

**MEMORANDUM OF ASSOCIATION  
AND  
ARTICLES OF ASSOCIATION  
OF  
ATUL LIMITED**

**CIN No. L99999GJ1975PLC002859**



## C O N T E N T S

<b>Sr. No.</b>	<b>Particulars</b>	<b>Page No.</b>
1.	Certificate of Incorporation Consequent on Change of Name	
2.	Fresh Certificate of Incorporation	
3.	Original Certificate of Incorporation	
4.	Memorandum of Association	1 to 11
5.	Index of Articles of Association	I to VI
6.	Articles of Association	1 to 23
7.	Order on Petition 18 of 1986 The Atul Products Ltd. Versus Gujarat Aromatics Ltd	24 to 33
8.	Order on Petition 19 of 1986 Gujarat Aromatics Ltd. Versus The Atul Products Ltd	34 to 41
9.	High Court Order on Amalgamation u/s 391	42 to 46
10.	High Court Order on Petition 46 of 1996	47 to 52
11.	High Court Order on Petition 47 of 1996	53 to 58
12.	High Court Order on Petition 48 of 1996	59 to 64
13.	High Court Order on Petition 49 of 1996	65 to 70
14.	High Court Order on Amalgamation u/s 391	71 to 73
15.	High Court Order on Petition 276 of 1998	74 to 80
16.	High Court Order on Petition 277 of 1998	81 to 87



Co. No. 04 - 2859

Fresh Certificate of Incorporation Consequent on

**CHANGE OF NAME**

In the Office of The Registrar of Companies, GUJARAT, DADRA AND NAGAR HAVELI.

[Under the Companies Act, 1956 (1 of 1956) ]

IN THE MATTER OF Atul Products Limited

I hereby certify that Atul Products Limited

which was originally incorporated on 11-12-1975  
under The Companies Act, 1956 and under the name  
Gujarat Aromatics Limited

having duly passed the necessary resolution in terms of Section 21/31/44 of The Companies Act, 1956 on 28/06/1996 and the approval of the Central Government signified in writing having been accorded there to by The Registrar of Companies, Gujarat. vide his letter dated 22-7-1996 in terms of Government of India, Ministry of Law, Justice, & Company Affairs.

(Department of Company Affairs) Notification No. GSR 507(E) dated 24-06-1985 the name of the said company is this day changed to :

**ATUL LIMITED**

and this certificate is issued pursuant to Section 23(1) of the said Act.

Given under my hand at AHMEDABAD dated this 22th July 1996



(S. K. SAHA)  
Registrar of Companies  
GUJARAT  
Dadra & Nagar Haveli



Co. No. 2859

**Fresh Certificate of Incorporation Consequent on  
CHANGE OF NAME**

In the Office of The Registrar of Companies, GUJARAT

[Under the Companies Act, 1956 (1 of 1956) ]

IN THE MATTER OF Gujarat Aromatics Limited

I hereby certify that Gujarat Aromatics Limited

which was originally incorporated on 11-12-1975  
under The Companies Act, 1956 and under the name  
Gujarat Aromatics Limited

having duly passed the necessary resolution in terms of Section 21/31/44 of The Companies Act, 1956 and the approval of the Central Government signified in writing having been accorded thereto in The Ministry of Industry, Department of Company Affairs, (Company Law Board) on vide letter No. : 2859 dated 14-9-1988  
the name of the said Company is this day changed to :

**ATUL PRODUCTS LIMITED**

and this certificate is issued pursuant to Section 23(1) of the said Act.

Given under my hand at AHMEDABAD this 14th September 1988 (ONE THOUSAND NINE HUNDRED EIGHTY EIGHT)



(S. K. RAVI)  
Registrar of Companies  
Gujarat



## *Certificate of Incorporation*

No. 2859 of 1975-76

I HEREBY CERTIFY *that* GUJARAT  
AROMATICS 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 AHMEDABAD this*  
ELEVENTH *day of* DECEMBER *one thousand nine*  
*hundred and* SEVENTY FIVE.

