payment save and except in accordance with the Scheme. However, all payments received by such creditors subsequent to the Cut Off Date and prior to the effective date shall be treated as payments made and / or required to be made under this Scheme.
3. On total repayment of the amounts to the Secured Creditors under the Scheme and upon compliance with all terms and conditions of the Scheme, the Company shall forward Form 17, to the Secured Creditors for satisfaction of charges, who shall within 10 days, file the form with the concerned Registrar of Companies. Failing to file Form 17 within the requisite time, the Registrar of Companies shall without recourse to secured Creditor/s issue certificate of satisfaction of charge to the Company.
4. This Scheme is conditional and subject to:-
  - a) Approval of the Scheme by the requisite majority of the Secured Creditors and Equity Shareholders of the Company
  - b) Sanction of the Scheme by the Court as provided in section 391 to 394 of the Act and subject to such alterations/ modifications/ amendments, as the Court may deem fit and direct.
  - c) Filing of the necessary certified / authenticated copies of the said order or orders with the Registrar of Companies, Maharashtra State at Mumbai.
5. If any part of this Scheme is found to be unworkable or if implementation of this Scheme is delayed for any reason whatsoever, the same shall not affect the validity or implementation of the other parts and/or provisions of this Scheme or the Settlement Package already approved by the Secured Creditors provided validity or implementation of such part is confirmed by the Secured creditors in writing, to be in accordance with the rationale for the approval of the Settlement package by the Secured Creditors. The Company shall have right to implement such part(s) as may be applicable or feasible as a complete scheme with the express consent of the Secured creditors subject to above. The decision of the Board of Directors or the Committee constituted by the Board of Directors of the Company shall be final and binding in this respect.
6. Since this Scheme does not involve a "conveyance" of any property under Section 394 of the Act, the Order of the Court sanctioning this Scheme under Section 391 of the Act shall not attract any stamp duty under the Bombay Stamp Act 1958.

## ZERO COUPON LOAN

[illegible]

**ANNEXURE — B**  
**ZERO COUPON NONCONVERTIBLE DEBENTURES**

ZERO COUPON NONCONVERTIBLE DEBENTURES											Rs in Lacs	
Sr No	Secured Creditor	30-06-09	30-09-09	31-12-09	31-03-10	30-06-10	30-09-10	31-12-10	31-03-11	30-06-11	30-09-11	Total
1	Arcil-JD Orgochem Ltd. Trust  Premium	51.30	51.30	51.30	51.30	51.30	51.30	51.30	51.30	51.30	51.30	513.00
		25.65	25.65	25.65	25.65	25.65	25.65	25.65	25.65	25.65	25.65	256.50
		76.95	76.95	76.95	76.95	76.95	76.95	76.95	76.95	76.95	76.95	769.50
2	Arcil-JDOL Trust  Premium	61.50	61.50	61.50	61.50	61.50	61.50	61.50	61.50	61.50	61.50	615.00
		30.75	30.75	30.75	30.75	30.75	30.75	30.75	30.75	30.75	30.75	307.50
		92.25	92.25	92.25	92.25	92.25	92.25	92.25	92.25	92.25	92.25	922.50
3	SASF  Premium	46.00	46.00	46.00	46.00	46.00	46.00	46.00	46.00	46.00	46.00	460.00
		23.00	23.00	23.00	23.00	23.00	23.00	23.00	23.00	23.00	23.00	230.00
		69.00	69.00	69.00	69.00	69.00	69.00	69.00	69.00	69.00	69.00	690.00
4	UTI  Premium	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	38.00
		1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90	19.00
		5.70	5.70	5.70	5.70	5.70	5.70	5.70	5.70	5.70	5.70	57.00
5	LIC  Premium	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90	19.00
		0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	9.50
		2.85	2.85	2.85	2.85	2.85	2.85	2.85	2.85	2.85	2.85	28.50
6	LICMF  Premium	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90	19.00
		0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	9.50
		2.85	2.85	2.85	2.85	2.85	2.85	2.85	2.85	2.85	2.85	28.50
7	Arcil-SBPS-001-IX Trust  Premium	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	16.00
		0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	8.00
		2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	24.00
Total Principal		168.00	168.00	168.00	168.00	168.00	168.00	168.00	168.00	168.00	168.00	1,680.00
Total Premium		84.00	84.00	84.00	84.00	84.00	84.00	84.00	84.00	84.00	84.00	840.00
Total(Principal+Premium)		252.00	252.00	252.00	252.00	252.00	252.00	252.00	252.00	252.00	252.00	2,520.00

**ANNEXURE — C**  
**FORM OF MINUTES**

**EQUITY SHARE CAPITAL**

The issued, subscribed and paid-up Equity Share Capital of JD Orgochem Limited of Rs. 13,25,00,000/- comprising of 1,32,50,000 Equity Shares of Rs. 10/- each, fully paid up shall be reduced to Rs. 1,32,50,000/- comprising of 1,32,50,000 Equity Shares of Re. 1/- each, fully paid up.

**ANNEXURE — D**  
**DETAILS OF SHAREHOLDING**

Shareholder Category	Existing Shareholding (Face value Rs 10/-)		Post Transfer by Promoters to Secured Creditors (Face value Rs 10/-)		Post write-down upon Sanction of Scheme (Face value Re 1/-)		Post issuance of New shares upon Right Issue in the ratio of 377:100 (Face value Re 1/-)		Post Issuance of fresh shares on conversion to Secured Creditors after Rights Issue (Face value Re 1/-)		
	No	%	No	No	No	%	Rights	Total No	Conversion	Total No	%
Promoters	7,922,110	59.79%	(1,200,000)	6,722,110	6,722,110	50.73%	25,342,355	32,064,465	-	32,064,465	20.14%
Non-Promoters	5,327,890	40.21%		5,327,890	5,327,890	40.21%	20,086,145	25,414,035	-	25,414,035	15.96%
Arcil-JD Orgochem Ltd Trust	-	0.00%	366,229	366,229	366,229	2.76%	1,380,663	1,746,912	29,290,000	31,036,912	19.50%
Arcil-JDOL Trust	-	0.00%	439,598	439,598	439,598	3.32%	1,657,284	2,096,882	35,170,000	37,266,882	23.41%
IDBISASF	-	0.00%	328,749	328,749	328,749	2.48%	1,239,384	1,568,133	26,300,000	27,868,133	17.50%
UTI	-	0.00%	26,958	26,958	26,958	0.20%	101,632	128,590	2,160,000	2,288,590	1.44%
LIC	-	0.00%	13,479	13,479	13,479	0.10%	50,816	64,295	1,080,000	1,144,295	0.72%
LICMF	0.00%	13,479	13,479	13,479	13,479	0.10%	50,816	64,295	1,080,000	1,144,295	0.72%
Arcil-SBPS-001-IX Trust	-	0.00%	11,508	11,508	11,508	0.09%	43,385	54,893	920,000	974,893	0.61%
Total	13,250,000	100.00%	0	13,250,000	13,250,000	100.00%	49,952,500	63,202,500	96,000,000	159,202,500	100.00%

## ANNEXURE — E

### GENERAL TERMS AND CONDITIONS

#### 1. Composition of Board and Key-Management Personnel:

- a) The company and Guarantor(s) shall ensure to constitute committee(s) of directors in compliance of the provisions of law and the listing agreement, if applicable. Such committee shall decide, inter alia, compensation package of various executives/ working directors including the promoters and their relatives as applicable under law.
- b) The company and Guarantor(s) shall appoint to the satisfaction of majority secured creditor, the key management personnel to head departments like Finance and Accounts; Sales and Marketing; Purchase; Production; Legal; company Secretary and any other critical departments as majority secured creditors may stipulate from time to time.

#### 2. Nominee Directors:

- a) Majority secured creditors shall be entitled to appoint from time to time, one or more person(s) whether secured creditor's employee(s) or not, as director(s) ("the Nominee Director") on the Board of Directors of the company for which purpose, the company and Guarantor(s) shall promptly take necessary corporate and regulatory actions and authorizations to implement such appointment by secured creditors. The Nominee Director shall not be required to hold any qualification shares and shall not be liable to retire by rotation. If required by secured creditor, the Nominee Director shall be also included as a member of any management committee or other committee(s) that may be constituted by the Board of Directors of the company. The Nominee Director shall be entitled to all the rights and privileges of other directors of the company and shall also have the right to receive notices of and attend all general meetings and Board meetings of the company and meetings of any committee of the company of which the Nominee Director may be a member.
- b) The Nominee Director shall be paid the same sitting fees, commission, remuneration and expenses as shall be payable to other non-whole-time directors. The company shall pay the sitting fees, in case such Nominee director is not an employee of secured creditor to the Nominee Director directly, and in other cases to secured creditor. All other expenses incurred/to be incurred by Nominee Directors shall be paid to them directly. However, the company, if any payable to Nominee Director, shall accrue to secured creditor and accordingly be paid by the company directly to secured creditor. In addition, any expenses that may be incurred by secured creditor on such Nominee Director during the currency of directorship shall also be paid or reimbursed by the company to secured creditor.
- c) No Nominee Director appointed as aforesaid shall incur any obligation or liability by reason only of his being a director or for anything done or omitted to be done in good faith in the discharge of his duties as a director or anything in relation thereto. The company shall indemnify every Nominee Director and secured creditor against all actions and proceedings, and losses and expenses suffered or incurred by the Nominee Director or secured creditor in, or in relation to, the discharge of his duties as such director.
- d) The company shall furnish agenda notes of the meetings of its Board of Directors to secured creditor whenever required by it provided that agenda notes of Board Meetings at which the company's annual accounts shall be taken up for consideration shall be forwarded by the company well in advance even if not specifically called for by secured creditor.

#### 3. Monitoring Committee:

- a) The company and/or secured creditors as and when deem fit may constitute a Monitoring Committee, to monitor the filing and progress of the said Scheme and the performance of the company on a monthly basis. The company shall undertake to provide all information as and when required by the Monitoring Committee. All costs, charges and expenses for convening the Monitoring Committee shall be incurred, met, paid by the company and Guarantor(s). The company shall finalise its annual budget in consultation with Monitoring Committee of lenders.
- b) The company shall take prior written approval of Monitoring Committee of lenders for incurring any capital expenditure exceeding the budgeted amount. The company and Guarantor(s) shall not undertake any new project or expansion or make any investments or take assets on lease or any divestments or sale without the prior approval of Monitoring Committee of lenders.
- c) The company shall not pay any dividend on the equity shares without the prior written approval of Monitoring Committee of lenders.

#### 4. Right to appoint Technical/Financial Consultants and Concurrent/Special Auditors

- a) The secured creditor(s) shall have the right to appoint/retain a concurrent auditor to oversee and monitor the operations of the company and the Trust Retention Account/Escrow Account and carry out a concurrent audit of the company in consultation with the company. All costs, charges and expenses of the concurrent auditor shall be incurred, met, paid by the company. The concurrent auditor would continue for duration as is satisfactory to Monitoring Committee of lenders.
- b) The secured creditor(s) shall be entitled to appoint any person, firm, company or association of persons engaged in technical, management or consultancy business or any chartered accountant/cost accountant for carrying out any specific assignment including examining systems and procedures and/or to act as its concurrent or special auditors or for conducting concurrent/special audit.
- c) The costs, charges and expenses including professional fees and traveling and other expenses incidental thereto shall be payable by the company. Such consultants/auditors shall give their report directly to secured creditor(s).
- d) The company shall extend necessary co-operation and provide required assistance and infrastructure to such persons in carrying out his/their assignment.

#### 5. Insurance:

- a) The company and Guarantor(s) shall keep insured upto the reinstatement value thereof as approved by secured creditors (including surveyor's/valuer's/architect's fees) the assets charged/to be charged to secured creditors and such of its other assets as are of an insurable nature against fire, theft, lightning, explosion, earthquake, storm, tempest, flood, any other natural calamity, riot, strike, civil commotion, marine risks, erection risks, war risks and such other risks as may be required from time to time.
- b) The company and Guarantor(s) shall renew such insurance policies from time to time during currency of the assistance and shall assign such policy(ies) in favour of Arcil and/ or Arcil-Trust and other charge-holders, if any. The company shall notify Arcil and/ or Arcil-Trust within 24 hours of any incidents or claims arising out of any such policy and shall also duly lodge the necessary claims with insurers and comply with all requirements thereto.
- c) In the event of failure on the part of the company to insure the assets or to pay the insurance premium or other sums referred to above, secured creditors may at their sole discretion get the assets insured or pay the insurance premium

and other sums referred to above, as the case may be. The company and Guarantors shall immediately upon secured creditors so insuring or paying premium, reimburse secured creditors of all amounts incurred by secured creditors for the said purpose and any expenses therefor.

- d) The company and Guarantor(s) shall deliver to secured creditors promptly and in no event later than 10 days after the same are issued, originals of all policies of insurance and renewals therefore and endorsements thereto.

**6. Acceleration**

In the event that the actual financial performance (earnings before interest, depreciation and taxation) is higher than the projections by over 10%, 35% of such excess shall be used for acceleration of payments to secured creditors. The amount of debt repaid under the Right of Acceleration shall be computed in present value terms at a discounting rate of 9% per annum.

7. The company and Guarantor(s) shall arrange to resolve all pending legal disputes to the satisfaction of secured creditors. All suits filed by any other lenders and agencies shall be resolved in accordance with the parameters of the said Scheme.
8. The company shall appoint an external counsel, to complete the documentation, creation of security and complete all legal formalities as required under this restructuring scheme. All costs, charges and expenses of the external counsel shall be incurred, met, paid by the company. The external counsel would continue till all the legal formalities required under this restructuring scheme are completed to the satisfaction of secured creditors.

**9. Records, Reports and Inspection**

So long as any part of the assistance shall remain outstanding, the company shall:

- a) maintain separate records showing expenditure incurred and the operations and financial condition of the company, and permit the authorised agents and representatives of secured creditors to carry out all technical survey and inspections of works and operations of the company as also inspection of the records, registers and accounts of the company. Such agents and representatives of secured creditors shall have free access at all reasonable times to such records, registers and accounts and to all schedules, cost estimates, plans and specifications relating to such works, and they shall receive full co-operation and assistance from the company. The cost of such survey and inspection shall be payable by the company forthwith on receipt of a notice of demand from secured creditors;
- b) forward to secured creditors on demand a chart showing the actual progress of the company as compared to original schedule together with percentage of completion, and furnish to secured creditors a statement with various heads of expenditure showing the final cost as compared to the original estimate together with reasons for variation(s), if any;
- c) as soon as available but no later than 30 days after the close of each quarter of its financial year furnish its unaudited financial statements for such period to secured creditors, duly certified by the whole-time director/managing director of the company as being complete and correct and fairly representing its financial condition and results of operation;
- d) as soon as available but no later than 45 days after the close of each financial year of the company, furnish its financial statements for the year then ended to secured creditors, audited and certified by its statutory auditor; and
- e) provide monthly monitoring reports in the form and manner as may be required by secured creditors.

**10. Increase in Authorised Capital**

The Promoter/company shall undertake to increase its authorised share capital when called upon to do so, so as to ensure that the secured creditors may convert such defaulted amounts into equity.

**11. Negative Covenants**

The company further covenants and agrees that until full and final payment by the company of all its indebtedness to secured creditors, it shall not, without the prior written consent of secured creditors:

- a) create any mortgage, charge, lien or other encumbrance in any form whatsoever over any of its properties and assets;
- b) create, incur or assume any further indebtedness of any nature whether for borrowed money or otherwise;
- c) enter into any merger/amalgamation or consolidation or any scheme of arrangement or compromise for the benefit of its creditors, or sell, lease or transfer all or any part/portion of its undertaking or division(s) and/or fixed assets;
- d) effect any material change in the composition of its board of directors or in the management set-up or ownership of its business;
- e) assume, guarantee, endorse or in any manner become directly or contingently liable for or in connection with the obligation of any person, firm, company or corporation except for transactions in the ordinary course of business;
- f) amend its Memorandum and Articles of Association or alter its capital structure or its shareholding pattern;
- g) allow transfer or disposal of shareholding of any of the promoters in its equity or quasi equity capital or permit withdrawal of any subordinated loans or deposits obtained at any time by the company from its promoter directors and their friends and associates or the working capital requirements of the company, or make prepayment of any long-term debt; declare or pay any dividend or make any distribution to any of the shareholders;
- h) extend any loan or advance to or place deposit with any company.

**12. Delay in payments**

All monies payable by the company under this Scheme including any reimbursements, if not paid within the stipulated period, shall from the due date carry interest of 18% per annum compounded at monthly/quarterly/half-yearly/annual rests. If such amounts including the interest as aforesaid, are not paid within 30 days, shall further carry additional interest by way of liquidated damages at the rate of 2% per annum in addition to 18% as above.

**13. Miscellaneous:**

- a) The company and Guarantor(s) shall enter into such agreements, deeds and writings as may be required for effectually complying with their obligations as may be stipulated by secured creditors under these presents.
- b) The company and Guarantor(s) shall promptly give written notice to secured creditors of the following :
- any litigation, arbitration or other proceedings commenced or threatened against the company and Guarantor(s) including any application for its winding-up, which if determined against the company, Investor and Guarantors may impair its ability to discharge its obligations hereunder and such proceedings shall also entitle secured creditors to, at its sole discretion, cancel, suspend, reduce or modify, including withdraw with retrospective effect, all or any of the relief and concessions and/or amend or vary the terms and conditions of the Scheme;
  - any dispute between the company and/or Guarantor(s) and any third party which if not resolved may lead to a material adverse change in the company's/Guarantor's financial condition or operations, or adversely affect the observance and performance of its obligations hereunder; and
- c) All terms and conditions in respective loan agreements and other documents including security documents shall continue to remain in full force and effect as if those terms and conditions are incorporated herein, except as specifically modified herein. In case of any inconsistency or repugnancy, the terms and conditions contained herein shall prevail.

TRUE-COPY

*M. D. Narvekar*  
M. D. NARVEKAR

COMPANY REGISTRAR  
HIGH COURT (O.S.)  
BOMBAY

*[Signature]*

In The High Court of Judicature at Bombay

Ordinary Original Civil Jurisdiction

Company Petition No 966 of 2007

In the matter of Sections 100, 391 & 392 of the  
Companies Act, 1956;

And

In the matter of Scheme of Compromise or  
Arrangement between JD Orgochem Limited  
and its Secured Creditors and Equity  
Shareholders

JD Orgochem Limited.....Petitioner



AUTHENTICATED COPY OF  
ORDER DATED 20<sup>TH</sup> JUNE 2008  
AND THE SCHEME ANNEXED TO  
THE PETITION

Applied on 30-6-2008  
Ingrossed on 30-6-2008  
Section Writer .....  
Folio .....  
Examined by [Signature]  
Compared with exhibits  
Ready on 02-07-08  
Witnessed on 03-07-08

HEMANT SETHI & CO

Advocates for Petitioner

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY  
ORDINARY ORIGINAL CIVIL JURISDICTION  
COMPANY PETITION NO. 690 OF 1989  
CONNECTED WITH  
COMPANY APPLICATION NO. 263 OF 1989**

**In the matter of Companies Act (I of 1956)**

**AND**

**In the matter of Section 391 to 394 of the Companies Act (I of 1956).**

**AND**

**In the matter of Jay Jaysynth Dyechem Ltd., a Company incorporated under the Companies Act, 1956, having its Registered Office at 303, Navjivan, 125/127, Kazi Sayed Street, Bombay-400 003.**

**AND**

**In the matter of a Scheme of Amalgamation of Jay Phthalocyanines Pvt. Ltd., Jay Ethyl Organics Pvt. Ltd. & N.A. Chemicals Pvt. Ltd. with Jaysynth Dyechem Ltd.**