Seal  
of The  
Registrar of  
Companies,  
GUJARAT

Sd/-  
**(J. G. GATHA)**  
Registrar of Companies  
GUJARAT

---

**MEMORANDUM OF ASSOCIATION**  
**OF**  
**ATUL LIMITED**

---

## MEMORANDUM OF ASSOCIATION

OF

### ATUL LIMITED

- I. The name of the Company is Atul Limited.
- II. The Registered office of the Company will be situated in the State of Gujarat.
- II. The objects for which the Company is established are:
  - (A) THE MAIN OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE;**
  1. To manufacture, synthesize, produce, prepare, extract, process and finish, manipulate, improve, treat, preserve, reduce, render merchantable, import, export, buy, sell, install, estimate, transport, refine, store and generally carry on the business or deal or traffic in Cresols, Phenols and Napthols.
  2. To manufacture, synthesize, produce, prepare, extract, process and finish, manipulate, improve, treat, preserve, reduce, render merchantable, import, export, buy, sell, install, estimate, transport, refine, store and generally carry on the business or deal or traffic in Sodium Sulphite, Soda Ash, Gypsum, Calcium Carbonate, Sulphuric Acid, Oleum, Toluene, Caustic Soda and other chemical and petrochemical products of any nature and kind whatsoever (solid, flakes, liquid and geseous), natural and synthetic and other derivatives, bye products and compounds of any nature and kind whatsoever and chemical auxiliaries, analytical chemicals, dealers in chemical products of any nature and kind whatsoever.
  3. To carry on the business of manufacturers, synthesize, produce, prepare, extract, process and finish, manipulate, improve, treat, preserve, reduce, render merchantable, import, export, buy, sell, install, estimate, transport, refine, store and generally carry on the business or deal or traffic in antibiotics, tannins, chemical auxiliaries, disinfectants, insecticides, fungicides, deodorants, their derivatives, bye-products and compounds of any nature and kind whatsoever.
  4. To carry on the business of manufacture, synthesize, produce, prepare, extract, process and finish, manipulate, improve, treat, preserve, reduce, render merchantable, import, export, buy, sell, install, estimate, transport, store, refine, exploit and generally carry on the business or deal or traffic in synthetic rubbers, synthetic resins, plastics, rubbers and elastomers, latices and formulations thereof including reclaimed rubber and all kinds of rubber and plastic products and goods their bye-products and derivatives of any nature and kind whatsoever.

**(B) OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS :**

5. To purchase, take on lease mortgage or in exchange, hire, or otherwise acquire any moveable or immovable property and any rights or privileges which the Company may think necessary or convenient for the purposes of its business or which may enhance the value of any other property of the Company and in particular any land, buildings, easements, machinery, plant, vehicles and stock-in-trade.
6. To buy, purchase, sell, lease, take on lease, exchange or otherwise acquire lands, buildings, flats and hereditaments or any tenure or description in India or elsewhere whether for residential, business, manufacturing or other purposes and any rights, easements, advantages and privileges relating thereto and either for investment or resale or for trafficking in the same and to turn the same into account as may seem expedient, and to construct, alter, improve, decorate, develop, furnish and maintain offices, flats, houses, factories, warehouses, godowns, shops, buildings and other structures, works and conveniences of all kinds on any of the lands or immovable properties purchased or acquired by the Company.
7. To build, construct, alter, maintain, enlarge, pull down, remove or replace, and to work, manage and control any buildings, offices, factories, mills, shops, machinery, engines, roads, ways, tramways, railways, branches of sidings, bridges, dams wears, reservoirs, warehouses, wharves, electric works and other works and conveniences, which may seem calculated directly or indirectly to advance the interests of the Company and to join with any other person or company in doing any of the aforesaid things.
8. To manufacture, import, export deal in or prepare for market, revise, clean, restore, recondition, repair, remodel, clean, treat and otherwise manipulate and deal in and turn to account by process or means whatsoever all bye-products, refuse and waste and other products capable of being manufactured or produced out of or with the use of all or any raw materials, ingredients, substances or commodities used in the manufacture of all or any of the products which the Company is entitled to manufacture or deal in and to make such other use of the same as may be thought fit.
9. Subject to the directions of Reserve Bank of India or any other authority in this behalf to receive money on deposit or loan and borrow or raise money in such manner as the Company shall think fit by promissory notes, bills of exchange, hundies, and other negotiable or transferable instruments or by debentures, or by debenture stock (perpetual or otherwise) and to secure the repayment of any money borrowed, raiser or owing by mortgage, charge, hypothecation pledge or lien upon all or any of the Company's property or assets (both present and future), moveable and immovable, including its uncalled capital upon such terms as the Directors may deem expedient. And also by a similar mortgage, charge, or lien to secure and guarantee the performance by the Company or any other person or company any obligation undertaken by the company or any other person or company as the case may be.
10. To lend and advance money or give credit to such persons or companies and on such terms as may seem expedient, and in particular to customers and others having dealings with the company, and to guarantee the performance of any contract or obligation and the payment of money of or by any such persons or companies and generally to give guarantees and indemnities.
11. To draw, make accept, endorse, discount, execute and issue promissory notes, bills of exchange, bills of lading, warrants, debentures, and other negotiable or transferable instruments, but not to do banking business as defined in the Banking Companies Act, 1949.
12. To invest and deal with the funds of the Company not immediately required in any manner from time to time in such assets, properties, securities, shares, bullion, specie or investments or otherwise as may from time to time be determined by the Directors and sell or vary all such investments and to execute all assignments, transfers receipts and documents that may be necessary in that behalf.
13. To open current, fixed, overdraft or other accounts with any Bank, Bankers, Shroff, or Merchant and to pay into and to draw moneys from such accounts.