**JAYSYNTH DYECHEM LTD., )**

**a Company incorporated under the )**

**Companies Act, 1956 having )**

**its Registered Office at 303, )**

**Navjivan, 125/127, Kazi Sayed, )**

**Street, Bombay - 400 003. )**

**PETITIONER**

**Coram : VARIAVA J.**

**Date : 8th February, 1990**

**UPON the Petition of Jaysynth Dyechem Ltd., the Petitioner Company abovenamed, solemnly declared on 8th November, 1989 and presented to this Hon'ble Court on the 8th November, 1989 for sanctioning of an arrangement embodied in the Scheme of Amalgamation of Jay Phthalocyanines Pvt. Ltd., Jay Ethyl Organics Pvt. Ltd. and N.A. Chemicals Pvt. Ltd. (hereinafter called the Transferor Companies) with Jaysynth Dyechem Ltd. (hereinafter called the Transferee Company) so as to be binding on all the parties concerned including the Equity Shareholders, Secured and Unsecured Creditors of the Transferee Companies, all classes of Shareholders and Creditors of the Transferor Companies and for consequential reliefs as mentioned in the said Petition AND the said Petition being this day called for hearing and final disposal AND UPON READING the said Petition and an Affidavit of Shri R.C. Tolat solemnly affirmed on 8th day of November, 1989, verifying the said Petition AND UPON PERUSING**

the issues of the Free Press Journal and Bombay Samachar both dated 17th day of November, 1989, both containing advertisements of the date of hearing of the said Petition AND UPON READING the affidavit of Shri R.C. Tolat solemnly affirmed on the 11th day of December, 1989, proving publication of Notice in the said newspapers AND UPON READING the Order dated 28th day of September, 1989, passed in Company Application No. 263 of 1989, whereby convening the meetings of the Equity Shareholders, Secured and Unsecured Creditors of the Transferee Company including notices to be advertised in the newspapers, filing of Chairman's Report, Explanatory Statement under Section 393 of the Companies Act, 1956 AND UPON HEARING Shri D.R. Poddar of M/s. Poddar & CO., Advocates of the Transferee Company and Mr. P.N. Menon instructed by Mr. T.R. Rao, Advocate for the Regional Director, Company Law Board, Bombay who appeared in pursuance of the notice of hearing dated 10th day of November, 1989, of the Petition under the signatures of Petitioner's Advocates under Section 391 to 394 of the Companies Act, 1956 (hereinafter called the said Act"), AND THIS COURT DOTH HEREBY SANCTION the arrangement embodied in the Scheme of Amalgamation of Jay Phthalocyanines Pvt. Ltd., Jay Ethyl Organics Pvt. Ltd. and N.A. Chemicals Pvt. Ltd., the Transferor Companies with Jaysynth Dyecem Ltd., the Transferee Company as set forth in the Exhibit "C" to the Petition and annexed as Schedule hereto AND THIS COURT DOTH HEREBY FURTHER ORDER that the undertaking of the Transferor Companies shall with effect from 1st April, 1989 (hereinafter called and the "Transfer Date") without further act, deed or thing be transferred to and be vested in or deemed to be, transferred to and be vested in the Transferee Company, pursuant to Section 394(2) of the Act and for all the estate and interest of the Transferor Companies but subject nevertheless to all charges, if any, then affecting the undertaking of the Transferor Companies or any part thereof and on the Transfer Date, the Transferor Companies shall be deemed to have been amalgamated in the Transferee Company as aforesaid AND THIS COURT DOTH FURTHER ORDER that for the purpose of this Scheme the undertaking of the Transferor Companies shall include all the properties movable or immovable, tangible or intangible, rights, powers, sanctions, licences, quota, trade marks, benefits and privileges of the Transferor Companies as on the Transfer Date AND all the liabilities, duties and obligations including charges, liens and mortgages of the Transferor Companies as on the Transfer Date AND THIS COURT DOTH FURTHER ORDER that without prejudice to the generality of sub-clause 2(a) of the Scheme, undertaking of the Transferor Companies shall include all rights, privileges, powers and authorities and all property, movable, real, corporeal or incorporeal in possession or reversion, present or contingent of whatsoever nature and wheresoever situated including in particular all licences and privileges, patents, trade marks, logos and all allotments, reservations, import quotas and licences held by the Transferor Companies or to which the Transferor Companies are entitled to and all debts, liabilities, obligations and duties of the Transferor Companies and all other obligations of whatsoever kind including liabilities for payment of gratuity, pension benefits, provident fund or compensation in the event of retrenchment to employees AND THIS COURT DOTH FURTHER ORDER that except as provided in the Scheme, the Scheme shall not operate to enlarge the security for any loan, deposit or facility created by or available to the Transferor Companies and which shall rest in the Transferee Company by virtue of amalgamation and such security, mortgage and charge

shall not extend or be deemed to extend to any of the assets or to any of the other unit of the Transferee Company unless specifically agreed to by the Transferee Company with such secured creditors and subject to the consents and approvals of the existing secured creditors of the Transferee Company after the amalgamation scheme has become effective AND THIS COURT DOTH FURTHER ORDER that the Transferee Company may at any time after the coming into effect of the Scheme in accordance with the provisions thereof if so required, under any law or otherwise, execute Deeds of Confirmation, in favour of the Secured Creditors of the Transferor Companies or in favour of any other party to any contract or arrangement to which any of the Transferor Companies 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 the scheme be deemed to be authorised to execute any such writings on behalf of the Transferor Companies and to implement or carry out all such formalities or compliances referred to above on the part of the Transferor Companies to be carried out or performed AND THIS COURT DOTH FURTHER ORDER that the amounts payable on account of liabilities of dissenting unsecured creditors of the Transferor Company as on the Effective Date shall be repaid in such manner and on such terms and within such period as may be mutually agreed between the Transferee Company and such unsecured creditors AND THIS COURT DOTH FURTHER ORDER that if any Suit, appeal or other proceedings of whatever nature (hereinafter called "the proceedings") by or against the Transferor Companies be pending, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the undertaking of the Transferor Companies or of anything contained in this scheme but the said proceedings may be continued, prosecuted and enforced by or against the Transferee Company as if the Scheme had not been made AND THIS COURT DOTH FURTHER ORDER that subject to the other provisions contained in the Scheme all contract, deeds, bonds, agreements, instruments and writings and benefits of whatsoever nature to which the Transferor Companies is/are a party and subject to such charges and variations in the terms, conditions and provisions thereof as may be mutually agreed to between the Transferee Company and other parties thereto, subsisting or having effect immediately before the Effective Date, shall remain in full force and effect in favour of the Transferee Company and may be enforced by and/or against the Transferee Company as fully and effectively as if the Transferee Company was party thereto instead of the Transferor Company AND THIS COURT DOTH FURTHER ORDER that the transfer and vesting of the property and liabilities under Clauses 1, 2, and 3 of the scheme and the continuance of the proceedings by the Transferee Company and of the Contracts etc. under Clause 4 of the scheme shall not affect any transactions or proceedings already concluded by the Transferor Companies in the ordinary course of business on and after the Transfer Date to the end and intent that the Transferee Company accepts on behalf of itself all acts, deeds and things done and executed by the Transferor Companies in the Ordinary course of business AND THIS COURT DOTH FURTHER ORDER that until the completion of such transfer of the Transferor Companies, the Transferor Companies shall stand possessed of all its properties, so to be transferred to the Transferee Company and have carried on and shall carry on its business for and on behalf of and in trust for the Transferee Company with effect from the Transfer Date and the Transferor Companies shall

account for the same accordingly. Between the Transfer Date and the Effective Date, the Transferor Companies shall not, without the concurrence of the Board of Directors of the Transferee Company alienate, charge, encumber or otherwise deal with undertaking of Transferor Company including any of the said assets except in the ordinary course of business AND THIS COURT DOTH FURTHER ORDER that any income or profit accruing to the Transferor Companies and all costs, charges and expenses incurred and/or all accrued losses as also all losses arising or suffered by it upto the effective date shall for all purposes be treated as the income, profits, costs, charges and expenses or losses as the case may be of the Transferee Company AND THIS COURT DOTH FURTHER ORDER that upon the Scheme becoming effective, the Transfer of the undertaking of the Transferor Companies pursuant to Clause 1 of the scheme and the amalgamation becoming effective in terms of the Scheme, the consideration in respect of such transfer shall be subject to the provisions of this scheme be paid and satisfied by the Transferee Company as follows:

The Transferee Company shall issue at par and allot to Transferor Companies Shareholders shares in the following proportion :

- a) To the Shareholders of JAY PHTHALOCYANINES PVT. LTD. (Transferor Company):

4 (Four) Equity Shares of Rs. 10/- each in the Transferee Company credited as fully paid-up for every 1 (one) Equity Share of Rs. 100/- each, 1 (one) 9% Redeemable Cumulative Preference Share of Rs. 100/- each in the Transferee Company credited as fully paid-up for every 1 (one) 9% Redeemable Cumulative Preference Share of Rs. 100/- each and 1 (one) 6% Redeemable Cumulative Preference Share of Rs. 100/- each in the Transferee Company credited as fully paid-up for every 1 (one) 6% Redeemable Cumulative Preference Share of Rs. 100/- each held by them in the Transferor Company on a date (Record Date) after the Effective Date as the Board of Directors of the Transferee Company may fix.

- b) To the Shareholders of JAY ETHYL ORGANICS PVT. LTD. (Transferor Company) :

5 (Five) Equity Shares of Rs. 10/- each in the Transferee Company credited as fully paid up for every 1 (One) Equity Share of Rs. 100/- each, 1 (One) 9% Redeemable Cumulative Preference Share of Rs. 100/- each and 1 (One) 6% Redeemable Cumulative Preference Share of Rs. 100/- each in the Transferee Company credited as fully paid-up for every 1 (One) 6% Redeemable Cumulative Preference Share of Rs. 100/- each held by them in the Transferor Company on a date (Record Date) after the Effective Date as the Board of Directors of the Transferee Company may fix.

- c) To the Shareholders of N. A. CHEMICALS PVT. LTD. (Transferor Company) :

1 (One) Equity Share of Rs. 10/- each in the Transferee Company credited as fully paid-up for every 1 (one) Equity Share of Rs. 100/- each held by them in Transferor Company on a date (Record Date) after the effective date as the Board of Directors of the Transferee Company may fix.

AND THIS COURT DOTH FURTHER ORDER that for the purpose as aforesaid, the Transferee Company shall, if and to the extent required, apply for and obtain the consent of the Controller of Capital Issues, for the issue and allotment by the Transferee Company to the respective members of the Transferor Companies, the Shares in the said reorganised share capital of the Transferee Company in the ratio aforesaid AND THIS COURT DOTH FURTHER ORDER that the Transferee Company shall take necessary steps to increase the 9% Redeemable Cumulative Preference Share Capital in the Authorised Share Capital by restructuring total Authorised Share Capital of the Company AND THIS COURT DOTH FURTHER ORDER that the Equity Shares in the capital of the Transferee Company to be issued and allotted to the Equity Shareholders of the Transferor Companies pursuant hereto shall rank pari-passu in all respect with the existing Equity Shares in the Equity Share Capital of the Transferee Company including the proportionate right or entitlement to dividend in respect of any dividend declared by the Transferee Company for the accounting period commencing from the Transfer date. The 9% Redeemable Cumulative Preference Shares of Rs. 100/- each and 6% Redeemable Cumulative Preference Shares of Rs. 100/- each in the capital of the Transferee Company to be issued and allotted to the Preference Shareholders of the Transferor Company pursuant hereto shall confer on the holders thereof the same rights as are attached to the 9% Redeemable Cumulative Preference Shares of Rs. 100/- each and 6% Redeemable Cumulative Preference Shares of Rs. 100/- each issued by the Transferor Company AND THIS COURT DOTH FURTHER ORDER that all the members whose names shall appear in the Register of members of the Transferor Company on the record date (after the Effective Date) as the Board of Directors of the Transferee Company may fix, shall surrender their share certificates for cancellation thereof to the Transferee Company at its registered office. Upon the new shares in the Transferee Company being issued and allotted by it to the Transferor Companies Shareholders whose names shall appear in relation to the shares held by them in the Transferor Company shall be deemed to have been cancelled AND THIS COURT DOTH FURTHER ORDER that the Transferee Company shall make the allotments of shares of Transferee Company pursuant hereto to every shareholder of the Transferor Company without further application and every shareholder of the Transferor Company shall accept the said shares on such allotment. Upon surrender by every shareholder of Share Certificates in relation to the shares of the Transferor Company in the share certificate in respect of the number of shares in the Transferee Company to which he may be entitled under the Scheme shall be issued and every such shareholder of the Transferor Company shall take all steps to obtain from the Transferee Company Share Certificates for share of the Transferee Company to which he may be entitled to hereunder AND THIS COURT DOTH FURTHER ORDER that at any time and from time to time after the Transfer Date, the Transferee Company and the Transferor Company shall be entitled to declare and pay dividends whether arrears of preference dividend, Interim and/or final to their respective Shareholders for any Financial Year or any period prior to the Effective Date. Both the Transferor Companies and the Transferee Company shall declare and pay dividend only out of the disposable profits earned by respective Company during such period, as permissible in law and shall not transfer any amount from the reserves for the purpose of payment of dividends AND THIS COURT DOTH FURTHER ORDER that the arrears of Preference dividends of Rs. 4,38,525/- (Rs. Four lacs thirty eight thousand five

hundred twenty five only) & Rs. 3,15,740/- (Rs. Three lacs fifteen thousand seven hundred forty only) in respect of Preference Shares of the Transferor Companies, Jay Phthalocyanines Pvt. Ltd. & Jay Ethyl Organics Pvt. Ltd. respectively, shall be paid by the Transferee Company if not paid by the respective Transferor Companies before the effective date and that the said amount of arrears of Preference Dividend of Rs. 4,38,525/- & Rs. 3,15,740/- to be paid in respect of Preference Shares of the Transferor Companies as aforesaid shall be reduced by the amount of any amount paid as Preference Dividend by the Transferor Companies to the respective Preference Shareholders before the effective date AND THIS COURT DOTH FURTHER ORDER that the excess value of the net assets of the Transferor Companies as at March 31, 1989 (the date immediately preceding the Transfer Date) over the paid-up value of the Shares issued and allotted pursuant to the terms of sub-clause (A) (i) of the scheme shall be accounted for in the books of the Transferee Company as at the Transfer Date as follow:

The Reserves of the Transferor Company as at March, 31, 1989 shall constitute Reserves of corresponding nature of the Transferee Company and the balance shall be transferred to the General Reserve in the Transferee Company.

AND THIS COURT DOTH FURTHER ORDER that the Transferee Company shall cause a Special Resolution to be proposed pursuant to Section 81 (1-A) of the Act for the offer and allotment of Equity Shares and Preference Shares in the Transferee Company to the Shareholders of the Transferor Company in accordance with and subject to the provisions of the Scheme AND THIS COURT DOTH FURTHER ORDER that on this Scheme becoming effective, the Transferor Companies shall be dissolved without winding up AND THIS COURT DOTH FURTHER ORDER that all employees of the Transferor Companies who are in employment of the Transferor Companies on the Effective Date of this Scheme shall from such date become the employees of the Transferee Company on the basis that their services have not been interrupted by the vesting of the undertaking of the Transferor Companies in the Transferee Company under this Scheme and that the terms and conditions of services applicable to them on the Effective Date will be not in any way be less favourable to them than those applicable to them immediately before the Effective Date as aforesaid AND THIS COURT DOTH FURTHER ORDER that the Board of Directors of the Transferor Companies and the Transferee Company acting jointly, or any person or persons duly authorised by them respectively may do all acts, deeds, matters and things necessary or usual for carrying the Scheme into effect. After the dissolution of Transferor Company, the Transferee Company by its Directors be and is hereby authorised to take such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions, whether by reason of any order of the Court or of any directive or order of any other authority or otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters connected therewith or to carry the same into effect AND THIS COURT DOTH FURTHER ORDER that the Scheme is conditional subject to the receipt of the approval to the issue and allotment of Equity Share and Preference Shares in the Transferee Company to the Shareholders of Transferor Companies in accordance with and subject to the provision of the Scheme by a Special Resolution of the Transferee Company pursuant to Section 81 (1-A) of the Act AND THIS COURT DOTH FURTHER ORDER that all costs, charges and

**HEREBY FURTHER ORDER** that the Transferor Company do within 30 days from the date of sealing of the Order sanctioning the Scheme of Amalgamation cause a certified copy of the order to be delivered to the Registrar of Companies, Maharashtra, Bombay, for registration and, on such certified copy being so delivered, the Transferor Company shall be dissolved and the Registrar of Companies, Maharashtra, Bombay shall place all the documents relating to the Transferor Company and registered with him on the file, kept by him in relation to the Transferee Company and the files relating to the said four companies (including the files relating to the other two Transferor Companies) shall be consolidated accordingly **AND THIS COURT DOTH FURTHER ORDER** that the parties to the Scheme of Amalgamation and any other person or persons interested therein shall be at liberty to apply to this Hon'ble Court for any direction that may be necessary in regard to the working of the Scheme of Amalgamation as sanctioned herein annexed to this Order **AND THIS COURT DOTH HEREBY LASTLY ORDER** that the Transferor Company do pay a sum of Rs. 300/- (Rupees Three Hundred only) each to the Regional Director, Company Law Board, and the Official Liquidator, High Court, Bombay, towards the costs of the said Petition

**WITNESS SHRI SHARADCHANDRA KRISHNAPRASAD DESAI, Acting Chief Justice of the High Court, Bombay aforesaid this 8th day of February, 1990.**

**By the Court,**

**Sd/-**

**S. S. Pawar**

**For Prothonotary & Senior Master.**

Order sanctioning the Scheme )  
of Amalgamation under Section )  
391 to 394 of the Companies Act, )  
1956, drawn on the )  
Application of M/s Poddar & )  
Co., Advocates for the )  
Petitioners, having their )  
Office at Currimji Building, )  
2nd Floor, 111A M.G. Road, )  
Fort, Bombay - 400 023. )

**IN THE HIGHT COURT OF JUDICATURE AT BOMBAY  
ORDINARY ORIGINAL CIVIL JURISDICTION  
COMPANY PETITION NO. 690 OF 1989  
CONNECTED WITH  
COMPANY APPLICATION NO. 263 OF 1989**

**In the matter of Companies Act (1 of 1956)**

**AND**

**In the matter of Section 391 to 394 of the said Act.**

**AND**

**In the matter of a Scheme of Amalgamation of Jay  
Phthalocyanines Pvt. Ltd., Jay Ethyl Organics Pvt.  
Ltd. & N.A. Chemicals Pvt. Ltd. with Jaysynth  
Dyechem Limited.**

**JAYSYNTH DYECHEM LTD.**

**.....PETITIONER**

**CERTIFIED COPY OF  
ORDER SANCTIONING THE SCHEME OF  
AMALGAMATION**

**DATED THIS 8th DAY OF FEBRUARY, 1990**

**FILED THIS 16th DAY OF MARCH, 1990.**

**M/s. Poddar & Co.,  
Advocates for the Petitioner,  
111-A, M.G. Road  
Currimji Bldg., Fort,  
BOMBAY 400 023.**

**SCHEDULE**

**SCHEME OF AMALGAMATION  
OF  
JAY PHTHALOCYANINES PRIVATE LIMITED  
JAY ETHYL ORGANICS PRIVATE LIMITED  
N.A. CHEMICALS PRIVATE LIMITED  
WITH  
JAYSYNTH DYECHM LIMITED**

**Preliminary**

**A. In this Scheme unless repugnant to the context.**

- i) "Transferee Company" means JAYSYNTH DYECHM LIMITED, a Company incorporated under the Companies Act 1956 and having its Registered Office at 303, Navjivan, 125/127, Kazi Sayed Street, Bombay-400 003.**
- ii) "Transferor Companies" means JAY PHTHALOCYANINES PVT. LTD., a Company registered under the Companies Act 1956 and having its Registered Office at E-16, Everest, Tardeo, Bombay-400 034, JAY ETHYL ORGANICS PVT. LTD., a Company registered under the Companies Act, 1956 and having its Registered Office at E-16, Everest, Tardeo Road, Bombay-400 034. AND N.A. CHEMICALS PVT. LTD., a Company registered under the Companies Act, 1956 and having its Registered Office at E-16, Everest, Tardeo Road, Bombay-400 034.**
- iii) "The Transfer Date" means, April 1, 1989 (or such other date as the High Court of Bombay may direct) from which all the movable, immovable and other properties of whatsoever nature including all rights, powers, privileges of every kind, nature and description of the Transferor Companies shall be transferred or deemed to be transferred without any further act, deed or thing to the Transferee Company.**
- iv) "The Effective Date" means the date on which the transfer and vesting of the undertaking of the Transferor Companies shall take effect i.e., the date on which the last of approvals specified in Clause 11 of the Scheme shall have been obtained and certified copies of the Orders of the High Court of Bombay have been filed with the Registrar of Companies, Maharashtra at Bombay.**

**B. The Authorised Share Capital of the Transferee Company is Rs. 5,00,00,000/- (Rupees Five Crores only) divided into 46,30,000 Equity Shares of Rs. 10/- each, 5,000 9% Redeemable Cumulative Preference Shares of Rs. 100/- each and 22,000 6% Redeemable Cumulative Preference Shares of Rs. 100/- each.**

Preference Shares of Rs. 100/- each out of which 6,25,000 Equity Shares of Rs. 10/- each have been issued and subscribed for and are fully paid up.

- C. The Authorised Share Capital of the Transferor Company, Jay Phthalocyanines Pvt. Ltd., is Rs. 30,00,000/- (Rupees Thirty Lacs only) divided into 20,000 Equity Shares of Rs. 100/- each, 5,000 9% Redeemable Cumulative Preference Shares of Rs. 100/- each and 5000 6% Redeemable Cumulative Preference Shares of Rs. 100/- each all of which have been issued and subscribed for and are fully paid up.