14. To pay out of the funds of the Company all expenses which the Company may lawfully pay with respect to the formation and registration of the Company or the issue of its capital, including brokerage and commission for obtaining applications for or taking, placing or underwriting or procuring the underwriting of shares, debentures, or other securities of the Company.
15. Upon any issue of shares, debentures or any other securities of the company, to employ brokers, commission agents and underwriters, and to provide for the remuneration of such persons for their services by payment in cash or issue of shares, debentures or other securities of the Company, by granting or options to take the same or in any other manner allowed by law.
16. To apply for and acquire permits, licences and quota rights from the Government of India or from State Governments or from Foreign Governments to import and export plant, equipment, spareparts there of, machinery, raw materials, intermediates, finished products and processing materials connected with the manufacturing and selling of the products of the Company.
17. To amalgamate, enter into partnership, or into any arrangement for sharing profits, union of interests co-operation, joint ventures, or reciprocal concessions, with any person or company carrying on or engaged in or about to carry on or engage in any business or transaction which the Company is authorised to carry on or engage in or which can be carried on in conjunction therewith or which is capable of being conducted so as to directly or indirectly benefit the Company.
18. To negotiate, enter into agreements and contracts with foreign Companies, firms and individuals for technical assistance, knowhow and collaboration in the manufacturing, marketing, importing and exporting of raw materials and any or all of the aforesaid products.
19. To enter into any arrangements with any Government or authorities, municipal, local or otherwise or any persons or company, in India or abroad that may seem conducive to the objects of the Company of any of them and to obtain from any such Government, authority, persons or company, any rights, privileges, charters, contracts, licences and concessions including in particular rights in respect of waters, waterways, roads and highways, which the Company may think it desirable and to carry out, exercise and comply therewith.
20. To act as agents or brokers and as Trustees for any person or company and to undertake and perform sub-contracts and to do all or part of the above things in any part of the world and either as principals, agents, trustees, contractors, or otherwise and either alone or jointly with others, and either by or through agents, managing agents, sub-contractors, trustees or otherwise.
21. To alter, manage, develop, exchange, lease, mortgage, underlet, sell, give in gifts or otherwise dispose of, improve or deal with the land, property, assets and rights and resources and undertaking of the Company or any part thereof for such consideration as the Company may think fit and in particular for shares, debentures, or securities of any other company having objects altogether or in part similar to those of this Company PROVIDED THAT no such distribution amounts to reduction of share capital except in accordance with the provisions of the Companies Act in this behalf.
22. To establish or promote or concur in establishing or promoting Companies any company or companies for the purpose of acquiring all or any of the property, rights and liabilities of the company or for any other purpose which may seem directly or indirectly calculated to benefit the Company and to place or guarantee the placing of, underwrite, subscribe for or otherwise acquire all or any part of the shares, debentures or other securities of any such other company.
23. To acquire and undertake the whole or any part of the business, property and liabilities of any person or company carrying on or proposing to carry on any business which the company is authorised to carry on, or possessed of property suitable for the purpose of this company, or which can be carried on in conjunction therewith or which is capable of being conducted so as directly or indirectly to benefit the company.
24. To take part in the management, supervision and control of the business or operations of any company or undertaking entitled to carry on the business which the Company is authorised to carry on.

25. To underwrite, acquire, take up and hold shares, stocks, debentures, debenture-stock, bonds, obligations and securities issued or guaranteed by any Company constituted or carrying on business in India or in any foreign country, and debentures, debenture-stock, bonds, obligations and securities issued or guaranteed by any Government, Sovereign Ruler, Commissioner, public body, or authority, supreme, municipal, local or otherwise whether in India or any foreign country in connection with the business which the Company is authorised to carry on and to subscribe for the same, either conditionally or otherwise, and guarantee the subscription thereof, and to exercise and enforce all rights and powers conferred by or incidental to the ownership thereof.
26. To act as Buying and Selling Agents of any company, and to do and perform wholly or partly the several duties, services and offices which the managers. Buying and Selling Agents of any company usually do and perform and to undertake and to become bound by conditions of any agreement entered into for any purposes.
27. To carry on whether in India or anywhere else in the world any business or branch of a business which this company is authorised to carry on by means, or through the agency or any subsidiary company or companies and to enter into any arrangement with such subsidiary company for sharing the profits and bearing the losses of any business or branch so carried on, or for financing any such subsidiary company or guaranteeing its liabilities or to make any other arrangement which may seem desirable with reference to any business or branch so carried on, including power at any time and either temporarily or permanently to close any such branch or business.
28. To make donations to such persons or institutions either of cash or any other assets as may be thought directly or indirectly conducive to any of the company's objects or otherwise expedient and also to subscribe, contribute, or otherwise assist or guarantee money for charitable objects or institutions having scientific, religious or benevolent national, cultural, educational or object of general public utility.
29. To subscribe, or contribute or otherwise to assist or grant money to public and/or political objects purposes, funds and institutions and to any other useful institutions, funds or purposes which in the opinion of the Board of Directors are deserving and/ or are likely to promote the interests or the business of the Company or to further its objects and/or to charitable and other useful funds whatsoever for any exhibition.
30. To aid pecunarily or otherwise, any association, body or movement having for an object the solution, settlement or surmounting of industrial or labour problems or troubles or the promotion of industry or trade.
31. To create any reserve fund, sinking fund, depreciation fund, insurance fund, dividend equalisation fund or any other special fund, whether or 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.
32. To apply for, purchase, or take licence or otherwise acquire protect and renew in any part of the world, any patents, patent rights, brevets, invention, trade-marks, designs, licences, concessions, and the like conferring any exclusive or non-exclusive or limited right to their use, or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the Company, or the acquisition of which may seem calculated directly or indirectly to benefit the Company and to use, exercise, develop, or grant licence in respect of or otherwise turn to account the property, rights, or information so acquired, and to expend moneys in experimenting upon, testing or improving any such patents, inventions, or rights.
33. To purchase and acquire secret processes, methods and formulate in connection with any of the objects of the Company and specifications and designs for the apparatus and equipment related thereto and to pay for the same by the allotment of fully paid shares of the company or in any way under agreement or agreements for that purpose.
34. To establish, provide, maintain and conduct or otherwise subsidise research laboratories and experimental workshops for scientific and technical research and experiments and to undertake

scientific and technical researches, experiments, and tests of all kinds and to promote studies and researches, both scientific and technical, investigations and inventions by providing, subsidising, endowing or assisting laboratories, workshops, libraries, lectures, meetings and conferences and by providing for the remuneration of scientific or technical professors or teachers any by providing for the award of exhibitions, scholarships, prizes and grants to students or otherwise and generally to encourage, promote, and reward studies, researches, investigations, of any kind that may be considered likely to assist any of the business which the Company is authorised.

35. Obtain technical information, know-how and expert advice of financial accommodation for the production, manufacture or marketing of any product herein before mentioned and to pay or to the order of such firm, company, body corporate, Government authority or person any fee, royalty, shares, bonus, remuneration and otherwise recompense them in any other manner for the services rendered by them.
36. To adopt such means for making known the business and/or products of this Company in which the Company is interested as its agent, representatives or any other way, by advertisements in press, periodicals, magazines, through cineslides and films, by issue of circulars, posters, calendars, showcards, playing cards, boardings, by radio programme, TV. Programmes, exhibitions, by publication of books, periodicals by purchase and exhibition of work of art or interest, and by granting prizes, rewards and donations.
37. To undertake and execute any trust the undertaking where of may seem desirable and whether gratuitously or otherwise.
38. To procure the Company to be recognised in any part of the world outside India.
39. To distribute among the members in specie any property of the Company or any proceeds of the sale disposal of any property of the Company but so that no distribution amounting to a reduction of capital be made except with the sanction (if any) for the time be required by law.
40. Subject to the provisions of the Companies Act, 1956 to place, to reserve or to distribute as dividend or bonus among the members or otherwise to apply, as the Company may from time to time think fit, any moneys received by way of premium on shares or debentures issued at a premium by the Company, and any moneys received in respect of dividends accrued on forfeited shares or from unclaimed dividends.
41. To provide for welfare of the Directors or Ex-Directors or the Employees or ex-employees of the Company and the wives, widows and families or dependents or connections of such persons, by building or by contributing to the building of houses, dwelling or chawls, by grant of money, pensions, allowances, bonuses, or other payments, or by creating and from time to time subscribing or contributing to provident and other funds or trusts and by providing or subscribing towards schools, places of instruction, recreation club, hospitals and dispensaries, medical and other attendance and other assistance as the company shall think fit.
42. To establish and support funds and institutions calculated to benefit employees or ex-employees of the Company or the dependents or connections of such persons, and to grant pensions, and allowances.
43. To train or pay for the training in India or abroad of any of the Company's employees or any other candidates in the interests and for the furtherance of the Company's objects and business.
44. To agree to refer to arbitration and to refer to arbitration disputes present or future between the Company and any other company, firm or individual and to submit the same to arbitration to any arbitrator in India or abroad and either in accordance with Indian or any other Foreign System of Law.
45. To do all or any of the above things in any part of the world, and either as principals, agents, trustees, contractors or otherwise and either alone or in conjunction with others and either by or through agents, sub-contractors, trustees or otherwise.

46. To do all such other things as are incidental or conducive in the opinion of the Board of Directors to the above objects or any other objects.