The Authorised Share Capital of the Transferor Company, Jay Ethyl Organics Pvt. Ltd., is Rs. 25,00,000/- (Rupees Twenty-five Lacs only) divided into 15,000 Equity Shares of Rs. 100/- each, 5,000 9% Redeemable Cumulative Preference Shares of Rs. 100/- each and 5000 6% Redeemable Cumulative Preference Shares of Rs. 100/- each out of which 15,000 Equity Shares of Rs. 100/- each, 2,500 9% Redeemable Cumulative Preference Shares of Rs. 100/- each and 5,000 6% Redeemable Cumulative Preference Shares of Rs. 100/- each have been issued and subscribed for and are fully paid up.

The Authorised Share Capital of the Transferor Company, N.A. Chemicals Pvt. Ltd., is Rs. 15,00,000/- (Rupees Fifteen Lacs) divided into 15,000 Equity Shares of Rs. 100/- each, out of which 14,000 Equity Shares of Rs. 100/- each have been issued and subscribed for and are fully paid up.

#### **The Scheme**

1. The undertaking of the Transferor Companies shall with effect from the Transfer Date, without further act, deed or thing be transferred to and be vested in or deemed to be, transferred to and be vested in the Transferee Company, pursuant to Section 394(2) of the Act and for all the estate and interest of the Transferor Companies but subject nevertheless to all charges, if any, then affecting the undertaking of the Transferor Companies or any part thereof and on the Transfer Date, the Transferor Companies shall be deemed to have been amalgamated in the Transferee Company as aforesaid.
2. a) For the purpose of this Scheme the undertaking of the Transferor Companies shall include :
  - i) All the properties movable or immovable, tangible or intangible, rights, powers, sanctions, licences, quota, trade marks, benefits and privileges of the Transferor Companies as on the Transfer Date.
  - ii) All the liabilities, duties and obligations including charges, liens and mortgages of the Transferor Companies as on the Transfer Date.
- b) Without prejudice to the generality of sub-clause (a) hereof the undertaking of the Transferor Companies shall include all rights, privileges, powers and authorities and all property, movable, real, corporeal or incorporeal in possession or reversion, present or

contingent of whatsoever nature and wheresoever situated including in particular all licences and privileges, patents, trade marks, logos and all allotments, reservations, import quotas and licences held by the Transferor Companies or to which the Transferor Companies are entitled to and all debts, liabilities, obligations and duties of the Transferor Companies and all other obligations of whatsoever kind including liabilities for payment of gratuity, pension benefits, provident fund or compensation in the event of retrenchment to employees.

PROVIDED ALWAYS that except as provided herein, the Scheme shall not operate to enlarge the security for any loan, deposit or facility created by or available to the Transferor Companies and which shall rest in the Transferee Company by virtue of amalgamation and such security, mortgage and charge shall not extend or be deemed to extend to any of the assets or to any of the other unit of the Transferee Company unless specifically, agreed to by the Transferee Company with such secured creditors and subject to the consents and approvals of the existing secured creditors of the Transferee Company after the amalgamation scheme has become effective.

- c) 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 the Secured Creditors of the Transferor Companies or in favour of any other party to any contract or arrangement to which any of the Transferor Companies 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 the scheme be deemed to be authorised to execute any such writings on behalf of the Transferor Companies and to implement or carry out all such formalities or compliances referred to above on the part of the Transferor Companies to be carried out or performed.
- 3. The amounts payable on account of liabilities of dissenting unsecured creditors of the Transferor Companies as on the Effective Date shall be repaid in such manner and on such terms and within such period as may be mutually agreed between the Transferee Company and such unsecured creditors.
- 4.
  - a) If any Suit, appeal or other proceedings of whatever nature (hereinafter called "the proceedings") by or against the Transferor Companies be pending, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the undertaking of the Transferor Companies or of anything contained in this scheme but the said proceedings may be continued, prosecuted and enforced by or against the Transferee Company as if this Scheme had not been made.
  - b) Subject to the other provisions contained in the Scheme all contract, deeds, bonds, agreements, instruments and writings and benefits of whatsoever nature to which the Transferor Companies is/are a party and subject to such charges and variations in the terms, conditions and provisions thereof as may be mutually agreed to between the

Transferee Company and other parties thereto, subsisting or having effect immediately before the Effective Date, shall remain in full force and effect in favour of the Transferee Company and may be enforced by and/or against the Transferee Company as fully and effectively as if the Transferee Company was party thereto instead of the Transferor Companies.

5. a) The transfer and vesting of the property and liabilities under Clauses 1, 2 and 3 and the continuance of the proceedings by the Transferee Company and of the Contracts etc. under Clause 4 hereof shall not affect any transactions or proceedings already concluded by the Transferor Companies in the ordinary course of business on and after the Transfer Date to the end and Intent that the Transferee Company accepts on behalf of itself all acts, deeds and things done and executed by the Transferor Companies in the Ordinary course of business.
- b) Until the completion of such transfer of the Transferor Companies, the Transferor Companies shall stand possessed of all its properties, so to be transferred to the Transferee Company and shall carry on its business for and on behalf of and in trust for the Transferee Company with effect from the Transfer Date and the Transferor Companies shall account for the same accordingly. Between the Transfer Date and the Effective Date, the Transferor Companies shall not, without the concurrence of the Board of Directors of the Transferee Company alienate, charge, encumber or otherwise deal with undertaking of Transferor Companies including any of the said assets except in the ordinary course of business.
- c) Any income or profit accruing to the Transferor Companies and all costs, charges and, expenses incurred and/or all accrued losses as also all losses arising or suffered by it upto the effective date shall for all purposes be treated as the income, profits, costs, charges and expenses or losses as the case may be of the Transferee Company.
6. A. Upon the Scheme becoming effective including it being approved by the members of the respective Companies and sanctioned by the High Court of Bombay and the transfer of the undertaking of the Transferor Companies pursuant to Clause 1 hereof and the amalgamation becoming effective in terms of this Scheme, the consideration in respect of such transfer shall be subject to the provisions of this Scheme be paid and satisfied by the Transferee Company as follows:
- i) The Transferee Company shall issue at par and allot to Transferor Companies Shareholders shares in the following proportion :
- a) To the Shareholders of JAY PHTHALOCYANINES PVT. LTD. (Transferor Company) :

4 (Four) Equity Shares of Rs. 10/- each in the Transferee Company credited as fully paid-up for every 1 (One) Equity Share of Rs. 100/- each, 1 (one) 9% Redeemable Cumulative Preference Share of Rs. 100/- each in the Transferee Company credited as fully paid-up for every

1 (one) 9% Redeemable Cumulative Preference Share of Rs. 100/- each and 1 (one) 6% Redeemable Cumulative Preference Share of Rs. 100/- each in the Transferee Company credited as fully paid-up for every 1 (One) 6% Redeemable Cumulative Preference Share of Rs. 100/- each held by them in the Transferor Company on such date after the Effective Date as the Board of Directors of the Transferee Company may determine.

**b) To the Shareholders of JAY ETHYL ORGANICS PVT. LTD. (Transferor Company) :**

5 (Five) Equity Shares of Rs. 10/- each in the Transferee Company credited as fully paid-up for every 1 (One) Equity Share of Rs. 100/- each, 1 (one) 9% Redeemable Cumulative Preference Share of Rs. 100/- each in the Transferee Company credited as fully paid-up for every 1 (One) 9% Redeemable Cumulative Preference Share of Rs. 100/- each and 1 (one) 6% Redeemable Cumulative Preference Share of Rs. 100/- each held by them in the Transferee Company on such date after the Effective Date as the Board of Directors of the Transferee Company may determine.

**c) To the Shareholders of N. A. CHEMICALS PVT. LTD. (Transferor Company) :**

1 (One) Equity Share of Rs. 10/- each in the Transferee Company credited as fully paid-up for every 1 (One) Equity Share of Rs. 100/- each held by them in Transferor Company on such date after the effective date as the Board of Directors of the Transferee Company may determine.

**d) For the purpose of as aforesaid, the Transferee Company shall, if and to the extent required, apply for and obtain the consent of the Controller of Capital Issues, for the issue and allotment by the Transferee Company to the respective members of the Transferor Companies, the Shares in the said reorganised share capital of the Transferee Company in the ratio aforesaid.**

**i) The Transferee Company shall take necessary steps to increase the 9% Redeemable Cumulative Preference Share Capital in the authorised Share Capital by restructuring total Authorised Share Capital of the Company.**

**ii) The Equity Shares in the capital of the Transferee Company to be issued and allotted to the Equity Shareholders of the Transferor Companies pursuant hereto shall rank pari-passu in all respect with the existing Equity Shares in the Equity Share Capital of the Transferee Company including the proportionate right or entitlement to dividend in respect of any dividend declared by the Transferee Company for the accounting period commencing from the Transferee date. The 9% Redeemable Cumulative Preference Shares of Rs. 100/- each**

and 6% Redeemable Cumulative Preference Shares of Rs. 100/- each in the capital of the Transferee Company to be issued and allotted to the Preference Shareholders of the Transferor Companies pursuant hereto shall confer on the holders thereof the same rights as are attached to the 9% Redeemable Cumulative Preference Shares of Rs. 100/- each and 6% Redeemable Cumulative Preference Shares of Rs. 100/- each issued by the Transferor Companies.

- iii) All the members whose name shall appear in the Register of members of the Transferor Companies on such date (after the Effective Date) as the Board of Directors of the Transferee Company may determine shall surrender their share certificates for cancellation thereof to the Transferee Company at its registered office. Upon the new shares in the Transferee Company being issued and allotted by it to the Transferor Companies Shareholders whose name shall appear in the Register of Members of the Transferor Companies on such date as aforesaid, the Share Certificates in relation to the shares held by them in the Transferor Companies shall be deemed to have been cancelled.
- iv) The Transferee Company shall make the allotments of shares of Transferee Company pursuant hereto to every shareholder of the Transferor Companies without further application and every shareholder of the Transferor Companies shall accept the said shares on such allotment. Upon surrender by every shareholder of Share Certificates in relation to the shares of the Transferor Companies the share certificate in respect of the number of shares in the Transferee Company to which he may be entitled under this Scheme shall be issued and every such shareholder of the Transferor Companies shall take all steps to obtain from the Transferee Company Share Certificates for share of the Transferee Company to which he may be entitled to hereunder.
- v) At any time and from time to time after the transfer Date, the Transferee Company and the Transferor Companies shall be entitled to declare and pay dividends whether arrears of preference dividend, interim and/or final to their respective Shareholders for any Financial Year or any period prior to the Effective Date. Both the Transferor Companies and the Transferee Company shall declare and pay dividend only out of the disposable profits earned by respective Companies during such period, as permissible in law and shall not transfer any amount from the reserves for the purpose of payment of dividends.

Provided further that the arrears of Preference dividends of Rs. 4,38,525/- & Rs. 3,15,740/- in respect of Preference Shares of the Transferor Companies, Jay Phthalocyanines Pvt. Ltd. & Jay

Ethyl Organics Pvt. Ltd. respectively shall be paid by the Transferee Company if not paid by the respective Transferor Companies before the effective date and further provided that the said amount of arrears of Preference Dividend of Rs. 4,38,525/- & Rs. 3,15,740/- to be paid in respect of Preference Shares of the Transferor Companies as aforesaid shall be reduced by the amount of any amount paid as Preference Dividend by the Transferor Companies to the respective Preference Shareholders before the effective date.

- B. The excess value of the net assets of the Transferor Companies as at March 31, 1989 (the date immediately preceding the Transfer Date) over the paid-up value of the Shares issued and allotted pursuant to the terms of sub-clause (A) (i) hereof shall be accounted for in the books of the Transferee Company as at the Transfer Date as follows:

The Reserves of the Transferor Companies as at March 31, 1989 shall constitute Reserves of corresponding nature of the Transferee Company and the balance shall be transferred to the General Reserve in the Transferee Company.

7. The Transferee Company shall cause a Special Resolution to be proposed pursuant to Section 81 (1-A) of the Act for the offer and allotment of Equity Shares and Preference Shares in the Transferee Company to the Shareholders of the Transferor Companies in accordance with the subject to the provisions of this Scheme.
8. Subject to the Scheme being sanctioned and order being made by the High Court of Bombay under section 394 of the Act and on this Scheme becoming effective, the Transferor Companies shall be dissolved without winding up on such order as may be made by the High Court.
9. All employees of the Transferor Companies who are in employment of the Transferor Companies on the Effective Date of this Scheme shall as from such date become the employees of the Transferee Company on the basis that their services have not been interrupted by the vesting of the undertaking of the Transferor Companies in the Transferee Company under this Scheme and that the terms and conditions of services applicable to them on the Effective Date will be not in any way be less favourable to them than those applicable to them immediately before the Effective Date as aforesaid.
10. The Board of Directors of the Transferor Companies and the Transferee Company acting jointly, or any person or persons duly authorised by them respectively may consent on behalf of all concerned to any modification and/or addition to this Scheme or agree to any conditions which the High Court of Bombay may think fit to impose and may do all acts, deeds, matters and things necessary or usual for carrying this Scheme into effect. After the dissolution of Transferor Companies the Transferee Company by its Directors be and is hereby authorised to take such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or

questions; whether by reason of any order of the Court or of any directive or order of any other authority or otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters connected therewith or to carry the same into effect.

11. The Scheme is conditional subject to the receipt of the following approvals/declarations :
  - a) The grant of sanction by the High Court of Bombay as provided in section 391, 392 and 394 of the Companies Act 1956.
  - b) The approval to the issue and allotment of Equity Share and Preference Shares in the Transferee Company to the Shareholders of Transferor Companies in accordance with and subject to the provision of the Scheme by a Special Resolution of the Transferee Company pursuant to Section 81 (1-A) of the Act.
12. The Scheme shall be subject to such modifications as the High Court of Bombay sanctioning such amalgamation of the Transferor Companies with the Transferee Company may direct and which the Board of Directors of the Transferor Companies and the Transferee Company consent and agree to.
13. All costs, charges and expenses of the Transferor companies and the Transferee Company respectively in relation to or in connection with negotiations leading upto the Scheme and of carrying out and completing the terms and provisions of this Scheme and of or incidental to the completion of amalgamation and merger of the undertaking of the Transferor Companies in pursuance of this Scheme shall be borne and paid by the Transferee Company.
14. Notwithstanding anything contained hereinabove, the Scheme shall also become effective in terms of and upon the full filling of requirements of any other law that may be brought into force in this behalf before this Scheme otherwise becomes effective as hereinbefore provided.
15. In case of the Scheme is not sanctioned by the High Court of Bombay for any reason whatsoever or for any other reason this Scheme cannot be implemented, this scheme will become null and void and of no effect and in the event no rights and/or liabilities shall accrue to or be incurred interse by the transferor Companies and the Transferee Company and the parties shall bear and pay their respective costs and expenses incurred in connection with or relating to this Scheme.

CERTIFIED TO BE A TRUE COPY

Sd/-

S. S. Pawar

This 16th day of March 1990.

For Prothonotary and Senior Master

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY  
ORDINARY ORIGINAL CIVIL JURISDICTION  
COMPANY PETITION NO. 687 OF 1989  
CONNECTED WITH  
COMPANY APPLICATION NO. 260 OF 1989**

**In the matter of Companies Act (I of 1956)**

**AND**

**In the matter of Section 391 to 394 of the Companies Act (I of 1956).**

**AND**

**In the matter of Jay Phthalocyanines Pvt. Ltd., a Company incorporated under the Companies Act, 1956, having its Registered Office at E-16, Everest, Tardeo Road, Bombay - 400 034.**

**AND**

**In the matter of a Scheme of Amalgamation of Jay Phthalocyanines Pvt. Ltd., Jay Ethyl Organics Pvt. Ltd. & N.A. Chemicals Pvt. Ltd. with Jaysynth Dyechem Ltd.**

**JAY PHTHALOCYANINES PVT. LTD.,        )  
a Company Incorporated under the        )  
Companies Act, 1956 having                )  
its Registered Office at E-16                )  
Everest, Tardeo Road,                        )  
Bombay - 400 003.                            )**

**PETITIONER**

**Coram : VARIAVA J.**

**Date : 8th February, 1990**

**UPON the Petition of Jay Phthalocyanines Pvt. Ltd., the Petitioner Company abovenamed, solemnly declared on 8th November, 1989 and presented to this Hon'ble Court on the 8th November, 1989 for sanctioning of an arrangement embodied in the Scheme of Amalgamation of Jay Phthalocyanines Pvt. Ltd., (hereinafter called the Transferor Companies) alongwith Jay Ethyl Organics Pvt. Ltd. and N.A. Chemicals Pvt. Ltd. with Jaysynth Dyechem Ltd. (hereinafter called the Transferee Company) so as to be binding on all the parties concerned including the Equity Shareholders, 9% Redeemable Cumulative Preference Shareholders, 6% Redeemable Cumulative Preference Shareholders, Secured and Unsecured Creditors of the Transferor Company, all classes of Shareholders and Creditors of the Transferee Company and for consequential reliefs as mentioned in the said Petition AND the said Petition being this day called for hearing and final disposal AND UPON READING the said Petition and an Affidavit of Shri Mahendra K Kothari solemnly affirmed on 8th day of November, 1989,**

verifying the said Petition AND UPON PERUSING the issues of the Free Press Journal and Bombay Samachar both dated 17th day of November, 1989, both containing advertisements of the date of hearing of the said Petition AND UPON READING the affidavit of Shri Mahendra K. Kothari solemnly affirmed on the 11th day of December, 1989, proving publication of Notice in the said newspapers AND UPON READING the Order dated 28th day of September, 1989, passed in Company Application No. 260 of 1989, whereby convening the meetings of the Equity Shareholders, 9% Redeemable Cumulative Preference Shareholders, 6% Redeemable Cumulative Preference Shareholders, Secured and Unsecured Creditors of the Transferor Company including notices to be advertised in the newspapers, filing of Chairman's Report, Explanatory Statement under Section 393 of the Companies Act, 1956 AND UPON READING the report of the Official Liquidator dated 14th day of December, 1989, wherein he opined that the affairs of the Transferor Company have not been conducted in a manner prejudicial to the interest of its members or to the public interest AND UPON HEARING Shri D.R. Poddar of M/s. Poddar & Co., Advocates of the Transferor Company and Mr. P.N. Menon instructed by Mr. T.R. Rao, Advocate for the Regional Director, Company Law Board, Bombay, and Shri P.T. Gajwani, Deputy Official Liquidator, High Court, Bombay, who appeared in pursuance of the notice of hearing dated 10th day of November, 1989, of the Petition under the signatures of Petitioner's Advocate under Section 391 to 394 of the Companies Act, 1956 (hereinafter called the "said Act"), AND THIS COURT DOTH HEREBY SANCTION the arrangement embodied in the Scheme of Amalgamation of Jay Phthalocyanines Pvt. Ltd., (the Transferor Company), alongwith Jay Ethyl Organics Pvt. Ltd. and N.A. Chemicals Pvt. Ltd., with Jaysynth Dyechem Ltd., the Transferee Company as set forth in the Exhibit "C" to the Petition and annexed as Schedule hereto AND THIS COURT DOTH HEREBY FURTHER ORDER that the undertaking of the Transferor Company shall with effect from 1st April, 1989 (hereinafter called the "Transfer Date") without further act, deed or thing be transferred to and be vested in or deemed to be, transferred to and be vested in the Transferee Company, pursuant to Section 394(2) of the Act and for all the estate and interest of the Transferor Company but subject nevertheless to all charges, if any, then affecting the undertaking of the Transferor Company or any part thereof and on the Transfer Date, the Transferor Company shall be deemed to have been amalgamated in the Transferee Company as aforesaid AND THIS COURT DOTH FURTHER ORDER that for the purpose of this Scheme the undertaking of the Transferor Company shall include all the properties movable or immovable, tangible or intangible, rights, powers, sanctions, licences, quota, trade marks, benefits and privileges of the Transferor Company as on the Transfer Date AND all the liabilities, duties and obligations including charges, liens and mortgages of the Transferor Company as on the Transfer Date AND THIS COURT DOTH FURTHER ORDER that without prejudice to the generality of sub-clause 2(a) of the Scheme, undertaking of the Transferor Company shall include all rights, privileges, powers and authorities and all property, movable, real, corporeal or incorporeal in possession or reversion, present or contingent of whatsoever nature and wheresoever situated including in particular all licences and privileges, patents, trade marks, logos and all allotments, reservations, import quotas and licences held by the Transferor Company or to which the Transferor Company is entitled to and all debts, liabilities, obligations and duties of the