**(C) OTHER OBJECTS :**

47. To carry on and engage in the business of providing consultative and technical services in design, construction and engineering of chemical and chemical process, plants and equipment and manufacturers and dealers of plants and equipments connected thereto.
48. To carry on the business of manufacture, synthesize, produce, prepare, extract, process and finish, manipulate, improve, treat, preserve, reduce, render merchantable, import, export, buy, sell, install, estimate, transport, store, refine and generally carry on the business or deal or traffic in salts of all kinds, salt bitterns, chemicals from bitterns and marine chemicals and their derivatives, bye-products and compounds of any nature and kind whatsoever.
49. To carry on the business of manufacture, synthesize, produce, prepare, extract, process and finish, manipulate, improve, treat, preserve, reduce, render merchantable, import, export, buy, sell, install estimate, transport, store, refine, exploit and generally carry on the business or deal or traffic in natural deposits of sulphur, salt, brine, natron, kieselguhr, nitrates, fluoride and other chemical substances, and to manufacture therefrom by various processes such as electrolytic, electro chemical, electrometallurgical and other forms of plants or processes as the case may be and every kind of chemical and other products and bye products.
50. To carry on the business of manufacture, synthesize, produce, prepare, extract, process and finish, manipulate, improve, treat, preserve, reduce, render merchantable, import, export, buy, sell, install, estimate, transport, store, refine, export and generally carry on the business or deal or traffic based on natural or associated gas, crude or refined oil, coal, their bye-products and derivatives of any nature and kind whatsoever.
51. To buy, sell, manufacture, refine, manipulate, import, export and deal in all substances, apparatus and things capable of being used in any such business as aforesaid, or required by any customers of or persons having dealings with the company, either by wholesale or by retail.
52. To carry on the trade or business of manufacturing and distributing chemists and druggists, either wholesale or retail, together with all or any trades or business usually carried on in connection therewith, and to prepare, manufacture, import, produce, buy, sell and deal in all kinds of raw materials, synthetic products, salts, acids, mineral, vegetable, organic and inorganic alkalies, drugs, medicines, medicaments, herbs, pharmaceuticals, chemical and surgical materials and appliances and patent or proprietary medicines, drugs or articles, perfumes, scents, oils, dyes, pigments, paints, varnishes lacquers, toilet requisites, photographic chemicals and materials, manufacturing plants, scientific, electrical, surgical and optical instruments and apparatus and other like articles and things and colour grinders, makers of and dealers in proprietary articles of all kinds and of electrical, chemical, photographic surgical and scientific apparatus and materials, and to buy sell, manufacture, refine, manipulate, import, export and deal in all substances, apparatus and things, capable of being used in any such Business as aforesaid and required by any customers of or persons having dealings with the Company, either by wholesale or retail In particular, and without prejudice to the generality of such last stated object, to carry on the business of dyeing of wax and foodstuffs and of dealers in metal, in metal, metal agents, chemists, druggists, drysalters, oil and colourmen, importers and manufactures of and dealers in pharmaceutical, medical chemical industrial and other preparations and articles, dyestuffs, compounds, cement, oils, paints, pigments and varnishes, drug, dyeware, paint and colour grinders, makers and dealers in proprietary articles all kinds, and of electrical, chemical, photographic, surgical and scientific plant, equipment, apparatus and materials.
53. To carry on all any of the business of camphor merchants, chemists, druggists, drysalters oil merchants, engineers, founders, manufacturers and dealers of dyes paints, colour, chemicals, fibres, plastics, distillers, precipitates and explosives manufactures of and dealers in pharmaceutical, chemical, medicinal or other preparation or other compounds and other proprietary articles of every description.

54. To carry on business as pharmaceutical, manufacturing and general chemists and druggists and manufactures of and dealers in all kinds of toilet requisites and manufactures of all kinds of containers and packing boxes, wrappers and cases wholly of jute bags, card-board, wood, metal, glass, paper of otherwise and manufactures, of perfumes, collectors of gums, flowers, roots, leaves and perfume producing vegetation.
55. To carry on any other business (whether industrial, agricultural, trading, manufacturing or otherwise) which may seem to the Company capable of being conveniently carried on in connection with any of the business, and the Company's objects calculated directly or indirectly to enhance the value of or render profitable any of the Company's properties or right and also to acquire promote, and foster, subsidies or acquire interest in any industry or undertaking.
56. To carry on the business of an investment Company or an investment Trust Company and to undertake and to transact all kinds of trust and agency. To carry on business as financiers and for that purpose to lend or invest money and negotiate loans in any form or manner, to draw, accept, endorse, discount, buy, sell and deal in bills of exchange, hundies, promissory notes and other negotiable instruments and, securities and also to issue on commission, to subscribe for undertake, acquire and hold, sell, and exchange and deal in shares, stocks, bonds or debentures or securities of any Government or public authority of company, gold, silver and buillion, and to form, promote, subsidies and assist companies, syndicates and partnerships of all kind to project, prompt and to start industries and also to give any guarantee for payment or money or performance any obligation or undertaking and to undertake and execute any trust and generally to carry on and undertake any business undertaking, transaction or operation Commonly carried on or undertaken by capitalists, promoters, financiers and underwriters, industrialist.
57. To carry on the business as merchants, traders, commission agents, brokers, adatas, or in any other capacity in Mumbai or elsewhere and to import, export buy, sell, barter, exchange, pledge, mortgage, advance upon or otherwise deal in goods, produce, articles and merchandise of any kind.
58. To search for develop, explore, extract, produce, mine, transport, refine, store, supply, buy, sell, import, export, distribute and generally deal in petroleum and petroleum products, mineral oils, crude oils, natural gas and all forms and varieties of hydro carbons (whether solid, liquid or gaseous) and all other minerals and their products and bye-products.
59. To manufacture, fabricate, produce, extract, process, import, export, buy, sell, install, survey, estimate, transport, refine, and generally deal in zinc, iron, steel silicon, chromium, molybdenum, Vanadium, titanium, tungsten, managanese, calcium, carbon, copper, aluminium, nickel and other elementary substances and all alloys compounds and produces of the foregoing or any of them, also coal, coke gas, oils, lumber and all or any articles consisting or partly consisting of the foregoing, or any of them and all or any products of the foregoing or any of them.
60. To bring, buy, sell, manufacture, plant, cultivate, prepare, convert, hire, alter, treat, manipulate, exchange, let on hire, import, export, dispose of and deal in machinery, implements, rolling stock, plant, hardware, ores, metals, appliances and of all kinds of steel metal plant and in all kinds of machinery, tools, instruments, implements and accessories whatsoever, carry on the business of and for that purpose to purchase, sell, resell, and repurchase and otherwise dispose of and/or turn to account all kinds of General Purposes machinery tools such as lathes, milling and drilling machines, boring machines, shaping machine, tool and cutter, grinders shearing machines, band saws electric and welding sets, oxyacetylene welding and cutting sets, portable flexible shaft grinding instruments cutter etc. plate and bar pending machines and all kinds of machines, tools instruments, accessories whatsoever that may be necessary or useful in carrying on business of the Company.
61. To manufacture, produce, prepare, import and export, buy and sell plastics intermediaries and raw materials conversion machinery and to do research in the development of new products.
62. To carry on (either in connection with the aforesaid business or as distinct and separate business) any of the following businesses, that is to say, of general carriers forwarding agents and warehouseman.

Following New Clauses No. 63 to 73 inserted in the MOA pursuant to Special Resolution passed by Members on October 16, 2010.

63. To carry on the business of agriculture, horticulture, floriculture, sericulture and to carry on the business of cultivation of date palm, olive, mushrooms, farming, tissue culture, green house, red house, drip irrigation, cultivation of all kinds of food grains, seeds, oil-seeds, fruits, flowers, jojoba, hohoba, proprietors of orchards and traders, importers, exporters, sellers, buyers and dealers in products of farming, horticulture, floriculture, sericulture and to carry on the business of growers, manufacturers, traders, cold storers, canners and preservers and dealers of poultry products, fodder, fruits, dehydrated, mushroom, converted agricultural products, provisions, foods, vegetables, herbs, flowers, prickly pear or other cactus, shadenet / poly houses, food processing, seeds and to extract by-products and food preparations of every kind and description and to carry on the business of tissue culture laboratories, production of plant, manufacturing of agro, biotech products and extraction of oils, floriculture activities, and providing consultancy for the above referred objects, whether in India or elsewhere or to deal in or turn to account or dispose of any kind of crops, grains, oilseeds, leaves, grass, timbers, fruits, vegetables and other produce and products, by-products, waste, residues.
64. To carry on dairy business as manufacturer, dealer, buyer, seller, distributor, importer, exporter, trader, agent, and to deal in milk, milk products of all kinds and description, condensed and powdered milk products, milk with spice, ghee, yeast, basundi, milk powder, curd, chakka, srikhand, ice cream, cream, butter, cheese, dairy products, sausages, sweets, confectioneries and any other form of dairy products.
65. To carry on the business of manufacture, production, sale/resale, purchase, trade in any other manner in different forms of energies including Solar Energy, Wind Energy, Geothermal Energy, Clean Energy or any other conventional and unconventional sources of Energy of any nature and kind whatsoever and manufacture of any form of equipment/plant for generation of any form of energy.
66. To carry on business of purchasing, processing, selling, distributing, indenting, importing and exporting different products for retail trade, and source and provide various services to retail customers by owning, renting or leasing shops, shopping plaza, shopping malls, shopping bazaars through different forms of trade channels including e-trade.
67. To carry on healthcare business of different branches of medicines (including Ayurvedic) by establishing, setting, running, managing, administering, maintaining, hospitals, clinics, dispensaries, maternity homes, medical, family planning centers, diagnostic centers, critical care centers, rehabilitation centers, pediatric centers, recovery rooms, health resorts, health clinics, polyclinics, medical centers, nature cure centers, x-ray. E. C. G. and other clinics, sanatoriums, nursing homes, research and investigations, development, training institutes in medical, yoga and surgical field.
68. To carry on real estate business of developers of urban and rural immovable properties, builders, engineers, surveyors, architects, consulting engineers, building experts and advisors, decorators, designers, planners, house owners and house sellers of flats, mansions, dwelling houses, shops, offices, hotels and recreational complexes, stadia, industrial estates; lessees of lands, flats and other immovable properties wherever situated, or rights or interests therein or connected therewith, to prepare building sites, and to construct, reconstruct, pull down, alter, improve, decorate and furnish and maintain flats, mansions, dwelling houses, shops, offices, buildings, hotels and motels and recreational complexes, industrial estates, works and conveniences, to lay out roads and pleasure gardens and recreation and playgrounds, fair and exhibition grounds; to plant, drain or otherwise improve the land or any part thereof.
69. To carry on infrastructure business of construction, building, operating, managing roads, bridges, highways, ports, airports, industrial and software parks, sewage and drainage systems, generation and distribution of power, providing basic, cellular, private telephone and internet services on commercial basis and other infrastructural projects, and rendering technical advice, consultancy in construction, management, operation of roads, highways, ports, airports industrial and software parks, sewage and drainage systems, generation of power, providing basic, cellular and private telephone and internet services.