Transferor Company and all other obligations of whatsoever kind including liabilities for payment of gratuity, pension benefits, provident fund or compensation in the event of retrenchment to employees AND THIS COURT DOTH FURTHER ORDER that except as provided in the Scheme, the Scheme shall not operate to enlarge the security for any loan, deposit or facility created by or available to the Transferor Company and which shall rest in the Transferee Company by virtue of amalgamation and such security, mortgage and charge shall not extend or be deemed to extend to any of the assets or to any of the other unit of the Transferee Company unless specifically agreed to by the Transferee Company with such secured creditors and subject to the consents and approvals of the existing secured creditors of the Transferee Company after the amalgamation scheme has become effective AND THIS COURT DOTH FURTHER ORDER that the Transferee Company may at any time after the coming into effect of the Scheme in accordance with the provisions thereof if so required, under any law or otherwise, execute Deeds of Confirmation, in favour of the Secured Creditors of the Transferor Company or in favour of any other party to any contract or arrangement to which any of 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 the scheme be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to implement or carry out all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed AND THIS COURT DOTH FURTHER ORDER that the amounts payable on account of liabilities of dissenting unsecured creditors of the Transferor Company as on the Effective Date shall be repaid in such manner and on such terms and within such period as may be mutually agreed between the Transferee Company and such unsecured creditors AND THIS COURT DOTH FURTHER ORDER that if any Suit, appeal or other proceedings of whatever nature (hereinafter called "the proceedings") by or against the Transferor Company be pending, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the undertaking of the Transferor Company or of anything contained in this scheme but the said proceedings may be continued, prosecuted and enforced by or against the Transferee Company as if the Scheme had not been made AND THIS COURT DOTH FURTHER ORDER that subject to the other provisions contained in the Scheme all contract, deeds, bonds, agreements, instruments and writings and benefits of whatsoever nature to which the Transferor Company is a party and subject to such charges and variations in the terms, conditions and provisions thereof as may be mutually agreed to between the Transferee Company and other parties thereto, subsisting or having effect immediately before the Effective Date, shall remain in full force and effect in favour of the Transferee Company and may be enforced by and/or against the Transferee Company as fully and effectively as if the Transferee Company was party thereto instead of the Transferor Company AND THIS COURT DOTH FURTHER ORDER that the transfer and vesting of the property and liabilities under Clauses 1, 2, and 3 of the scheme and the continuance of the proceedings by the Transferee Company and of the Contracts etc. under Clause 4 of the scheme shall not affect any transactions or proceedings already concluded by the Transferor Company in the ordinary course of business on and after the Transfer Date to the end and intent that the Transferee Company accepts on behalf of itself all

acts, deeds and things done and executed by the Transferor Company in the Ordinary course of business AND THIS COURT DOTH FURTHER ORDER that until the completion of such transfer of the Transferor Company, the Transferor

Company shall stand possessed of all its properties, so to be transferred to the Transferee Company and have carried on and shall carry on its business for and on behalf of and in trust for the Transferee Company with effect from the Transfer Date and the Transferor Company shall account for the same accordingly. Between the Transfer Date and the Effective Date, the Transferor Company shall not, without the concurrence of the Board of Directors of the Transferee Company alienate, charge, encumber or otherwise deal with undertaking of Transferor Company including any of the said assets except in the ordinary course of business AND THIS COURT DOTH FURTHER ORDER that any income or profit accruing to the Transferor Company and all costs, charges and expenses incurred and/or all accrued losses as also all losses arising or suffered by it upto the effective date shall for all purposes be treated as the income, profits, costs, charges and expenses or losses as the case may be of the Transferee Company AND THIS COURT DOTH FURTHER ORDER that upon the Scheme becoming effective, the Transfer of the undertaking of the Transferor Company pursuant to Clause 1 of the scheme and the amalgamation becoming effective in terms of the Scheme, the consideration in respect of such transfer shall subject to the provisions of this scheme be paid and satisfied by the Transferee Company as follows:

The Transferee Company shall issue at par and allot to Transferor Company's Shareholders shares in the following proportion :

4 (Four) Equity Shares of Rs. 10/- each in the Transferee Company credited as fully paid-up for every 1 (one) Equity Share of Rs. 100/- each, 1 (one) 9% Redeemable Cumulative Preference Share of Rs. 100/- each in the Transferee Company credited as fully paid-up for every 1 (one) 9% Redeemable Cumulative Preference Share of Rs. 100/- each and 1 (one) 6% Redeemable Cumulative Preference Share of Rs. 100/- each in the Transferee Company credited as fully paid-up for every 1 (one) 6% Redeemable Cumulative Preference Share of Rs. 100/- each held by them in the Transferor Company on a date (Record Date) after the Effective Date as the Board of Directors of the Transferee Company may fix.

AND THIS COURT DOTH FURTHER ORDER that for the purpose as aforesaid, the Transferee Company shall, if and to the extent required, apply for and obtain the consent of the Controller of Capital Issues, for the issue and allotment by the Transferee Company to the respective members of the Transferor Company, the Shares in the said reorganised share capital of the Transferee Company in the ratio aforesaid AND THIS COURT DOTH FURTHER ORDER that the Transferee Company shall take necessary steps to increase the 9% Redeemable Cumulative Preference Share Capital in the Authorised Share Capital by restructuring total Authorised Share Capital of the Company AND THIS COURT DOTH FURTHER ORDER that the Equity Shares in the capital of the Transferee Company to be issued and allotted to the Equity Shareholders of the Transferor Companies pursuant hereto shall rank pari-passu in all respect with the existing Equity Shares in the Equity Share Capital of the Transferee Company including

the proportionate right or entitlement to dividend in respect of any dividend declared by the Transferee Company for the accounting period commencing from the Transfer date. The 9% Redeemable Cumulative Preference Shares of Rs. 100/- each and 6% Redeemable Cumulative Preference Shares of Rs. 100/- each in the capital of the Transferee Company to be issued and allotted to the Preference Shareholders of the Transferor Company pursuant hereto shall confer on the holders thereof the same rights as are attached to the 9% Redeemable Cumulative Preference Shares of Rs. 100/- each and 6% Redeemable Cumulative Preference Shares of Rs. 100/- each issued by the Transferor Company AND THIS COURT DOTH FURTHER ORDER that all the members whose names shall appear in the Register of members of the Transferor Company on the record date (after the Effective Date) as the Board of Directors of the Transferee Company may fix, shall surrender their share certificates for cancellation thereof to the Transferee Company at its registered office. Upon the new shares in the Transferee Company being issued and allotted by it to the Transferor Companies Shareholders whose names shall appear in relation to the shares held by them in the Transferor Company shall be deemed to have been cancelled AND THIS COURT DOTH FURTHER ORDER that the Transferee Company shall make the allotments of shares of Transferee Company pursuant hereto to every shareholder of the Transferor Company without further application and every shareholder of the Transferor Company shall accept the said shares on such allotment. Upon surrender by every shareholder of Share Certificates in relation to the shares of the Transferor Company the share certificate in respect of the number of shares in the Transferee Company to which he may be entitled under the Scheme shall be issued and every such shareholder of the Transferor Company shall take all steps to obtain from the Transferee Company Share Certificates for share of the Transferee Company to which he may be entitled to hereunder AND THIS COURT DOTH FURTHER ORDER that at any time and from time to time after the Transfer Date, the Transferee Company and the Transferor Company shall be entitled to declare and pay dividends whether arrears of preference dividend, Interim and/or final to their respective Shareholders for any Financial Year or any period prior to the Effective Date. Both the Transferor Company and the Transferee Company shall declare and pay dividend only out of the disposable profits earned by respective Companies during such period, as permissible in law and shall not transfer any amount from the reserves for the purpose of payment of dividends AND THIS COURT DOTH FURTHER ORDER that the arrears of Preference dividends of Rs. 4,38,525/- (Rs. Four lacs thirty eight thousand five hundred twenty five only) & Rs. 3,15,740/- (Rs. Three lacs fifteen thousand seven hundred forty only) in respect of Preference Shares of the Transferor Companies, Jay Phthalocyanines Pvt. Ltd. & Jay Ethyl Organics Pvt. Ltd. respectively, shall be paid by the Transferee Company if not paid by the respective Transferor Companies before the effective date and that the said amount of arrears of Preference Dividend of Rs. 4,38,525/- (Rs. Four lacs thirty eight thousand five hundred twenty five only) & Rs. 3,15,740/- (Rs. Three lacs fifteen thousand seven hundred forty only) to be paid in respect of Preference Shares of the Transferor Companies as aforesaid shall be reduced by the amount of any amount paid as Preference Dividend by the Transferor Companies to the respective Preference Shareholders before the effective date AND THIS COURT DOTH FURTHER ORDER that the excess value of the net assets of the Transferor Company as at March 31, 1989 (the date immediately preceding the Transfer

Date) over the paid-up value of the Shares issued and allotted pursuant to the terms of sub-clause (A) (i) of the scheme shall be accounted for in the books of the Transferee Company as at the Transfer Date as follows:

The Reserves of the Transferor Company as at March, 31, 1989 shall constitute Reserves of corresponding nature of the Transferee Company and the balance shall be transferred to the General Reserve in the Transferee Company.

AND THIS COURT DOTH FURTHER ORDER that the Transferee Company shall cause a Special Resolution to be proposed pursuant to Section 81 (1-A) of the Act for the offer and allotment of Equity Shares and Preference Shares in the Transferee Company to the Shareholders of the Transferor Company in accordance with and subject to the provisions of the Scheme AND THIS COURT DOTH FURTHER ORDER that on this Scheme becoming effective, the Transferor Company shall be dissolved without winding up AND THIS COURT DOTH FURTHER ORDER that all employees of the Transferor Company who are in employment of the Transferor Company on the Effective Date of this Scheme shall from such date become the employees of the Transferee Company on the basis that their services have not been interrupted by the vesting of the undertaking of the Transferor Company in the Transferee Company under this Scheme and that the terms and conditions of services applicable to them on the Effective Date will be not in any way be less favourable to them than those applicable to them immediately before the Effective Date as aforesaid AND THIS COURT DOTH FURTHER ORDER that the Board of Directors of the Transferor Company and the Transferee Company acting jointly, or any person or persons duly authorised by them respectively may do all acts, deeds, matters and things necessary or usual for carrying the Scheme into effect. After the dissolution of Transferor Company, the Transferee Company by its Directors be and is hereby authorised to take such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions, whether by reason of any order of the Court or of any directive or order of any other authority or otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters connected therewith or to carry the same into effect AND THIS COURT DOTH FURTHER ORDER that the Scheme is conditional subject to the receipt of the approval to the issue and allotment of Equity Share and Preference Shares in the Transferee Company to the Shareholders of Transferor Company in accordance with and subject to the provision of the Scheme by a Special Resolution of the Transferee Company pursuant to Section 81 (1-A) of the Act AND THIS COURT DOTH FURTHER ORDER that all costs, charges and expenses of the Transferor Company and the Transferee Company respectively in relation to or in connection with negotiations leading upto the Scheme and of carrying out and completing the terms and provisions of this Scheme and of or incidental to the completion of amalgamation and merger of the undertaking of the Transferor Companies in pursuance of this Scheme shall be borne and paid by the Transferee Company AND THIS COURT DOTH FURTHER ORDER that notwithstanding anything contained hereinabove, the Scheme shall also become effective in terms of and upon the fulfilling of requirements of any other law that may be brought into force in this behalf before this Scheme otherwise becomes effective as hereinbefore provided AND THIS COURT DOTH

expenses of the Transferor Companies and the Transferee Company respectively in relation to or in connection with negotiations leading upto the Scheme and of carrying out and completing the terms and provisions of this Scheme and of or incidental to the completion of amalgamation and merger of the undertaking of the Transferor Companies in pursuance of this Scheme shall be borne and paid by the Transferee Company AND THIS COURT DOTH FURTHER ORDER that notwithstanding anything contained hereinabove, the Scheme shall also become effective in terms of and upon the fulfilling of requirements of any other law that may be brought into force in this behalf before this Scheme otherwise becomes effective as hereinbefore provided AND THIS COURT DOTH HEREBY FURTHER ORDER that the Transferor Companies do within 30 days from the date of sealing of the Order sanctioning the Scheme of Amalgamation cause a certified copy of the order to be delivered to the Registrar of Companies, Maharashtra, Bombay, for registration and, on such certified copy being so delivered, the Transferor Companies shall be dissolved and the Registrar of Companies, Maharashtra, Bombay shall place all the documents relating to the Transferor Companies and registered with him on the file, kept by him in relation to the Transferee Company and the files relating to the said four companies shall be consolidated accordingly AND THIS COURT DOTH FURTHER ORDER that the parties to the Scheme of Amalgamation and any other person or persons interested therein shall be at liberty to apply to this Hon'ble Court for any direction that may be necessary in regard to the working of the Scheme of Amalgamation as sanctioned herein annexed to this Order AND THIS COURT DOTH HEREBY LASTLY ORDER that the Transferee Company do pay a sum of Rs. 300/- (Rupees Three Hundred only) to the Regional Director, Company Law Board, Bombay, towards the costs of the said Petition \_\_\_\_\_ WITNESS SHRI SHARADCHANDRA KRISHNAPRASAD DESAI, Acting Chief Justice of the High Court, Bombay aforesaid this 8th day of February, 1990.

By the Court,  
Sd/-  
S. S. Pawar  
For Prothonotary & Senior Master.

Order sanctioning the Scheme )  
of Amalgamation under Section )  
391 to 394 of the Companies Act, )  
1956, drawn on the )  
Application of M/s Poddar & )  
Co., Advocates for the )  
Petitioners, having their )  
Office at Currimji Building, )  
2nd Floor, 111A, M.G. Road, )  
Fort, Bombay - 400 023. )

**IN THE HIGHT COURT OF JUDICATURE AT BOMBAY  
ORDINARY ORIGINAL CIVIL JURISDICTION  
COMPANY PETITION NO. 688 OF 1989  
CONNECTED WITH  
COMPANY APPLICATION NO. 261 OF 1989**

**In the matter of Companies Act (1 of 1956)**

**AND**

**In the matter of Section 391 to 394 of the said Act.**

**AND**

**In the matter of a Scheme of Amalgamation of Jay  
Phthalocyanines Pvt. Ltd., Jay Ethyl Organics Pvt.  
Ltd. & N.A. Chemicals Pvt. Ltd. with Jaysynth  
Dychem Limited.**

**JAY ETHYL ORGANICS PVT. LTD.  
.....PETITIONER**

**CERTIFIED COPY OF  
ORDER SANCTIONING THE SCHEME OF  
AMALGAMATION**

**DATED THIS 8th DAY OF FEBRUARY, 1990**

**FILED THIS 16th DAY OF MARCH, 1990.**

**M/s. Poddar & Co.,  
Advocates for the Petitioner,  
111-A, M.G. Road  
Currimji Bldg., Fort,  
BOMBAY 400 023.**

## **SCHEDULE**

### **SCHEME OF AMALGAMATION OF JAY PHTHALOCYANINES PRIVATE LIMITED JAY ETHYL ORGANICS PRIVATE LIMITED N.A. CHEMICALS PRIVATE LIMITED WITH JAYSYNTH DYECHM LIMITED**

#### **Preliminary**

**A. In this Scheme unless repugnant to the context.**

- i) "Transferee Company" means JAYSYNTH DYECHM LIMITED, a Company incorporated under the Companies Act 1956 and having its Registered Office at 303, Navjivan, 125/127, Kazi Sayed Street, Bombay-400 003.**
- ii) "Transferor Companies" means JAY PHTHALOCYANINES PVT. LTD., a Company registered under the Companies Act 1956 and having its Registered Office at E-16, Everest, Tardeo, Bombay-400 034, JAY ETHYL ORGANICS PVT. LTD., a Company registered under the Companies Act, 1956 and having its Registered Office at E-16, Everest, Tardeo Road, Bombay-400 034. AND N.A. CHEMICALS PVT. LTD., a Company registered under the Companies Act, 1956 and having its Registered Office at E-16, Everest, Tardeo Road, Bombay-400 034.**
- iii) "The Transfer Date" means, April 1, 1989 (or such other date as the High Court of Bombay may direct) from which all the movable, immovable and other properties of whatsoever nature including all rights, powers, privileges of every kind, nature and description of the Transferor Companies shall be transferred or deemed to be transferred without any further act, deed or thing to the Transferee Company.**
- iv) "The Effective Date" means the date on which the transfer and vesting of the undertaking of the Transferor Companies shall take effect i.e., the date on which the last of approvals specified in Clause 11 of the Scheme shall have been obtained and certified copies of the Orders of the High Court of Bombay have been filed with the Registrar of Companies, Maharashtra at Bombay.**

**B. The Authorised Share Capital of the Transferee Company is Rs. 5,00,00,000/- (Rupees Five Crores only) divided into 46,30,000 Equity Shares of Rs. 10/- each, 5,000 9% Redeemable Cumulative Preference Shares of Rs. 100/- each and 32,000 6% Redeemable Cumulative**

Preference Shares of Rs. 100/- each out of which 6,25,000 Equity Shares of Rs. 10/- each have been issued and subscribed for and are fully paid up.

- C. The Authorised Share Capital of the Transferor Company, Jay Phthalocyanines Pvt. Ltd., is Rs. 30,00,000/- (Rupees Thirty Lacs only) divided into 20,000 Equity Shares of Rs. 100/- each, 5,000 9% Redeemable Cumulative Preference Shares of Rs. 100/- each and 5000 6% Redeemable Cumulative Preference Shares of Rs. 100/- each all of which have been issued and subscribed for and are fully paid up.

The Authorised Share Capital of the Transferor Company, Jay Ethyl Organics Pvt. Ltd., is Rs. 25,00,000/- (Rupees Twenty-five Lacs only) divided into 15,000 Equity Shares of Rs. 100/- each, 5,000 9% Redeemable Cumulative Preference Shares of Rs. 100/- each and 5000 6% Redeemable Cumulative Preference Shares of Rs. 100/- each out of which 15,000 Equity Shares of Rs. 100/- each, 2,500 9% Redeemable Cumulative Preference Shares of Rs. 100/- each and 5,000 6% Redeemable Cumulative Preference Shares of Rs. 100/- each have been issued and subscribed for and are fully paid up.

The Authorised Share Capital of the Transferor Company, N.A. Chemicals Pvt. Ltd., is Rs. 15,00,000/- (Rupees Fifteen Lacs) divided into 15,000 Equity Shares of Rs. 100/- each, out of which 14,000 Equity Shares of Rs. 100/- each have been issued and subscribed for and are fully paid up.

#### **The Scheme**

1. The undertaking of the Transferor Companies shall with effect from the Transfer Date, without further act, deed or thing be transferred to and be vested in or deemed to be, transferred to and be vested in the Transferee Company, pursuant to Section 394(2) of the Act and for all the estate and interest of the Transferor Companies but subject nevertheless to all charges, if any, then affecting the undertaking of the Transferor Companies or any part thereof and on the Transfer Date, the Transferor Companies shall be deemed to have been amalgamated in the Transferee Company as aforesaid.
2. a) For the purpose of this Scheme the undertaking of the Transferor Companies shall include :
  - i) All the properties movable or immovable, tangible or intangible, rights, powers, sanctions, licences, quota, trade marks, benefits and privileges of the Transferor Companies as on the Transfer Date.
  - ii) All the liabilities, duties and obligations including charges, liens and mortgages of the Transferor Companies as on the Transfer Date.
- b) Without prejudice to the generality of sub-clause (a) hereof the undertaking of the Transferor Companies shall include all rights, privileges, powers and authorities and all property, movable, real, corporeal or incorporeal in possession or reversion, present or

contingent of whatsoever nature and wheresoever situated including in particular all licences and privileges, patents, trade marks, logos and all allotments, reservations, import quotas and licences held by the Transferor Companies or to which the Transferor Companies are entitled to and all debts, liabilities, obligations and duties of the Transferor Companies and all other obligations of whatsoever kind including liabilities for payment of gratuity, pension benefits, provident fund or compensation in the event of retrenchment to employees.

PROVIDED ALWAYS that except as provided herein, the Scheme shall not operate to enlarge the security for any loan, deposit or facility created by or available to the Transferor Companies and which shall rest in the Transferee Company by virtue of amalgamation and such security, mortgage and charge shall not extend or be deemed to extend to any of the assets or to any of the other unit of the Transferee Company unless specifically, agreed to by the Transferee Company with such secured creditors and subject to the consents and approvals of the existing secured creditors of the Transferee Company after the amalgamation scheme has become effective.

- c) 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 the Secured Creditors of the Transferor Companies or in favour of any other party to any contract or arrangement to which any of the Transferor Companies 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 the scheme be deemed to be authorised to execute any such writings on behalf of the Transferor Companies and to implement or carry out all such formalities or compliances referred to above on the part of the Transferor Companies to be carried out or performed.
3. The amounts payable on account of liabilities of dissenting unsecured creditors of the Transferor Companies as on the Effective Date shall be repaid in such manner and on such terms and within such period as may be mutually agreed between the Transferee Company and such unsecured creditors.
4. a) If any Suit, appeal or other proceedings of whatever nature (hereinafter called "the proceedings") by or against the Transferor Companies be pending, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the undertaking of the Transferor Companies or of anything contained in this scheme but the said proceedings may be continued, prosecuted and enforced by or against the Transferee Company as if this Scheme had not been made.
- b) Subject to the other provisions contained in the Scheme all contract, deeds, bonds, agreements, instruments and writings and benefits of whatsoever nature to which the Transferor Companies is/are a party and subject to such charges and variations in the terms, conditions and provisions thereof as may be mutually agreed to between the

Transferee Company and other parties thereto, subsisting or having effect immediately before the Effective Date, shall remain in full force and effect in favour of the Transferee Company and may be enforced by and/or against the Transferee Company as fully and effectively as if the Transferee Company was party thereto instead of the Transferor Companies.