70. To carry on entertainment and hospitality business by owning, renting, leasing multiplexes, theatres, restaurants, clubs, health clubs, hotels, parks and gardens, water parks, cruise ships, motels, lodges, hostels, resorts, business centres, refreshment rooms, eateries, food parlours, ice cream parlours, bakeries, flight kitchen and catering services and any other form of hospitality and entertainment.
71. To carry on education business by establishing and maintaining educational institutions, schools, colleges, universities or any other entity for providing and imparting education of all kinds including management, technical, scientific, literary, commercial and other general disciplines and also other specialized educational and vocational courses and fields, and to impart/arrange to impart educational and/or training to the participants/candidates in plants, workshops, factories, mills or other organizations, forums and institutions in such line or lines where participants/candidates will have full scope for the purpose of extending their technical, behavioral and managerial skill and aptitude and gain both theoretical and practical hands-down knowledge.
72. To carry on Information Technology business of programming, implementation, up gradation , reengineering, developing, training, consultancy, packaging, distributing, leasing, hiring or letting on hire, indenting, selling, maintaining, importing, exporting and dealing in computer software, hardware, networks, office equipments and information systems and to engage in data, information processing and training in computer hardware, software and information management activities.
73. To carry on Business Process Outsourcing (BPO), Legal Process Outsourcing (LPO) and Knowledge Process Outsourcing (KPO) business by establishing, running, managing data bank, data storage, data transfer, data processing and transcription centres and to impart or conduct and carry on programmes for training and education in the foregoing areas and also computers and systems, whether relating to hardware, software or otherwise. by collecting, compiling, editing, summarizing, amplifying and disseminating international, geographic, trade, business, monetary, commercial and any other kind, nature and description of data or information for private use of clients, subscribers, associates or other for general or restricted publication, in any language, and in any medium, including electronic media and to undertake and carry on the business, in all their branches, of data management, satellite communication, research, investigations, market studies and research, marketing assignments and experiments.

**AND IT IS HEREBY DECLARED that:**

- (i) The objects incidental or ancillary to the attainment of main objects of the Company as aforesaid shall also be incidental or ancillary to the attainment of the other objects of the Company herein mentioned;
- (ii) The word "company" (save when used with reference to this Company) in this Memorandum shall be deemed to include any individual any partnership or other body or association of persons whether incorporated or not and wherever domiciled;
- (iii) The object set forth in each of the several clause of paragraph III shall have the widest possible construction and shall extend to any part of the world;
- (iv) Subject to the provisions of the Companies Act, 1956, the objects set forth in any clause of paragraph III above shall be independent and shall be in no wise limited or restricted by reference to, inference from the terms of any of the clauses of sub-paragraph (A) or by the name of the Company. None of the clauses in sub-paragraph (C) or the objects therein specified or the power thereby conferred shall be deemed subsidiary or ancillary merely to the objects mentioned in any of the clauses of sub-paragraph (A); and
- (v) nothing in this paragraph shall authorise the Company to do any business which may fall within the purview of the Banking Regulations Act, 1949, or the Insurance Act, 1938.
- (vi) The liability of the members is limited.
- (vii) The Authorised Share Capital of the Company is Rs. 160,00,00,000/- (Rupees One Hundred Sixty Crores Only) divided into 8,00,00,000 (Eight Crores) Equity Shares of Rs. 10/- (Rupees

Ten only) each and 80,00,000 (Eighty Lacs) Cumulative Redeemable Preference Shares of Rs. 100/- (Rupees Hundred only) each with rights, privileges and conditions attaching there to as may be provided by the Articles of Association of the Company for the time being with power to increase and reduce the capital of the Company and to divide the Shares in the Capital for the time being in to several classes and to attach thereto respectively such as special rights, privileges and conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may be for the time being be provided by the Articles of Association of the Company.