5. a) The transfer and vesting of the property and liabilities under Clauses 1, 2 and 3 and the continuance of the proceedings by the Transferee Company and of the Contracts etc. under Clause 4 hereof shall not affect any transactions or proceedings already concluded by the Transferor Companies in the ordinary course of business on and after the Transfer Date to the end and intent that the Transferee Company accepts on behalf of itself all acts, deeds and things done and executed by the Transferor Companies in the Ordinary course of business.
  - b) Until the completion of such transfer of the Transferor Companies, the Transferor Companies shall stand possessed of all its properties, so to be transferred to the Transferee Company and shall carry on its business for and on behalf of and in trust for the Transferee Company with effect from the Transfer Date and the Transferor Companies shall account for the same accordingly. Between the Transfer Date and the Effective Date, the Transferor Companies shall not, without the concurrence of the Board of Directors of the Transferee Company alienate, charge, encumber or otherwise deal with undertaking of Transferor Companies including any of the said assets except in the ordinary course of business.
  - c) Any income or profit accruing to the Transferor Companies and all costs, charges and, expenses incurred and/or all accrued losses as also all losses arising or suffered by it upto the effective date shall for all purposes be treated as the income, profits, costs, charges and expenses or losses as the case may be of the Transferee Company.
6. A. Upon the Scheme becoming effective including it being approved by the members of the respective Companies and sanctioned by the High Court of Bombay and the Transfer of the undertaking of the Transferor Companies pursuant to Clause 1 hereof and the amalgamation becoming effective in terms of this Scheme, the consideration in respect of such transfer shall subject to the provisions of this Scheme be paid and satisfied by the Transferee Company as follows:
    - 1) The Transferee Company shall issue at par and allot to Transferor Companies Shareholders shares in the following proportion :
      - a) To the Shareholders of JAY PHTHALOCYANINES PVT. LTD. (Transferor Company) :

4 (Four) Equity Shares of Rs. 10/- each in the Transferee Company credited as fully paid-up for every 1 (One) Equity Share of Rs. 100/- each, 1 (one) 9% Redeemable Cumulative Preference Share of Rs. 100/- each in the Transferee Company credited as fully paid-up for every

1 (one) 9% Redeemable Cumulative Preference Share of Rs. 100/- each and 1 (one) 6% Redeemable Cumulative Preference Share of Rs. 100/- each in the Transferee Company credited as fully paid-up for every 1 (One) 6% Redeemable Cumulative Preference Share of Rs. 100/- each held by them in the Transferor Company on such date after the Effective Date as the Board of Directors of the Transferee Company may determine.

**b) To the Shareholders of JAY ETHYL ORGANICS PVT. LTD. (Transferor Company) :**

5 (Five) Equity Shares of Rs. 10/- each in the Transferee Company credited as fully paid-up for every 1 (One) Equity Share of Rs. 100/- each, 1 (one) 9% Redeemable Cumulative Preference Share of Rs. 100/- each in the Transferee Company credited as fully paid-up for every 1 (One) 9% Redeemable Cumulative Preference Share of Rs. 100/- each and 1 (one) 6% Redeemable Cumulative Preference Share of Rs. 100/- each held by them in the Transferee Company on such date after the Effective Date as the Board of Directors of the Transferee Company may determine.

**c) To the Shareholders of N. A. CHEMICALS PVT. LTD. (Transferor Company) :**

1 (One) Equity Share of Rs. 10/- each in the Transferee Company credited as fully paid-up for every 1 (One) Equity Share of Rs. 100/- each held by them in Transferor Company on such date after the effective date as the Board of Directors of the Transferee Company may determine.

**d) For the purpose of as aforesaid, the Transferee Company shall, if and to the extent required, apply for and obtain the consent of the Controller of Capital Issues, for the issue and allotment by the Transferee Company to the respective members of the Transferor Companies, the Shares in the said reorganised share capital of the Transferee Company in the ratio aforesaid.**

**i) The Transferee Company shall take necessary steps to increase the 9% Redeemable Cumulative Preference Share Capital in the authorised Share Capital by restructuring total Authorised Share Capital of the Company.**

**ii) The Equity Shares in the capital of the Transferee Company to be issued and allotted to the Equity Shareholders of the Transferor Companies pursuant hereto shall rank pari-passu in all respect with the existing Equity Shares in the Equity Share Capital of the Transferee Company including the proportionate right or entitlement to dividend in respect of any dividend declared by the Transferee Company for the accounting period commencing from the Transferee date. The 9% Redeemable Cumulative Preference Shares of Rs. 100/- each**

and 6% Redeemable Cumulative Preference Shares of Rs. 100/- each in the capital of the Transferee Company to be issued and allotted to the Preference Shareholders of the Transferor Companies pursuant hereto shall confer on the holders thereof the same rights as are attached to the 9% Redeemable Cumulative Preference Shares of Rs. 100/- each and 6% Redeemable Cumulative Preference Shares of Rs. 100/- each issued by the Transferor Companies..

- iii) All the members whose name shall appear in the Register of members of the Transferor Companies on such date (after the Effective Date) as the Board of Directors of the Transferee Company may determine shall surrender their share certificates for cancellation thereof to the Transferee Company at its registered office. Upon the new shares in the Transferee Company being issued and allotted by it to the Transferor Companies Shareholders whose name shall appear in the Register of Members of the Transferor Companies on such date as aforesaid, the Share Certificates in relation to the shares held by them in the Transferor Companies shall be deemed to have been cancelled.
- iv) The Transferee Company shall make the allotments of shares of Transferee Company pursuant hereto to every shareholder of the Transferor Companies without further application and every shareholder of the Transferor Companies shall accept the said shares on such allotment. Upon surrender by every shareholder of Share Certificates in relation to the shares of the Transferor Companies the share certificate in respect of the number of shares in the Transferee Company to which he may be entitled under this Scheme shall be issued and every such shareholder of the Transferor Companies shall take all steps to obtain from the Transferee Company Share Certificates for share of the Transferee Company to which he may be entitled to hereunder.
- v) At any time and from time to time after the transfer Date, the Transferee Company and the Transferor Companies shall be entitled to declare and pay dividends whether arrears of preference dividend, interim and/or final to their respective Shareholders for any Financial Year or any period prior to the Effective Date. Both the Transferor Companies and the Transferee Company shall declare and pay dividend only out of the disposable profits earned by respective Companies during such period, as permissible in law and shall not transfer any amount from the reserves for the purpose of payment of dividends.

Provided further that the arrears of Preference dividends of Rs. 4,38,525/- & Rs. 3,15,740/- in respect of Preference Shares of the Transferor Companies, Jay Phthalocyanines Pvt. Ltd. & Jay

Ethyl Organics Pvt. Ltd. respectively shall be paid by the Transferee Company if not paid by the respective Transferor Companies before the effective date and further provided that the said amount of arrears of Preference Dividend of Rs. 4,38,525/- & Rs. 3,15,740/- to be paid in respect of Preference Shares of the Transferor Companies as aforesaid shall be reduced by the amount of any amount paid as Preference Dividend by the Transferor Companies to the respective Preference Shareholders before the effective date.

- B. The excess value of the net assets of the Transferor Companies as at March 31, 1989 (the date immediately preceding the Transfer Date) over the paid-up value of the Shares issued and allotted pursuant to the terms of sub-clause (A) (i) hereof shall be accounted for in the books of the Transferee Company as at the Transfer Date as follows:

The Reserves of the Transferor Companies as at March 31, 1989 shall constitute Reserves of corresponding nature of the Transferee Company and the balance shall be transferred to the General Reserve in the Transferee Company.

7. The Transferee Company shall cause a Special Resolution to be proposed pursuant to Section 81 (1-A) of the Act for the offer and allotment of Equity Shares and Preference Shares in the Transferee Company to the Shareholders of the Transferor Companies in accordance with the subject to the provisions of this Scheme.
8. Subject to the Scheme being sanctioned and order being made by the High Court of Bombay under section 394 of the Act and on this Scheme becoming effective, the Transferor Companies shall be dissolved without winding up on such order as may be made by the High Court.
9. All employees of the Transferor Companies who are in employment of the Transferor Companies on the Effective Date of this Scheme shall as from such date become the employees of the Transferee Company on the basis that their services have not been interrupted by the vesting of the undertaking of the Transferor Companies in the Transferee Company under this Scheme and that the terms and conditions of services applicable to them on the Effective Date will be not in any way be less favourable to them than those applicable to them immediately before the Effective Date as aforesaid.
10. The Board of Directors of the Transferor Companies and the Transferee Company acting jointly, or any person or persons duly authorised by them respectively may consent on behalf of all concerned to any modification and/or addition to this Scheme or agree to any conditions which the High Court of Bombay may think fit to impose and may do all acts, deeds, matters and things necessary or usual for carrying this Scheme into effect. After the dissolution of Transferor Companies the Transferee Company by its Directors be and is hereby authorised to take such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or

questions, whether by reason of any order of the Court or of any directive or order of any other authority or otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters connected therewith or to carry the same into effect.

11. The Scheme is conditional subject to the receipt of the following approvals/declarations:
  - a) The grant of sanction by the High Court of Bombay as provided in section 391, 392 and 394 of the Companies Act 1956.
  - b) The approval to the Issue and allotment of Equity Share and Preference Shares in the Transferee Company to the Shareholders of Transferor Companies in accordance with and subject to the provision of the Scheme by a Special Resolution of the Transferee Company pursuant to Section 81 (1-A) of the Act.
12. The Scheme shall be subject to such modifications as the High Court of Bombay sanctioning such amalgamation of the Transferor Companies with the Transferee Company may direct and which the Board of Directors of the Transferor Companies and the Transferee Company consent and agree to.
13. All costs, charges and expenses of the Transferor companies and the Transferee Company respectively in relation to or in connection with negotiations leading upto the Scheme and of carrying out and completing the terms and provisions of this Scheme and of or incidental to the completion of amalgamation and merger of the undertaking of the Transferor Companies in pursuance of this Scheme shall be borne and paid by the Transferee Company.
14. Notwithstanding anything contained hereinabove, the Scheme shall also become effective in terms of and upon the full-filling of requirements of any other law that may be brought into force in this behalf before this Scheme otherwise becomes effective as hereinbefore provided.
15. In case of the Scheme is not sanctioned by the High Court of Bombay for any reason whatsoever or for any other reason this Scheme cannot be implemented, this scheme will become null and void and of no effect and in the event no rights and/or liabilities shall accrue to or be incurred interse by the transferor Companies and the Transferee Company and the parties shall bear and pay their respective costs and expenses incurred in connection with or relating to this Scheme.

CERTIFIED TO BE A TRUE COPY

Sd/-

S. S. Pawar

This 16th day of March 1990.

For Prothonotary and Senior Master

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY  
ORDINARY ORIGINAL CIVIL JURISDICTION  
COMPANY PETITION NO. 688 OF 1989  
CONNECTED WITH  
COMPANY APPLICATION NO. 261 OF 1989**

**In the matter of Companies Act (I of 1956)**

**AND**

**In the matter of Section 391 to 394 of the Companies Act (I of 1956).**

**AND**

**In the matter of Jay Ethyl Organics Pvt. Ltd., a Company incorporated under the Companies Act, 1956, having its Registered Office at E-16, Everest, Tardeo Road, Bombay - 400 034.**

**AND**

**In the matter of a Scheme of Amalgamation of Jay Phthalocyanines Pvt. Ltd., Jay Ethyl Organics Pvt. Ltd. & N.A. Chemicals Pvt. Ltd. with Jaysynth Dyechem Ltd.**

**JAY ETHYL ORGANICS PVT. LTD., )**

**a Company incorporated under the )**

**Companies Act, 1956 having )**

**its Registered Office at E-16 )**

**Everest, Tardeo Road, )**

**Bombay - 400 003. )**

**PETITIONER**

**Coram : VARIAVA J.**

**Date : 8th February, 1990**

**UPON the Petition of Jay Ethyl Organics Pvt. Ltd., the Petitioner Company abovenamed, solemnly declared on 8th November, 1989 and presented to this Hon'ble Court on the 8th November, 1989 for sanctioning of an arrangement embodied in the Scheme of Amalgamation of Jay Ethyl Organics Pvt. Ltd., (hereinafter called the Transferor Companies) alongwith Jay Phthalocyanines Pvt. Ltd. and N.A. Chemicals Pvt. Ltd. with Jaysynth Dyechem Ltd. (hereinafter called the Transferee Company) so as to be binding on all the parties concerned including the Equity Shareholders, 9% Redeemable Cumulative Preference Shareholders, 6% Redeemable Cumulative Preference Shareholders, Secured and Unsecured Creditors of the Transferor Company, all classes of Shareholders and Creditors of the Transferee Company and for consequential reliefs as mentioned in the said Petition AND the said Petition being this day called for hearing and final disposal AND UPON READING the said Petition and**

an Affidavit of Shri Mahendra K. Kothari solemnly affirmed on 8th day of November, 1989, verifying the said Petition AND UPON PERUSING the issues of the Free Press Journal and Bombay Samachar both dated 17th day of November, 1989, both containing advertisements of the date of hearing of the said Petition AND UPON READING the affidavit of Shri Mahendra K. Kothari solemnly affirmed on the 11th day of December, 1989, proving publication of Notice in the said newspapers AND UPON READING the Order dated 28th day of September, 1989, passed in Company Application No. 261 of 1989, whereby convening the meetings of the Equity Shareholders, 9% Redeemable Cumulative Preference Shareholders, 6% Redeemable Cumulative Preference Shareholders, Secured and Unsecured Creditors of the Transferor Company including notices to be advertised in the newspapers, filing of Chairman's Report, Explanatory Statement under Section 393 of the Companies Act, 1956 AND UPON READING the report of the Official Liquidator dated 14th day of December, 1989, wherein he opined that the affairs of the Transferor Company have not been conducted in a manner prejudicial to the interest of its members or to the public interest AND UPON HEARING Shri D.R. Poddar of M/s. Poddar & Co., Advocates of the Transferor Company and Mr. P.N. Menon instructed by Mr. T.R. Rao, Advocate for the Regional Director, Company Law Board, Bombay, and Shri P.T. Gajwani, Deputy Official Liquidator, High Court, Bombay, who appeared in pursuance of the notice of hearing dated 10th day of November, 1989, of the Petition under the signatures of Petitioner's Advocates under Section 391 to 394 of the Companies Act, 1956 (hereinafter called the "said Act"), AND THIS COURT DOTH HEREBY SANCTION the arrangement embodied in the Scheme of Amalgamation of Jay Ethyl Organics Pvt. Ltd., (the Transferor Company), alongwith Jay Phthalocyanines Pvt. Ltd. and N.A. Chemicals Pvt. Ltd., with Jaysynth Dyechem Ltd., the Transferee Company as set forth in the Exhibit "C" to the Petition and annexed as Schedule hereto AND THIS COURT DOTH HEREBY FURTHER ORDER that the undertaking of the Transferor Company shall with effect from 1st April, 1989 (hereinafter called and the "Transfer Date") without further act, deed or thing be transferred to and be vested in or deemed to be, transferred to and be vested in the Transferee Company, pursuant to Section 394(2) of the Act and for all the estate and interest of the Transferor Company but subject nevertheless to all charges, if any, then affecting the undertaking of the Transferor Company or any part thereof and on the Transfer Date, the Transferor Company shall be deemed to have been amalgamated in the Transferee Company as aforesaid AND THIS COURT DOTH FURTHER ORDER that for the purpose of this Scheme the undertaking of the Transferor Company shall include all the properties movable or immovable, tangible or intangible, rights, powers, sanctions, licences, quota, trade marks, benefits and privileges of the Transferor Company as on the Transfer Date AND all the liabilities, duties and obligations including charges, liens and mortgages of the Transferor Company as on the Transfer Date AND THIS COURT DOTH FURTHER ORDER that without prejudice to the generality of sub-clause 2(a) of the Scheme, undertaking of the Transferor Company shall include all rights, privileges, powers and authorities and all property, movable, real, corporeal or incorporeal in possession or reversion, present or contingent of whatsoever nature and wheresoever situated including in particular all licences and privileges, patents, trade marks, logos and all allotments, reservations, import quotas and licences held by the Transferor Company or to which the Transferor

Company is entitled to and all debts, liabilities, obligations and duties of the Transferor Company and all other obligations of whatsoever kind including liabilities for payment of gratuity, pension benefits, provident fund or compensation in the event of retrenchment to employees AND THIS COURT DOTH FURTHER ORDER that except as provided in the Scheme, the Scheme shall not operate to enlarge the security for any loan, deposit or facility created by or available to the Transferor Company and which shall rest in the Transferee Company by virtue of amalgamation and such security, mortgage and charge shall not extend or be deemed to extend to any of the assets or to any of the other unit of the Transferee Company unless specifically agreed to by the Transferee Company with such secured creditors and subject to the consents and approvals of the existing secured creditors of the Transferee Company after the amalgamation scheme has become effective AND THIS COURT DOTH FURTHER ORDER that the Transferee Company may at any time after the coming into effect of the Scheme in accordance with the provisions thereof if so required, under any law or otherwise, execute Deeds of Confirmation, in favour of the Secured Creditors of the Transferor Company or in favour of any other party to any contract or arrangement to which any of 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 the scheme be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to implement or carry out all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed AND THIS COURT DOTH FURTHER ORDER that the amounts payable on account of liabilities of dissenting unsecured creditors of the Transferor Company as on the Effective Date shall be repaid in such manner and on such terms and within such period as may be mutually agreed between the Transferee Company and such unsecured creditors AND THIS COURT DOTH FURTHER ORDER that if any Suit, appeal or other proceedings of whatever nature (hereinafter called "the proceedings") by or against the Transferor Company be pending, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the undertaking of the Transferor Company or of anything contained in this scheme but the said proceedings may be continued, prosecuted and enforced by or against the Transferee Company as if the Scheme had not been made AND THIS COURT DOTH FURTHER ORDER that subject to the other provisions contained in the Scheme all contract, deeds, bonds, agreements, instruments and writings and benefits of whatsoever nature to which the Transferor Company is a party and subject to such charges and variations in the terms, conditions and provisions thereof as may be mutually agreed to between the Transferee Company and other parties thereto, subsisting or having effect immediately before the Effective Date, shall remain in full force and effect in favour of the Transferee Company and may be enforced by and/or against the Transferee Company as fully and effectively as if the Transferee Company was party thereto instead of the Transferor Company AND THIS COURT DOTH FURTHER ORDER that the transfer and vesting of the property and liabilities under Clauses 1, 2, and 3 of the scheme and the continuance of the proceedings by the Transferee Company and of the Contracts etc. under Clause 4 of the scheme shall not affect any transactions or proceedings already concluded by the Transferor Company in the ordinary course of business on and after the Transfer Date to

the end and intent that the Transferee Company accepts on behalf of itself all acts, deeds and things done and executed by the Transferor Company in the Ordinary course of business AND THIS COURT DOTH FURTHER ORDER that until the completion of such transfer of the Transferor Company, the Transferor Company shall stand possessed of all its properties, so to be transferred to the Transferee Company and have carried on and shall carry on its business for and on behalf of and in trust for the Transferee Company with effect from the Transfer Date and the Transferor Company shall account for the same accordingly. Between the Transfer Date and the Effective Date, the Transferor Company shall not, without the concurrence of the Board of Directors of the Transferee Company alienate, charge, encumber or otherwise deal with undertaking of Transferor Company including any of the said assets except in the ordinary course of business AND THIS COURT DOTH FURTHER ORDER that any income or profit accruing to the Transferor Company and all costs, charges and expenses incurred and/or all accrued losses as also all losses arising or suffered by it upto the effective date shall for all purposes be treated as the income, profits, costs, charges and expenses or losses as the case may be of the Transferee Company AND THIS COURT DOTH FURTHER ORDER that upon the Scheme becoming effective, the Transfer of the undertaking of the Transferor Company pursuant to Clause 1 of the scheme and the amalgamation becoming effective in terms of the Scheme, the consideration respect of such transfer shall subject to the provisions of this scheme be paid and satisfied by the Transferee Company as follows:

The Transferee Company shall issue at par and allot to Transferor Company's Shareholders shares in the following proportion :

5 (Five) Equity Shares of Rs. 10/- each in the Transferee Company credited as fully paid-up for every 1 (one) Equity Share of Rs. 100/- each, 1 (one) 9% Redeemable Cumulative Preference Share of Rs. 100/- each in the Transferee Company credited as fully paid-up for every 1 (one) 9% Redeemable Cumulative Preference Share of Rs. 100/- each and 1 (one) 6% Redeemable Cumulative Preference Share of Rs. 100/- each in the Transferee Company credited as fully paid-up for every 1(one) 6% Redeemable Cumulative Preference Share of Rs. 100/- each held by them in the Transferor Company on a date (Record Date) after the Effective Date as the Board of Directors of the Transferee Company may fix.

AND THIS COURT DOTH FURTHER ORDER that for the purpose as aforesaid, the Transferee Company shall, if and to the extent required, apply for and obtain the consent of the Controller of Capital Issues, for the issue and allotment by the Transferee Company to the respective members of the Transferor Company, the Shares in the said reorganised share capital of the Transferee Company in the ratio aforesaid AND THIS COURT DOTH FURTHER ORDER that the Transferee Company shall take necessary steps to increase the 9% Redeemable Cumulative Preference Share Capital in the Authorised Share Capital by restructuring total Authorised Share Capital of the Company AND THIS COURT DOTH FURTHER ORDER that the Equity Shares in the capital of the Transferee Company to be issued and allotted to the Equity Shareholders of the Transferor Companies pursuant hereto shall rank pari-passu in all respect with the existing Equity Shares in the Equity Share Capital of the Transferee Company including

the proportionate right or entitlement to dividend in respect of any dividend declared by the Transferee Company for the accounting period commencing from the Transfer date. The 9% Redeemable Cumulative Preference Shares of Rs. 100/- each and 6% Redeemable Cumulative Preference Shares of Rs.100/- each in the capital of the Transferee Company to be issued and allotted to the Preference Shareholders of the Transferor Company pursuant hereto shall confer on the holders thereof the same rights as are attached to the 9% Redeemable Cumulative Preference Shares of Rs. 100/- each and 6% Redeemable Cumulative Preference Shares of Rs. 100/- each issued by the Transferor Company AND THIS COURT DOTH FURTHER ORDER that all the members whose names shall appear in the Register of members of the Transferor Company on the record date (after the Effective Date) as the Board of Directors of the Transferee Company may fix, shall surrender their share certificates for cancellation thereof to the Transferee Company at its registered office. Upon the new shares in the Transferee Company being issued and allotted by it to the Transferor Company's Shareholders whose names shall appear in the Register of Members of the Transferor Company on the record date as aforesaid, the Share Certificates in relation to the shares held by them in the Transferor Company shall be deemed to have been cancelled AND THIS COURT DOTH FURTHER ORDER that the Transferee Company shall make the allotments of shares of Transferee Company pursuant hereto to every shareholder of the Transferor Company without further application and every shareholder of the Transferor Company shall accept the said shares on such allotment. Upon surrender by every shareholder of Share Certificates in relation to the shares of the Transferor Company the share certificate in respect of the number of shares in the Transferee Company to which he may be entitled under the Scheme shall be issued and every such shareholder of the Transferor Company shall take all steps to obtain from the Transferee Company Share Certificates for share of the Transferee Company to which he may be entitled to hereunder AND THIS COURT DOTH FURTHER ORDER that at any time and from time to time after the Transfer Date, the Transferee Company and the Transferor Company shall be entitled to declare and pay dividends whether arrears of preference dividend, interim and/or final to their respective Shareholders for any Financial Year or any period prior to the Effective Date. Both the Transferor Company and the Transferee Company shall declare and pay dividend only out of the disposable profits earned by respective Company during such period, as permissible in law and shall not transfer any amount from the reserves for the purpose of payment of dividends AND THIS COURT DOTH FURTHER ORDER that the arrears of Preference dividends of Rs. 4,38,525/- (Rs. Four lacs thirty eight thousand five hundred twenty five only) & Rs. 3,15,740/- (Rs. Three lacs fifteen thousand seven hundred forty only) in respect of Preference Shares of the Transferor Companies, Jay Phthalocyanines Pvt. Ltd. & Jay Ethyl Organics Pvt. Ltd. respectively, shall be paid by the Transferee Company if not paid by the respective Transferor Companies before the effective date and that the said amount of arrears of Preference Dividend of Rs. 4,38,525/- & Rs. 3,15,740/- to be paid in respect of Preference Shares of the Transferor Companies as aforesaid shall be reduced by the amount of any amount paid as Preference Dividend by the Transferor Companies to the respective Preference Shareholders before the effective date AND THIS COURT DOTH FURTHER ORDER that the excess value of the net assets of the Transferor Companies as

at March 31, 1989 (the date immediately preceding the Transfer Date) over the paid-up value of the Shares issued and allotted pursuant to the terms of sub-clause (A) (i) of the scheme shall be accounted for in the books of the Transferee Company as at the Transfer Date as follow:

The Reserves of the Transferor Company as at March, 31, 1989 shall constitute Reserves of corresponding nature of the Transferee Company and the balance shall be transferred to the General Reserve in the Transferee Company.

AND THIS COURT DOTH FURTHER ORDER that the Transferee Company shall cause a Special Resolution to be proposed pursuant to Section 81 (1-A) of the Act for the offer and allotment of Equity Shares and Preference Shares in the Transferee Company to the Shareholders of the Transferor Company in accordance with and subject to the provisions of the Scheme AND THIS COURT DOTH FURTHER ORDER that on this Scheme becoming effective, the Transferor Company shall be dissolved without winding up AND THIS COURT DOTH FURTHER ORDER that all employees of the Transferor Company who are in employment of the Transferor Company on the Effective Date of this Scheme shall from such date become the employees of the Transferee Company on the basis that their services have not been interrupted by the vesting of the undertaking of the Transferor Company in the Transferee Company under this Scheme and that the terms and conditions of services applicable to them on the Effective Date will be not in any way be less favourable to them than those applicable to them immediately before the Effective Date as aforesaid AND THIS COURT DOTH FURTHER ORDER that the Board of Directors of the Transferor Company and the Transferee Company acting jointly, or any person or persons duly authorised by them respectively may do all acts, deeds, matters and things necessary or usual for carrying the Scheme into effect. After the dissolution of Transferor Company, the Transferee Company by its Directors be and is hereby authorised to take such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions, whether by reason of any order of the Court or of any directive or order of any other authority or otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters connected therewith or to carry the same into effect AND THIS COURT DOTH FURTHER ORDER that the Scheme is conditional subject to the receipt of the approval to the issue and allotment of Equity Share and Preference Shares in the Transferee Company to the Shareholders of Transferor Company in accordance with and subject to the provision of the Scheme by a Special Resolution of the Transferee Company pursuant to Section 81 (1-A) of the Act AND THIS COURT DOTH FURTHER ORDER that all costs, charges and expenses of the Transferor Company and the Transferee Company respectively in relation to or in connection with negotiations leading upto the Scheme and of carrying out and completing the terms and provisions of this Scheme and of or incidental to the completion of amalgamation and merger of the undertaking of the Transferor Companies in pursuance of this Scheme shall be borne and paid by the Transferee Company AND THIS COURT DOTH FURTHER ORDER that notwithstanding anything contained hereinabove, the Scheme shall also become effective in terms of and upon the fulfilling of requirements of any other law that may be brought into force in this behalf before this Scheme otherwise becomes effective as hereinbefore provided AND THIS COURT DOTH HEREBY

expenses of the Transferor Companies and the Transferee Company respectively in relation to or in connection with negotiations leading upto the Scheme and of carrying out and completing the terms and provisions of this Scheme and of or incidental to the completion of amalgamation and merger of the undertaking of the Transferor Companies in pursuance of this Scheme shall be borne and paid by the Transferee Company AND THIS COURT DOTH FURTHER ORDER that notwithstanding anything contained hereinabove, the Scheme shall also become effective in terms of and upon the fulfilling of requirements of any other law that may be brought into force in this behalf before this Scheme otherwise becomes effective as hereinbefore provided AND THIS COURT DOTH HEREBY FURTHER ORDER that the Transferor Companies do within 30 days from the date of sealing of the Order sanctioning the Scheme of Amalgamation cause a certified copy of the order to be delivered to the Registrar of Companies, Maharashtra, Bombay, for registration and, on such certified copy being so delivered, the Transferor Companies shall be dissolved and the Registrar of Companies, Maharashtra, Bombay shall place all the documents relating to the Transferor Companies and registered with him on the file, kept by him in relation to the Transferee Company and the files relating to the said four companies shall be consolidated accordingly AND THIS COURT DOTH FURTHER ORDER that the parties to the Scheme of Amalgamation and any other person or persons interested therein shall be at liberty to apply to this Hon'ble Court for any direction that may be necessary in regard to the working of the Scheme of Amalgamation as sanctioned herein annexed to this Order AND THIS COURT DOTH HEREBY LASTLY ORDER that the Transferee Company do pay a sum of Rs. 300/- (Rupees Three Hundred only) to the Regional Director, Company Law Board, Bombay, towards the costs of the said Petition \_\_\_\_\_ WITNESS SHRI SHARADCHANDRA KRISHNAPRASAD DESAI, Acting Chief Justice of the High Court, Bombay aforesaid this 8th day of February, 1990.

By the Court,

Sd/-

S. S. Pawar

For Prothonotary & Senior Master.

Order sanctioning the Scheme )  
of Amalgamation under Section )  
391 to 394 of the Companies Act, )  
1956, drawn on the )  
Application of M/s Poddar & )  
Co., Advocates for the )  
Petitioners, having their )  
Office at Currimji Building, )  
2nd Floor, 111A, M.G. Road, )  
Fort, Bombay - 400 023. )

**IN THE HIGHT COURT OF JUDICATURE AT BOMBAY  
ORDINARY ORIGINAL CIVIL JURISDICTION  
COMPANY PETITION NO. 689 OF 1989  
CONNECTED WITH  
COMPANY APPLICATION NO. 262 OF 1989**

**In the matter of Companies Act (1 of 1956)**

**AND**

**In the matter of Section 391 to 394 of the Companies  
Act (1 of 1956)**

**AND**

**In the matter of a Scheme of Amalgamation of Jay  
Phthalocyanines Pvt. Ltd., Jay Ethyl Organics Pvt.  
Ltd. & N.A. Chemicals Pvt. Ltd. with Jaysynth  
Dyechem Limited.**

**N.A. CHEMICALS PVT. LTD.  
.....PETITIONER**

**CERTIFIED COPY OF  
ORDER SANCTIONING THE SCHEME OF  
AMALGAMATION**

**DATED THIS 8th DAY OF FEBRUARY, 1990**

**FILED THIS 16th DAY OF MARCH, 1990.**

**M/s. Poddar & Co.,  
Advocates for the Petitioner,  
111-A, M.G. Road  
Currimji Bldg., Fort,  
BOMBAY 400 023.**

## **SCHEDULE**

### **SCHEME OF AMALGAMATION OF JAY PHTHALOCYANINES PRIVATE LIMITED JAY ETHYL ORGANICS PRIVATE LIMITED N.A. CHEMICALS PRIVATE LIMITED WITH JAYSYNTH DYECHAM LIMITED**

#### **Preliminary**

**A. In this Scheme unless repugnant to the context.**

- i) "Transferee Company" means JAYSYNTH DYECHAM LIMITED, a Company incorporated under the Companies Act 1956 and having its Registered Office at 303, Navjivan, 125/127, Kazi Sayed Street, Bombay-400 003.**
- ii) "Transferor Companies" means JAY PHTHALOCYANINES PVT. LTD., a Company registered under the Companies Act 1956 and having its Registered Office at E-16, Everest, Tardeo, Bombay-400 034, JAY ETHYL ORGANICS PVT. LTD., a Company registered under the Companies Act, 1956 and having its Registered Office at E-16, Everest, Tardeo Road, Bombay-400 034. AND N.A. CHEMICALS PVT. LTD., a Company registered under the Companies Act, 1956 and having its Registered Office at E-16, Everest, Tardeo Road, Bombay-400 034.**
- iii) "The Transfer Date" means, April 1, 1989 (or such other date as the High Court of Bombay may direct) from which all the movable, immovable and other properties of whatsoever nature including all rights, powers, privileges of every kind, nature, and description of the Transferor Companies shall be transferred or deemed to be transferred without any further act, deed or thing to the Transferee Company.**
- iv) "The Effective Date" means the date on which the transfer and vesting of the undertaking of the Transferor Companies shall take effect i.e., the date on which the last of approvals specified in Clause 11 of the Scheme shall have been obtained and certified copies of the Orders of the High Court of Bombay have been filed with the Registrar of Companies, Maharashtra at Bombay.**

**B. The Authorised Share Capital of the Transferee Company is Rs. 5,00,00,000/- (Rupees Five Crores only) divided into 46,30,000 Equity Shares of Rs. 10/- each, 5,000 9% Redeemable Cumulative Preference Shares of Rs. 100/- each and 32,000 6% Redeemable Cumulative**

Preference Shares of Rs. 100/- each out of which 6,25,000 Equity Shares of Rs. 10/- each have been issued and subscribed for and are fully paid up.

- C. The Authorised Share Capital of the Transferor Company, Jay Phthalocyanines Pvt. Ltd., is Rs. 30,00,000/- (Rupees Thirty Lacs only) divided into 20,000 Equity Shares of Rs. 100/- each, 5,000 9% Redeemable Cumulative Preference Shares of Rs. 100/- each and 5000 6% Redeemable Cumulative Preference Shares of Rs. 100/- each all of which have been issued and subscribed for and are fully paid up.

The Authorised Share Capital of the Transferor Company, Jay Ethyl Organics Pvt. Ltd., is Rs. 25,00,000/- (Rupees Twenty-five Lacs only) divided into 15,000 Equity Shares of Rs. 100/- each, 5,000 9% Redeemable Cumulative Preference Shares of Rs. 100/- each and 5000 6% Redeemable Cumulative Preference Shares of Rs. 100/- each out of which 15,000 Equity Shares of Rs. 100/- each, 2,500 9% Redeemable Cumulative Preference Shares of Rs. 100/- each and 5,000 6% Redeemable Cumulative Preference Shares of Rs. 100/- each have been issued and subscribed for and are fully paid up.

The Authorised Share Capital of the Transferor Company, N.A. Chemicals Pvt. Ltd., is Rs. 15,00,000/- (Rupees Fifteen Lacs) divided into 15,000 Equity Shares of Rs. 100/- each, out of which 14,000 Equity Shares of Rs. 100/- each have been issued and subscribed for and are fully paid up.

#### **The Scheme**

1. The undertaking of the Transferor Companies shall with effect from the Transfer Date, without further act, deed or thing be transferred to and be vested in or deemed to be, transferred to and be vested in the Transferee Company, pursuant to Section 394(2) of the Act and for all the estate and interest of the Transferor Companies but subject nevertheless to all charges, if any, then affecting the undertaking of the Transferor Companies or any part thereof and on the Transfer Date, the Transferor Companies shall be deemed to have been amalgamated in the Transferee Company as aforesaid.
2. a) For the purpose of this Scheme the undertaking of the Transferor Companies shall include :
  - i) All the properties movable or immovable, tangible or intangible, rights, powers, sanctions, licences, quota, trade marks, benefits and privileges of the Transferor Companies as on the Transfer Date.
  - ii) All the liabilities, duties and obligations including charges, liens and mortgages of the Transferor Companies as on the Transfer Date.
- b) Without prejudice to the generality of sub-clause (a) hereof the undertaking of the Transferor Companies shall include all rights, privileges, powers and authorities and all property, movable, real, corporeal or incorporeal in possession or reversion, present or

contingent of whatsoever nature and wheresoever situated including in particular all licences and privileges, patents, trade marks, logos and all allotments, reservations, import quotas and licences held by the Transferor Companies or to which the Transferor Companies are entitled to and all debts, liabilities, obligations and duties of the Transferor Companies and all other obligations of whatsoever kind including liabilities for payment of gratuity, pension benefits, provident fund or compensation in the event of retrenchment to employees.

PROVIDED ALWAYS that except as provided herein, the Scheme shall not operate to enlarge the security for any loan, deposit or facility created by or available to the Transferor Companies and which shall rest in the Transferee Company by virtue of amalgamation and such security, mortgage and charge shall not extend or be deemed to extend to any of the assets or to any of the other unit of the Transferee Company unless specifically, agreed to by the Transferee Company with such secured creditors and subject to the consents and approvals of the existing secured creditors of the Transferee Company after the amalgamation scheme has become effective.

- c) 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 the Secured Creditors of the Transferor Companies or in favour of any other party to any contract or arrangement to which any of the Transferor Companies 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 the scheme be deemed to be authorised to execute any such writings on behalf of the Transferor Companies and to implement or carry out all such formalities or compliances referred to above on the part of the Transferor Companies to be carried out or performed.
3. The amounts payable on account of liabilities of dissenting unsecured creditors of the Transferor Companies as on the Effective Date shall be repaid in such manner and on such terms and within such period as may be mutually agreed between the Transferee Company and such unsecured creditors.
4. a) If any Suit, appeal or other proceedings of whatever nature (hereinafter called "the proceedings") by or against the Transferor Companies be pending, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the undertaking of the Transferor Companies or of anything contained in this scheme but the said proceedings may be continued, prosecuted and enforced by or against the Transferee Company as if this Scheme had not been made.
- b) Subject to the other provisions contained in the Scheme all contract, deeds, bonds, agreements, instruments and writings and benefits of whatsoever nature to which the Transferor Companies is/are a party and subject to such charges and variations in the terms, conditions and provisions thereof as may be mutually agreed to between the

Transferee Company and other parties thereto, subsisting or having effect immediately before the Effective Date, shall remain in full force and effect in favour of the Transferee Company and may be enforced by and/or against the Transferee Company as fully and effectively as if the Transferee Company was party thereto instead of the Transferor Companies.

5. a) The transfer and vesting of the property and liabilities under Clauses 1, 2 and 3 and the continuance of the proceedings by the Transferee Company and of the Contracts etc. under Clause 4 hereof shall not affect any transactions or proceedings already concluded by the Transferor Companies in the ordinary course of business on and after the Transfer Date to the end and intent that the Transferee Company accepts on behalf of itself all acts, deeds and things done and executed by the Transferor Companies in the Ordinary course of business.
  - b) Until the completion of such transfer of the Transferor Companies, the Transferor Companies shall stand possessed of all its properties, so to be transferred to the Transferee Company and shall carry on its business for and on behalf of and in trust for the Transferee Company with effect from the Transfer Date and the Transferor Companies shall account for the same accordingly. Between the Transfer Date and the Effective Date, the Transferor Companies shall not, without the concurrence of the Board of Directors of the Transferee Company alienate, charge, encumber or otherwise deal with undertaking of Transferor Companies including any of the said assets except in the ordinary course of business.
  - c) Any income or profit accruing to the Transferor Companies and all costs, charges and, expenses incurred and/or all accrued losses as also all losses arising or suffered by it upto the effective date shall for all purposes be treated as the income, profits, costs, charges and expenses or losses as the case may be of the Transferee Company.
6. A. Upon the Scheme becoming effective including it being approved by the members of the respective Companies and sanctioned by the High Court of Bombay and the transfer of the undertaking of the Transferor Companies pursuant to Clause 1 hereof and the amalgamation becoming effective in terms of this Scheme, the consideration in respect of such transfer shall be subject to the provisions of this Scheme be paid and satisfied by the Transferee Company as follows:
- 1) The Transferee Company shall issue at par and allot to Transferor Companies Shareholders shares in the following proportion :
- a) To the Shareholders of JAY PHTHALOCYANINES PVT. LTD. (Transferor Company) :  
  
4 (Four) Equity Shares of Rs. 10/- each in the Transferee Company credited as fully paid-up for every 1 (One) Equity Share of Rs. 100/- each, 1 (one) 9% Redeemable Cumulative Preference Share of Rs. 100/- each in the Transferee Company credited as fully paid-up for every

**1 (one) 9% Redeemable Cumulative Preference Share of Rs. 100/- each and 1 (one) 6% Redeemable Cumulative Preference Share of Rs. 100/- each in the Transferee Company credited as fully paid-up for every 1 (One) 6% Redeemable Cumulative Preference Share of Rs. 100/- each held by them in the Transferor Company on such date after the Effective Date as the Board of Directors of the Transferee Company may determine.**

**b) To the Shareholders of JAY ETHYL ORGANICS PVT. LTD. (Transferor Company) :**

**5 (Five) Equity Shares of Rs. 10/- each in the Transferee Company credited as fully paid-up for every 1 (One) Equity Share of Rs. 100/- each, 1 (one) 9% Redeemable Cumulative Preference Share of Rs. 100/- each in the Transferee Company credited as fully paid-up for every 1 (One) 9% Redeemable Cumulative Preference Share of Rs. 100/- each and 1 (one) 6% Redeemable Cumulative Preference Share of Rs. 100/- each held by them in the Transferee Company on such date after the Effective Date as the Board of Directors of the Transferee Company may determine.**

**c) To the Shareholders of N. A. CHEMICALS PVT. LTD. (Transferor Company) :**

**1 (One) Equity Share of Rs. 10/- each in the Transferee Company credited as fully paid-up for every 1 (One) Equity Share of Rs. 100/- each held by them in Transferor Company on such date after the effective date as the Board of Directors of the Transferee Company may determine.**

**d) For the purpose of as aforesaid, the Transferee Company shall, if and to the extent required, apply for and obtain the consent of the Controller of Capital Issues, for the issue and allotment by the Transferee Company to the respective members of the Transferor Companies, the Shares in the said reorganised share capital of the Transferee Company in the ratio aforesaid.**

**i) The Transferee Company shall take necessary steps to increase the 9% Redeemable Cumulative Preference Share Capital in the authorised Share Capital by restructuring total Authorised Share Capital of the Company,**

**ii) The Equity Shares in the capital of the Transferee Company to be issued and allotted to the Equity Shareholders of the Transferor Companies pursuant hereto shall rank pari-passu in all respect with the existing Equity Shares in the Equity Share Capital of the Transferee Company including the proportionate right or entitlement to dividend in respect of any dividend declared by the Transferee Company for the accounting period commencing from the Transferee date. The 9% Redeemable Cumulative Preference Shares of Rs. 100/- each.**

and 6% Redeemable Cumulative Preference Shares of Rs. 100/- each in the capital of the Transferee Company to be issued and allotted to the Preference Shareholders of the Transferor Companies pursuant hereto shall confer on the holders thereof the same rights as are attached to the 9% Redeemable Cumulative Preference Shares of Rs. 100/- each and 6% Redeemable Cumulative Preference Shares of Rs. 100/- each issued by the Transferor Companies.

- III) All the members whose name shall appear in the Register of members of the Transferor Companies on such date (after the Effective Date) as the Board of Directors of the Transferee Company may determine shall surrender their share certificates for cancellation thereof to the Transferee Company at its registered office. Upon the new shares in the Transferee Company being issued and allotted by it to the Transferor Companies Shareholders whose name shall appear in the Register of Members of the Transferor Companies on such date as aforesaid, the Share Certificates in relation to the shares held by them in the Transferor Companies shall be deemed to have been cancelled.
- IV) The Transferee Company shall make the allotments of shares of Transferee Company pursuant hereto to every shareholder of the Transferor Companies without further application and every shareholder of the Transferor Companies shall accept the said shares on such allotment. Upon surrender by every shareholder of Share Certificates in relation to the shares of the Transferor Companies the share certificate in respect of the number of shares in the Transferee Company to which he may be entitled under this Scheme shall be issued and every such shareholder of the Transferor Companies shall take all steps to obtain from the Transferee Company Share Certificates for share of the Transferee Company to which he may be entitled to hereunder.
- V) At any time and from time to time after the transfer Date, the Transferee Company and the Transferor Companies shall be entitled to declare and pay dividends whether arrears of preference dividend, interim and/or final to their respective Shareholders for any Financial Year or any period prior to the Effective Date. Both the Transferor Companies and the Transferee Company shall declare and pay dividend only out of the disposable profits earned by respective Companies during such period, as permissible in law and shall not transfer any amount from the reserves for the purpose of payment of dividends.

Provided further that the arrears of Preference dividends of Rs. 4,38,525/- & Rs. 3,15,740/- in respect of Preference Shares of the Transferor Companies, Jay Phthalocyanines Pvt. Ltd. & Jay

Ethyl Organics Pvt. Ltd. respectively shall be paid by the Transferee Company if not paid by the respective Transferor Companies before the effective date and further provided that the said amount of arrears of Preference Dividend of Rs. 4,38,525/- & Rs. 3,15,740/- to be paid in respect of Preference Shares of the Transferor Companies as aforesaid shall be reduced by the amount of any amount paid as Preference Dividend by the Transferor Companies to the respective Preference Shareholders before the effective date.

- B. The excess value of the net assets of the Transferor Companies as at March 31, 1989 (the date immediately preceding the Transfer Date) over the paid-up value of the Shares Issued and allotted pursuant to the terms of sub-clause (A) (i) hereof shall be accounted for in the books of the Transferee Company as at the Transfer Date as follows:

The Reserves of the Transferor Companies as at March 31, 1989 shall constitute Reserves of corresponding nature of the Transferee Company and the balance shall be transferred to the General Reserve in the Transferee Company.

7. The Transferee Company shall cause a Special Resolution to be proposed pursuant to Section 81 (1-A) of the Act for the offer and allotment of Equity Shares and Preference Shares in the Transferee Company to the Shareholders of the Transferor Companies in accordance with the subject to the provisions of this Scheme.
8. Subject to the Scheme being sanctioned and order being made by the High Court of Bombay under section 394 of the Act and on this Scheme becoming effective, the Transferor Companies shall be dissolved without winding up on such order as may be made by the High Court.
9. All employees of the Transferor Companies who are in employment of the Transferor Companies on the Effective Date of this Scheme shall as from such date become the employees of the Transferee Company on the basis that their services have not been interrupted by the vesting of the undertaking of the Transferor Companies in the Transferee Company under this Scheme and that the terms and conditions of services applicable to them on the Effective Date will be not in any way be less favourable to them than those applicable to them immediately before the Effective Date as aforesaid.
10. The Board of Directors of the Transferor Companies and the Transferee Company acting jointly, or any person or persons duly authorised by them respectively may consent on behalf of all concerned to any modification and/or addition to this Scheme or agree to any conditions which the High Court of Bombay may think fit to impose and may do all acts, deeds, matters and things necessary or usual for carrying this Scheme into effect. After the dissolution of Transferor Companies the Transferee Company by its Directors be and is hereby authorised to take such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or

questions, whether by reason of any order of the Court or of any directive or order of any other authority or otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters connected therewith or to carry the same into effect.

11. The Scheme is conditional subject to the receipt of the following approvals/declarations :
  - a) The grant of sanction by the High Court of Bombay as provided in section 391, 392 and 394 of the Companies Act 1956.
  - b) The approval to the issue and allotment of Equity Share and Preference Shares in the Transferee Company to the Shareholders of Transferor Companies in accordance with and subject to the provision of the Scheme by a Special Resolution of the Transferee Company pursuant to Section 81 (1-A) of the Act.
12. The Scheme shall be subject to such modifications as the High Court of Bombay sanctioning such amalgamation of the Transferor Companies with the Transferee Company may direct and which the Board of Directors of the Transferor Companies and the Transferee Company consent and agree to.
13. All costs, charges and expenses of the Transferor companies and the Transferee Company respectively in relation to or in connection with negotiations leading upto the Scheme and of carrying out and completing the terms and provisions of this Scheme and of or incidental to the completion of amalgamation and merger of the undertaking of the Transferor Companies in pursuance of this Scheme shall be borne and paid by the Transferee Company.
14. Notwithstanding anything contained hereinabove, the Scheme shall also become effective in terms of and upon the full-filling of requirements of any other law that may be brought into force in this behalf before this Scheme otherwise becomes effective as hereinbefore provided.
15. In case of the Scheme is not sanctioned by the High Court of Bombay for any reason whatsoever or for any other reason this Scheme cannot be implemented, this scheme will become null and void and of no effect and in the event no rights and/or liabilities shall accrue to or be incurred inter se by the transferor Companies and the Transferee Company and the parties shall bear and pay their respective costs and expenses incurred in connection with or relating to this Scheme.

CERTIFIED TO BE A TRUE COPY

Sd/-

S. S. Pawar

This 16th day of March 1990.

For Prothonotary and Senior Master

UPON the Petition of N.A. Chemicals Pvt. Ltd., the Petitioner Company abovenamed, solemnly declared on 8th November, 1989 and presented to this Hon'ble Court on the 8th November, 1989 for sanctioning of an arrangement embodied in the Scheme of Amalgamation of N.A. Chemicals Pvt. Ltd. (hereinafter called the Transferor Company) alongwith Jay Phthalocyanines Pvt. Ltd. and Jay Ethyl Organics Pvt. Ltd. with Jaysynth Dyechem Ltd. (hereinafter called the Transferee Company) so as to be binding on all the parties concerned including the Equity Shareholders, Secured and Unsecured Creditors of the Transferor Company, all classes of Shareholders and Creditors of the Transferee Company and for consequential reliefs as mentioned in the said Petition AND the said Petition being this day called for hearing and final disposal AND UPON READING the said Petition and an Affidavit of Shri Ashwin K. Thakkar solemnly affirmed on 8th day of November, 1989, verifying the said Petition AND UPON PERUSING the Issues of the Free Press Journal and Bombay Samachar both dated 17th day of November, 1989, both containing advertisements of the date of hearing of the said Petition AND UPON READING the affidavit of Shri Ashwin K. Thakkar, solemnly affirmed on the 11th day of December, 1989, proving publication of Notice in the said newspapers AND UPON READING the Order dated 28th day of September, 1989, passed in Company Application No. 262 of 1989, whereby convening the meetings of the Equity Shareholders, Secured and Unsecured Creditors of the Transferor Company including notices to be

advertised in the newspapers, filing of Chairman's Report, Explanatory Statement under Section 393 of the Companies Act, 1956 AND UPON READING the report of the Official Liquidator dated 14th day of December, 1989, wherein he opined that the affairs of the Transferor Company have not been conducted in a manner prejudicial to the interest of its members or to the public interest AND UPON HEARING Shri D. R. Poddar of M/s Poddar & Co., Advocates of the Transferor Company and Mr. P.N. Menon instructed by Mr. T.R. Rao, Advocate for the Regional Director, Company Law Board, Bombay, and Mr. P.T. Gajwani, Deputy Official Liquidator, High Court, Bombay, who appeared in pursuance of the notice of hearing dated 10th day of the November, 1989, of the Petition under the signatures of Petitioner's Advocates under Section 391 to 394 of the Companies Act, 1956 (hereinafter called the "said Act"), AND THIS COURT DOTH HEREBY SANCTION the arrangement embodied in the Scheme of Amalgamation of N.A. Chemicals Pvt. Ltd. (the Transferor Company), alongwith Jay Phthalocyanines Pvt. Ltd. and Jay Ethyl Organics Pvt. Ltd. with Jaysynth Dyechem Ltd., the Transferee Company as set forth in the Exhibit "C" to the Petition and annexed as Schedule hereto AND THIS COURT DOTH HEREBY FURTHER ORDER that the undertaking of the Transferor Company shall with effect from 1st April, 1989 (hereinafter called the "Transfer Date") without further act, deed or thing be transferred to and be vested in or deemed to be, transferred to and be vested in the Transferee Company, pursuant to Section 394(2) of the Act and for all the estate and interest of the Transferor Company but subject nevertheless to all charges, if any, then affecting the undertaking of the Transferor Company or any part thereof and on the Transfer Date, the Transferor Company shall be deemed to have been amalgamated in the Transferee Company as aforesaid AND THIS COURT DOTH FURTHER ORDER that for the purpose of this Scheme the undertaking of the Transferor Company shall include all the properties movable or immovable, tangible or intangible, rights, powers, sanction, licences, quota, trade marks, benefits and privileges of the Transferor Company as on the Transfer Date AND all the liabilities, duties and obligations including charges, liens and mortgages of the Transferor Company as on the Transfer Date AND THIS COURT DOTH FURTHER ORDER that without prejudice to the generality of sub-clause 2(a) of the Scheme, undertaking of the Transferor Company shall include all rights, privileges, powers and authorities and all property, movable, real, corporeal or incorporeal in possession or reversion, present or contingent of whatsoever nature and wheresoever situated including in particular all licences and privileges, patents, trade marks, logos and all allotments, reservations, import quotas and licences held by the Transferor Company or to which the Transferor Company is entitled to and all debts, liabilities, obligations and duties of the Transferor Company and all other obligations of whatsoever kind including liabilities for payment of gratuity, pension benefits, provident fund or compensation in the event of retrenchment to employees AND THIS COURT DOTH FURTHER ORDER that except as provided in the Scheme, the Scheme shall not operate to enlarge the security for any loan, deposit or facility created by or available to the Transferor Company and which shall rest in the Transferee Company by virtue of amalgamation and such security, mortgage and charge shall not extend or be deemed to extend to any of the assets or to any of the other unit of the Transferee Company unless specifically agreed to by the Transferee Company with such secured creditors

and subject to the consents and approvals of the existing secured creditors of the Transferee Company after the amalgamation scheme has become effective AND THIS COURT DOTH FURTHER ORDER that the Transferee Company may at any time after the coming into effect of the Scheme in accordance with the provision thereof if so required, under any law or otherwise, execute Deeds of Confirmation, in favour of the Secured Creditors of the Transferor Company or in favour of any other party to any contract or arrangement to which any of 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 the scheme be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to implement or carry out all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed AND THIS COURT DOTH FURTHER ORDER that the amounts payable on account of liabilities of dissenting unsecured creditors of the Transferor Company as on the Effective Date shall be repaid in such manner and on such terms and within such period as may be mutually agreed between the Transferee Company and such unsecured creditors AND THIS COURT DOTH FURTHER ORDER that if any Suit, appeal or other proceedings of whatever nature (hereinafter called "the proceedings") by or against the Transferor Company be pending, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the undertaking of the Transferor Company or of anything contained in this scheme but the said proceedings may be continued, prosecuted and enforced by or against the Transferee Company as if the Scheme had not been made AND THIS COURT DOTH FURTHER ORDER that subject to the other provisions contained in the Scheme all contract, deeds, bonds, agreements, instruments and writings and benefits of whatsoever nature to which the Transferor Company is a party and subject to such charges and variations in the terms, conditions and provisions thereof as may be mutually agreed to between the Transferee Company and other parties thereto, subsisting or having effect immediately before the Effective Date, shall remain in full force and effect in favour of the Transferee Company and may be enforced by and/or against the Transferee Company as fully and effectively as if the Transferee Company was party thereto instead of the Transferor Company AND THIS COURT DOTH FURTHER ORDER that the transfer and vesting of the property and liabilities under Clauses 1, 2 and 3, of the scheme and the continuance of the proceedings by the Transferee Company and of the Contracts etc. under Clause 4 of the scheme shall not affect any transactions or proceedings already concluded by the Transferor Company in the ordinary course of business on and after the Transfer Date to the end and intent that the Transferee Company accepts on behalf of itself all acts, deeds and things done and executed by the Transferor Company in the Ordinary course of business AND THIS COURT DOTH FURTHER ORDER that until the completion of such transfer of the Transferor Company, the Transferor Company shall stand possessed of all its properties, so to be transferred to the Transferee Company, and have carried on and shall carry on its business for and on behalf of and in trust for the Transferee Company with effect from the Transfer Date and the Transferor Company shall account for the same accordingly. Between the Transfer Date and the Effective Date, the Transferor Company shall not, without the concurrence of the Board of Directors of the Transferee Company alienate, charge, encumber or otherwise

deal with undertaking of Transferor Company including any of the said assets except in the ordinary course of business AND THIS COURT DOTH FURTHER ORDER that any income or profit accruing to the Transferor Company and all costs, charges and expenses incurred and/or all accrued losses as also all losses arising or suffered by it upto the effective date shall for all purposes be treated as the income, profits, costs, charges and expenses or losses as the case may be of the Transferee Company AND THIS COURT DOTH FURTHER ORDER that upon the Scheme becoming effective, the Transfer of the undertaking of the Transferor Company pursuant to Clause 1 of the scheme and the amalgamation becoming effective in terms of the Scheme, the consideration in respect of such transfer shall subject to the provisions of this Scheme be paid and satisfied by the Transferee Company as follows:

The Transferee Company shall issue at par and allot to Transferor Company's Shareholders shares in the following proportion :

1 (One) Equity Shares of Rs. 10/- each in the Transferee Company credited as fully paid-up for every 1 (One) Equity Share of Rs. 100/- each held by them in the Transferor Company on a date (Record Date) after the Effective Date as the Board of Directors of the Transferee Company may fix.

AND THIS COURT DOTH FURTHER ORDER that for the purpose as aforesaid, the Transferee Company shall, if and to the extent required, apply for and obtain the consent of the Controller of Capital Issues, for the issue and allotment by the Transferee Company to the respective members of the Transferor Company, the Shares in the said reorganised share capital of the Transferee Company in the ratio aforesaid AND THIS COURT DOTH FURTHER ORDER that the Equity Shares in the capital of the Transferee Company to be issued and allotted to the Equity Shareholders of the Transferor Company pursuant hereto shall rank pari-passu in all respect with the existing Equity Shares in the Equity Share Capital of the Transferee Company including the proportionate right or entitlement to dividend in respect of any dividend declared by the Transferee Company for the accounting period commencing from the Transfer date AND THIS COURT DOTH FURTHER ORDER that all the members whose names shall appear in the Register of members of the Transferor Company on the record date (after the Effective Date) as the Board of Directors of the Transferee Company may fix, shall surrender their share certificates for cancellation thereof to the Transferee Company at its registered office. Upon the new shares in the Transferee Company being issued and allotted by it to the Transferor Company's Shareholders whose name shall appear in the Register of Members of the Transferor Company on the record date as aforesaid, the Share Certificates in relation to the shares held by them in the Transferor Company shall be deemed to have been cancelled AND THIS COURT DOTH FURTHER ORDER that the Transferee Company shall make the allotments of shares of Transferee Company pursuant hereto to every shareholder of the Transferor Company without further application and every shareholder of the Transferor Company shall accept the said shares on such allotment. Upon surrender by every shareholder of Share Certificates in relation to the shares of the Transferor Company the share certificate in respect of the number of shares in the Transferee Company to which he may be entitled under the Scheme shall be issued and every such shareholder of the Transferor Company shall take all steps to obtain from the Transferee

Company Share Certificates for share of the Transferee Company to which he may be entitled to hereunder AND THIS COURT DOTH FURTHER ORDER that at any time and from time to time after the transfer Date, the Transferee Company and the Transferor Company shall be entitled to declare and pay dividends whether Interim and/or final to their respective Shareholders for any Financial Year or any period prior to the Effective Date. Both the Transferor Company and the Transferee Company shall declare and pay dividend only out of the disposable profits earned by respective Companies during such period, as permissible in law and shall not transfer any amount from the reserves for the purpose of payment of dividends AND THIS COURT DOTH FURTHER ORDER that the arrears of Preference dividends of Rs. 4,38,525/- (Rs. Four lacs thirty eight thousand five hundred twenty five) and Rs. 3,15,740/- (Rs. Three lacs fifteen thousand seven hundred forty only) in respect of Preference Shares of the other two Transferor Companies, Jay Phthalocyanines Pvt. Ltd. & Jay Ethyl Organics Pvt. Ltd. respectively, shall be paid by the Transferee Company if not paid by the respective Transferor Companies before the effective date and that the said amount of arrears of Preference Dividend or Rs. 4,38,525/- (Rs. Four lacs thirty eight thousand five hundred twenty five only) and Rs. 3,15,740/- (Rs. Three lacs fifteen thousand seven hundred forty only) to be paid in respect of Preference Shares of the said two Transferor Companies as aforesaid shall be reduced by the amount of any amount paid as Preference Dividend by the said two Transferor Companies to the respective Preference Shareholders before the effective date AND THIS COURT DOTH FURTHER ORDER that the excess value of the net assets of the Transferor Company as at March 31, 1989 (the date immediately preceding the Transfer Date) over the paid-up value of the Shares Issued and allotted pursuant to the terms of sub-clause (A) (i) of the scheme shall be accounted for in the books of the Transferee Company as at the Transfer Date as follows:

The Reserves of the Transferor Company as at March 31, 1989 shall constitute Reserves of corresponding nature of the Transferee Company and the balance shall be transferred to the General Reserve in the Transferee Company.

AND THIS COURT DOTH FURTHER ORDER that the Transferee Company shall cause a Special Resolution to be proposed pursuant to Section 81(1-A) of the Act for the offer and allotment of Equity Shares in the Transferee Company to the Shareholders of the Transferor Company in accordance with and subject to the provisions of the Scheme AND THIS COURT DOTH FURTHER ORDER that on this Scheme becoming effective, the Transferor Company shall be dissolved without winding up AND THIS COURT DOTH FURTHER ORDER that all employees of the Transferor Company who are in employment of the Transferor Company on the Effective Date of this Scheme shall from such date become the employees of the Transferee Company on the basis that their services have not been interrupted by the vesting of the undertaking of the Transferor Company in the Transferee Company under this Scheme and that the terms and conditions of services applicable to them on the Effective Date will be not in any way be less favourable to them than those applicable to them immediately before the Effective Date as aforesaid AND THIS COURT DOTH FURTHER ORDER that the Board of Directors of the Transferor Company and the Transferee Company acting jointly, or any person or persons duly authorised by them respectively

may do all acts, deeds, matters and things necessary or usual for carrying the Scheme into effect. After the dissolution of Transferor Company, the Transferee Company by its Directors be and is hereby authorised to take such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions, whether by reason of any order of the Court or of any directive or order of any other authority or otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters connected therewith or to carry the same into effect AND THIS COURT DOTH FURTHER ORDER that the Scheme is conditional subject to the receipt of the approval to the issue and allotment of Equity Share in the Transferee Company to the Shareholders of Transferor Company pursuant to Section 81 (1-A) of the Act AND THIS COURT DOTH FURTHER ORDER that all costs, charges and expenses of the Transferor Company, and the Transferee Company respectively in relation to or in connection with negotiations leading upto the Scheme and of carrying out and completing the terms and provisions of this Scheme and of or incidental to the completion of amalgamation and merger of the undertaking of the Transferor Company in pursuance of this Scheme shall be borne and paid by the Transferee Company AND THIS COURT DOTH FURTHER ORDER that notwithstanding anything contained hereinabove, the Scheme shall also become effective in terms of and upon the fulfilling of requirements of any other law that may be brought into force in this behalf before this Scheme otherwise becomes effective as hereinbefore provided AND THIS COURT DOTH HEREBY FURTHER ORDER that the Transferor Company do within 30 days from the date of sealing of the Order sanctioning the Scheme of Amalgamation cause a certified copy of the order to be delivered to the Registrar of Companies, Maharashtra, Bombay, for registration and, on such certified copy being so delivered, the Transferor Company shall be dissolved and the Registrar of Companies, Maharashtra, Bombay shall place all the documents relating to the Transferor Company and registered with him on the file, kept by him in relation to the Transferee Company and the files relating to the said four companies (including the files relating to the other two Transferor Companies) shall be consolidated accordingly AND THIS COURT DOTH FURTHER ORDER that the parties to the Scheme of Amalgamation and any other person or persons interested therein shall be at liberty to apply to this Hon'ble Court for any direction that may be necessary in regard to the working of the Scheme of Amalgamation as sanctioned herein annexed to this Order AND THIS COURT DOTH HEREBY LASTLY ORDER that the Transferor Company do pay a sum of Rs. 300/- (Rupees Three Hundred Only) each to the Regional Director, Company Law Board, Bombay, and the Official Liquidator, High Court, Bombay, towards the costs of the said Petition \_\_\_\_\_ WITNESS SHRI SHARADCHANDRA KRISHNAPRASAD DESAI, Acting Chief Justice of the High Court, Bombay aforesaid this 8th day of February, 1990.

By the Court,

Sd/-

S. S. Pawar

For Prothonotary & Senior Master.

Order sanctioning the Scheme of )  
 Amalgamation under Section 391 to 394 )  
 of the Companies Act, 1956, drawn on )  
 the Application of M/s Poddar & Co., )  
 Advocates for the Petitioners, having their )  
 Office as Currimji Building, 2nd Floor, )  
 111A M.G. Road, Fort, Bombay - 400 023. )

**IN THE HIGHT COURT OF JUDICATURE AT BOMBAY  
ORDINARY ORIGINAL CIVIL JURISDICTION  
COMPANY PETITION NO. 687 OF 1989  
CONNECTED WITH  
COMPANY APPLICATION NO. 260 OF 1989**

**In the matter of Companies Act (1 of 1956)**

**AND**

**In the matter of Section 391 to 394 of the Companies  
Act (1 of 1956)**

**AND**

**In the matter of a Scheme of Amalgamation of Jay  
Phthalocyanines Pvt. Ltd., Jay Ethyl Organics Pvt.  
Ltd. & N.A. Chemicals Pvt. Ltd. with Jaysynth  
Dyechem Limited.**

**JAY PHTHALOCYANINES PVT. LTD.**

**.....PETITIONER**

**CERTIFIED COPY OF  
ORDER SANCTIONING THE SCHEME OF  
AMALGAMATION**

**DATED THIS 8th DAY OF FEBRUARY, 1990**

**FILED THIS 16th DAY OF MARCH, 1990.**

**M/s. Poddar & Co.,  
Advocates for the Petitioner,  
111-A, M.G. Road  
Currimji Bldg., Fort,  
BOMBAY 400 023.**

**SCHEDULE**

**SCHEME OF AMALGAMATION**  
**OF**  
**JAY PHTHALOCYANINES PRIVATE LIMITED**  
**JAY ETHYL ORGANICS PRIVATE LIMITED**  
**N.A. CHEMICALS PRIVATE LIMITED**  
**WITH**  
**JAYSYNTH DYECHM LIMITED**

**Preliminary**

**A. In this Scheme unless repugnant to the context.**

- i) "Transferee Company" means JAYSYNTH DYECHM LIMITED, a Company incorporated under the Companies Act 1956 and having its Registered Office at 303, Navjivan, 125/127, Kazi Sayed Street, Bombay-400 003.**
- ii) "Transferor Companies" means JAY PHTHALOCYANINES PVT. LTD., a Company registered under the Companies Act 1956 and having its Registered Office at E-16, Everest, Tardeo, Bombay-400 034, JAY ETHYL ORGANICS PVT. LTD., a Company registered under the Companies Act, 1956 and having its Registered Office at E-16, Everest, Tardeo Road, Bombay-400 034. AND N.A. CHEMICALS PVT. LTD., a Company registered under the Companies Act, 1956 and having its Registered Office at E-16, Everest, Tardeo Road, Bombay-400 034.**
- iii) "The Transfer Date" means, April 1, 1989 (or such other date as the High Court of Bombay may direct) from which all the movable, immovable and other properties of whatsoever nature including all rights, powers, privileges of every kind, nature and description of the Transferor Companies shall be transferred or deemed to be transferred without any further act, deed or thing to the Transferee Company.**
- iv) "The Effective Date" means the date on which the transfer and vesting of the undertaking of the Transferor Companies shall take effect i.e., the date on which the last of approvals specified in Clause 11 of the Scheme shall have been obtained and certified copies of the Orders of the High Court of Bombay have been filed with the Registrar of Companies, Maharashtra at Bombay.**

**B. The Authorised Share Capital of the Transferee Company is Rs. 5,00,00,000/- (Rupees Five Crores only) divided into 46,30,000 Equity Shares of Rs. 10/- each, 5,000 9% Redeemable Cumulative Preference Shares of Rs. 100/- each and 32,000 6% Redeemable Cumulative**

Preference Shares of Rs. 100/- each out of which 6,25,000 Equity Shares of Rs. 10/- each have been issued and subscribed for and are fully paid up.

- C. The Authorised Share Capital of the Transferor Company, Jay Phthalocyanines Pvt. Ltd., is Rs. 30,00,000/- (Rupees Thirty Lacs only) divided into 20,000 Equity Shares of Rs. 100/- each, 5,000 9% Redeemable Cumulative Preference Shares of Rs. 100/- each and 5000 6% Redeemable Cumulative Preference Shares of Rs. 100/- each all of which have been issued and subscribed for and are fully paid up.

The Authorised Share Capital of the Transferor Company, Jay Ethyl Organics Pvt. Ltd., is Rs. 25,00,000/- (Rupees Twenty-five Lacs only) divided into 15,000 Equity Shares of Rs. 100/- each, 5,000 9% Redeemable Cumulative Preference Shares of Rs. 100/- each and 5000 6% Redeemable Cumulative Preference Shares of Rs. 100/- each out of which 15,000 Equity Shares of Rs. 100/- each, 2,500 9% Redeemable Cumulative Preference Shares of Rs. 100/- each and 5,000 6% Redeemable Cumulative Preference Shares of Rs. 100/- each have been issued and subscribed for and are fully paid up.

The Authorised Share Capital of the Transferor Company, N.A. Chemicals Pvt. Ltd., is Rs. 15,00,000/- (Rupees Fifteen Lacs) divided into 15,000 Equity Shares of Rs. 100/- each, out of which 14,000 Equity Shares of Rs. 100/- each have been issued and subscribed for and are fully paid up.

#### **The Scheme**

1. The undertaking of the Transferor Companies shall with effect from the Transfer Date, without further act, deed or thing be transferred to and be vested in or deemed to be, transferred to and be vested in the Transferee Company, pursuant to Section 394(2) of the Act and for all the estate and interest of the Transferor Companies but subject nevertheless to all charges, if any, then affecting the undertaking of the Transferor Companies or any part thereof and on the Transfer Date, the Transferor Companies shall be deemed to have been amalgamated in the Transferee Company as aforesaid.
2.
  - a) For the purpose of this Scheme the undertaking of the Transferor Companies shall include :
    - i) All the properties movable or immovable, tangible or intangible, rights, powers, sanctions, licences, quota, trade marks, benefits and privileges of the Transferor Companies as on the Transfer Date.
    - ii) All the liabilities, duties and obligations including charges, liens and mortgages of the Transferor Companies as on the Transfer Date.
  - b) Without prejudice to the generality of sub-clause (a) hereof the undertaking of the Transferor Companies shall include all rights, privileges, powers and authorities and all property, movable, real, corporeal or incorporeal in possession or reversion, present or

contingent of whatsoever nature and wheresoever situated including in particular all licences and privileges, patents, trade marks, logos and all allotments, reservations, import quotas and licences held by the Transferor Companies or to which the Transferor Companies are entitled to and all debts, liabilities, obligations and duties of the Transferor Companies and all other obligations of whatsoever kind including liabilities for payment of gratuity, pension benefits, provident fund or compensation in the event of retrenchment to employees.

PROVIDED ALWAYS that except as provided herein, the Scheme shall not operate to enlarge the security for any loan, deposit or facility created by or available to the Transferor Companies and which shall rest in the Transferee Company by virtue of amalgamation and such security, mortgage and charge shall not extend or be deemed to extend to any of the assets or to any of the other unit of the Transferee Company unless specifically, agreed to by the Transferee Company with such secured creditors and subject to the consents and approvals of the existing secured creditors of the Transferee Company after the amalgamation scheme has become effective.

- c) 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 the Secured Creditors of the Transferor Companies or in favour of any other party to any contract or arrangement to which any of the Transferor Companies 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 the scheme be deemed to be authorised to execute any such writings on behalf of the Transferor Companies and to implement or carry out all such formalities or compliances referred to above on the part of the Transferor Companies to be carried out or performed.
- 3. The amounts payable on account of liabilities of dissenting unsecured creditors of the Transferor Companies as on the Effective Date shall be repaid in such manner and on such terms and within such period as may be mutually agreed between the Transferee Company and such unsecured creditors.
- 4.
  - a) If any Suit, appeal or other proceedings of whatever nature (hereinafter called "the proceedings") by or against the Transferor Companies be pending, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the undertaking of the Transferor Companies or of anything contained in this scheme but the said proceedings may be continued, prosecuted and enforced by or against the Transferee Company as if this Scheme had not been made.
  - b) Subject to the other provisions contained in the Scheme all contract, deeds, bonds, agreements, instruments and writings and benefits of whatsoever nature to which the Transferor Companies is/are a party and subject to such charges and variations in the terms, conditions and provisions thereof as may be mutually agreed to between the

Transferee Company and other parties thereto, subsisting or having effect immediately before the Effective Date, shall remain in full force and effect in favour of the Transferee Company and may be enforced by and/or against the Transferee Company as fully and effectively as if the Transferee Company was party thereto instead of the Transferor Companies.

5. a) The transfer and vesting of the property and liabilities under Clauses 1, 2 and 3 and the continuance of the proceedings by the Transferee Company and of the Contracts etc. under Clause 4 hereof shall not affect any transactions or proceedings already concluded by the Transferor Companies in the ordinary course of business on and after the Transfer Date to the end and intent that the Transferee Company accepts on behalf of itself all acts, deeds and things done and executed by the Transferor Companies in the Ordinary course of business.
  - b) Until the completion of such transfer of the Transferor Companies, the Transferor Companies shall stand possessed of all its properties, so to be transferred to the Transferee Company and shall carry on its business for and on behalf of and in trust for the Transferee Company with effect from the Transfer Date and the Transferor Companies shall account for the same accordingly. Between the Transfer Date and the Effective Date, the Transferor Companies shall not, without the concurrence of the Board of Directors of the Transferee Company alienate, charge, encumber or otherwise deal with undertaking of Transferor Companies including any of the said assets except in the ordinary course of business.
  - c) Any income or profit accruing to the Transferor Companies and all costs, charges and, expenses incurred and/or all accrued losses as also all losses arising or suffered by it upto the effective date shall for all purposes be treated as the income, profits, costs, charges and expenses or losses as the case may be of the Transferee Company.
6. A. Upon the Scheme becoming effective including it being approved by the members of the respective Companies and sanctioned by the High Court of Bombay and the Transfer of the undertaking of the Transferor Companies pursuant to Clause 1 hereof and the amalgamation becoming effective in terms of this Scheme, the consideration in respect of such transfer shall subject to the provisions of this Scheme be paid and satisfied by the Transferee Company as follows:
    - 1). The Transferee Company shall issue at par and allot to Transferor Companies Shareholders shares in the following proportion :
      - a) To the Shareholders of JAY PHTHALOCYANINES PVT. LTD. (Transferor Company) :

4 (Four) Equity Shares of Rs. 10/- each in the Transferee Company credited as fully paid-up for every 1 (One) Equity Share of Rs. 100/- each, 1 (one) 9% Redeemable Cumulative Preference Share of Rs. 100/- each in the Transferee Company credited as fully paid-up for every

**1 (one) 9% Redeemable Cumulative Preference Share of Rs. 100/- each and 1 (one) 6% Redeemable Cumulative Preference Share of Rs. 100/- each in the Transferee Company credited as fully paid-up for every 1 (One) 6% Redeemable Cumulative Preference Share of Rs. 100/- each held by them in the Transferor Company on such date after the Effective Date as the Board of Directors of the Transferee Company may determine.**

**b) To the Shareholders of JAY ETHYL ORGANICS PVT. LTD. (Transferor Company) :**

**5 (Five) Equity Shares of Rs. 10/- each in the Transferee Company credited as fully paid-up for every 1 (One) Equity Share of Rs. 100/- each, 1 (one) 9% Redeemable Cumulative Preference Share of Rs. 100/- each in the Transferee Company credited as fully paid-up for every 1 (One) 9% Redeemable Cumulative Preference Share of Rs. 100/- each and 1 (one) 6% Redeemable Cumulative Preference Share of Rs. 100/- each held by them in the Transferee Company on such date after the Effective Date as the Board of Directors of the Transferee Company may determine.**

**c) To the Shareholders of N. A. CHEMICALS PVT. LTD. (Transferor Company) :**

**1 (One) Equity Share of Rs. 10/- each in the Transferee Company credited as fully paid-up for every 1 (One) Equity Share of Rs. 100/- each held by them in Transferor Company on such date after the effective date as the Board of Directors of the Transferee Company may determine.**

**d) For the purpose of as aforesaid, the Transferee Company shall, if and to the extent required, apply for and obtain the consent of the Controller of Capital Issues, for the issue and allotment by the Transferee Company to the respective members of the Transferor Companies, the Shares in the said reorganised share capital of the Transferee Company in the ratio aforesaid.**

**i) The Transferee Company shall take necessary steps to increase the 9% Redeemable Cumulative Preference Share Capital in the authorised Share Capital by restructuring total Authorised Share Capital of the Company.**

**ii) The Equity Shares in the capital of the Transferee Company to be issued and allotted to the Equity Shareholders of the Transferor Companies pursuant hereto shall rank pari-passu in all respect with the existing Equity Shares in the Equity Share Capital of the Transferee Company including the proportionate right or entitlement to dividend in respect of any dividend declared by the Transferee Company for the accounting period commencing from the Transferee date. The 9% Redeemable Cumulative Preference Shares of Rs. 100/- each**

and 6% Redeemable Cumulative Preference Shares of Rs. 100/- each in the capital of the Transferee Company to be issued and allotted to the Preference Shareholders of the Transferor Companies pursuant hereto shall confer on the holders thereof the same rights as are attached to the 9% Redeemable Cumulative Preference Shares of Rs. 100/- each and 6% Redeemable Cumulative Preference Shares of Rs. 100/- each issued by the Transferor Companies.

- iii) All the members whose name shall appear in the Register of members of the Transferor Companies on such date (after the Effective Date) as the Board of Directors of the Transferee Company may determine shall surrender their share certificates for cancellation thereof to the Transferee Company at its registered office. Upon the new shares in the Transferee Company being issued and allotted by it to the Transferor Companies Shareholders whose name shall appear in the Register of Members of the Transferor Companies on such date as aforesaid, the Share Certificates in relation to the shares held by them in the Transferor Companies shall be deemed to have been cancelled.
- iv) The Transferee Company shall make the allotments of shares of Transferee Company pursuant hereto to every shareholder of the Transferor Companies without further application and every shareholder of the Transferor Companies shall accept the said shares on such allotment. Upon surrender by every shareholder of Share Certificates in relation to the shares of the Transferor Companies the share certificate in respect of the number of shares in the Transferee Company to which he may be entitled under this Scheme shall be issued and every such shareholder of the Transferor Companies shall take all steps to obtain from the Transferee Company Share Certificates for share of the Transferee Company to which he may be entitled to hereunder.
- v) At any time and from time to time after the transfer Date, the Transferee Company and the Transferor Companies shall be entitled to declare and pay dividends whether arrears of preference dividend, interim and/or final to their respective Shareholders for any Financial Year or any period prior to the Effective Date. Both the Transferor Companies and the Transferee Company shall declare and pay dividend only out of the disposable profits earned by respective Companies during such period, as permissible in law and shall not transfer any amount from the reserves for the purpose of payment of dividends.

Provided further that the arrears of Preference dividends of Rs. 4,38,525/- & Rs. 3,15,740/- in respect of Preference Shares of the Transferor Companies, Jay Phthalocyanines Pvt. Ltd. & Jay

Ethyl Organics Pvt. Ltd. respectively shall be paid by the Transferee Company if not paid by the respective Transferor Companies before the effective date and further provided that the said amount of arrears of Preference Dividend of Rs. 4,38,525/- & Rs. 3,15,740/- to be paid in respect of Preference Shares of the Transferor Companies as aforesaid shall be reduced by the amount of any amount paid as Preference Dividend by the Transferor Companies to the respective Preference Shareholders before the effective date.

- B. The excess value of the net assets of the Transferor Companies as at March 31, 1989 (the date immediately preceding the Transfer Date) over the paid-up value of the Shares issued and allotted pursuant to the terms of sub-clause (A) (i) hereof shall be accounted for in the books of the Transferee Company as at the Transfer Date as follows:

The Reserves of the Transferor Companies as at March 31, 1989 shall constitute Reserves of corresponding nature of the Transferee Company and the balance shall be transferred to the General Reserve in the Transferee Company.

7. The Transferee Company shall cause a Special Resolution to be proposed pursuant to Section 81 (1-A) of the Act for the offer and allotment of Equity Shares and Preference Shares in the Transferee Company to the Shareholders of the Transferor Companies in accordance with the subject to the provisions of this Scheme.
8. Subject to the Scheme being sanctioned and order being made by the High Court of Bombay under section 394 of the Act and on this Scheme becoming effective, the Transferor Companies shall be dissolved without winding up on such order as may be made by the High Court.
9. All employees of the Transferor Companies who are in employment of the Transferor Companies on the Effective Date of this Scheme shall as from such date become the employees of the Transferee Company on the basis that their services have not been interrupted by the vesting of the undertaking of the Transferor Companies in the Transferee Company under this Scheme and that the terms and conditions of services applicable to them on the Effective Date will be not in any way be less favourable to them than those applicable to them immediately before the Effective Date as aforesaid.
10. The Board of Directors of the Transferor Companies and the Transferee Company acting jointly, or any person or persons duly authorised by them respectively may consent on behalf of all concerned to any modification and/or addition to this Scheme or agree to any conditions which the High Court of Bombay may think fit to impose and may do all acts, deeds, matters and things necessary or usual for carrying this Scheme into effect. After the dissolution of Transferor Companies the Transferee Company by its Directors be and is hereby authorised to take such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or

questions, whether by reason of any order of the Court or of any directive or order of any other authority or otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters connected therewith or to carry the same into effect,

11. The Scheme is conditional subject to the receipt of the following approvals/declarations :
  - a) The grant of sanction by the High Court of Bombay as provided in section 391, 392 and 394 of the Companies Act 1956.
  - b) The approval to the issue and allotment of Equity Share and Preference Shares in the Transferee Company to the Shareholders of Transferor Companies in accordance with and subject to the provision of the Scheme by a Special Resolution of the Transferee Company pursuant to Section 81 (1-A) of the Act.
12. The Scheme shall be subject to such modifications as the High Court of Bombay sanctioning such amalgamation of the Transferor Companies with the Transferee Company may direct and which the Board of Directors of the Transferor Companies and the Transferee Company consent and agree to.
13. All costs, charges and expenses of the Transferor companies and the Transferee Company respectively in relation to or in connection with negotiations leading upto the Scheme and of carrying out and completing the terms and provisions of this Scheme and of or incidental to the completion of amalgamation and merger of the undertaking of the Transferor Companies in pursuance of this Scheme shall be borne and paid by the Transferee Company.
14. Notwithstanding anything contained hereinabove, the Scheme shall also become effective in terms of and upon the full-filling of requirements of any other law that may be brought into force in this behalf before this Scheme otherwise becomes effective as hereinbefore provided.
15. In case of the Scheme is not sanctioned by the High Court of Bombay for any reason whatsoever or for any other reason this Scheme cannot be implemented, this scheme will become null and void and of no effect and in the event no rights and/or liabilities shall accrue to or be incurred interse by the transferor Companies and the Transferee Company and the parties shall bear and pay their respective costs and expenses incurred in connection with or relating to this Scheme.

CERTIFIED TO BE A TRUE COPY

Sd/-

S. S. Pawar

This 16th day of March 1990.

For Prothonotary and Senior Master