The original Authorised Share Capital of the Company was Rs. 3,00,00,000 divided into 22,50,000 Equity Shares of Rs. 10/- (Rupees Ten) each and 75,000 Cumulative Redeemable Preference Shares of Rs. 100/- (Rupees One hundred) each, which was increased to Rs. 4,00,00,000 divided into 37,50,000 Equity Shares of Rs. 10/- (Rupees Ten) each and 25,000 Cumulative Redeemable Preference Shares of Rs. 100/- (Rupees one Hundred) each by the special Resolution passed in Annual General Meeting of the Company held on September 22, 1977 which was increased to Rs. 10,00,00,000 divided into 97,50,000 Equity Shares of Rs. 10/- (Rupees Ten) each and 25,000 Cumulative Redeemable Preference Shares of Rs. 100/- (Rupees One Hundred) each pursuant to amalgamation scheme sanctioned by The High Court of Gujarat as per its order dated August 20, 1988. And subsequently it was increased as under :

	<b>Rs.</b>	<b>Particulars</b>	<b>Ref. No.</b>
a)	20,00,00,000	divided into 1,97,50,000 Equity Shares of Rs. 10/- only and 25,000 Cumulative Redeemable Preference Shares of Rs. 100/-	Special Resolution passed in AGM held on August 28, 1990
b)	20,00,00,000	divided into 2,00,00,000 Equity Shares of Rs. 10/- only (25,000 Cumulative Redeemable Preference Shares Cancelled and classified as Equity Shares)	Special Resolution passed in EOGM held on November 26, 1990
c)	60,00,00,000	divided into 6,00,00,000 Equity Shares of Rs. 10/- only	Resolution passed in AGM held on January 27, 1993
d)	160,00,00,000	divided into 6,00,00,000 Equity Shares of Rs. 10/- only and 1,00,00,000 Cumulative Redeemable Preference Shares of Rs. 100/- only.	Special Resolution passed in AGM held on September 26, 1995
e)	160,00,00,000	divided into 8,00,00,000 (Eight Crores) Equity Shares of Rs. 10/- only and 80,00,000 Cumulative Redeemable Preference Shares of Rs. 100/- only.	Special Resolution passed in EOGM held on June 28, 1996



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

Name of subscriber	Address, description and occupation of the subscriber	No. of equity shares taken by each subscriber	Signature of the subscriber
ANIL CHUNIBHAI SHAH	F/6, Samarpan Flats, Ahmedabad-6. S/o. Shri Chunibhai M. Shah Indian Administrative Service	1 (One)	Sd/- (ANIL C. SHAH)
PAREKH MADHUSUDAN PURSHOTTAMDAS	A-1, Videep Apartments, Navarangpura, Ahmedabad-9 S/o. Purshottamads Parekh Indian Administrative Service	1 (One)	Sd/- (M.P. PAREKH)
GHANSHYAMARY GOVINDRAY DAVE	A-3, Govt. Flats, Behind L.D. Eng. College, Ahmedabad-15 S/o. Govindram Kanji Dave Govt. Service	1 (One)	Sd/- (G. G. DAVE)
R. PARTHASARTHY	49/1 Sector 23, Gandhinagar. S/o. Shri K.V. Ramanujam Service	1 (One)	Sd/- (R. PARTHASARTHY)
BAXI KAUSHIKRAY KANTILAL	6/4, Sector 20, Gandhinagar S/o. Kantilal Baxi Service 4	1 (One)	Sd/- (K.K. BAXI)
SOPARKAR NATVARLAL MOTILAL	B/2.F/4, Mrudul Park, Ahmedabad-15. S/o. Soparkar Motilal Sakarlal Govt. Service	1 (One)	Sd/- (N.M. SOPARKAR)
KAJI JASHVANTLAL MANILAL	Block no. 22/4 GH Near Dena Bank, Sector No. 22 Gandhinagar. S/o Manilal Kashidas Kaji Govt. Service	1 (One)	Sd/- (J.M. KAJI)

I remain witness to all the above signatories.

Sd/- H.G. SHAH,  
69, Sharda Society, Ahmedabad,  
S/o. Chimanlal K. Shah,  
Service.

Dated 1-12-1975.

**INDEX OF THE  
ARTICLES OF ASSOCIATION  
OF  
ATUL LIMITED**

<b>Particular</b>	<b>Article No.</b>	<b>Page No.</b>
<b>Table 'F' Excluded</b>		
Table 'F' not to apply	1(1)	1
Company to be governed by these Articles	1(2)	1
<b>Interpretation</b>		
"The Act"	2(1)(a)	1
"The Articles"	2(1)(b)	1
"The Board of Directors" or "The Board"	2(1)(c)	1
"The Company"	2(1)(d)	1
"The Rules"	2(1)(e)	1
"The Seal"	2(1)(f)	1
"Number" and "Gender"	2(2)	1
Expression in the Articles to bear the same meaning as in the Act	2(3)	2
<b>Share Capital and Variation of Rights</b>		
Shares under control of Board	3	2
Directors may allot shares otherwise than for cash	4	2
Kinds of Share Capital	5(a)(b)	2
Issue of Certificate	6(1)(a)(b)	2
Certificate to bear Seal	6(2)	2
One Certificate for Shares held jointly	6(3)	2
Option to receive Share Certificate or hold Shares with Depository	7	2
Issue of new Certificate in place of one defaced, lost or destroyed	8	3
Provisions as to issue of certificates to apply <i>mutatis mutandis</i> to debentures, etc.	9	3
Power to pay commission in connection with securities issued	10(1)	3
Rate of commission in accordance with Rules	10(2)	3
Mode of payment of commission	10(3)	3
Variation of Members' rights	11(1)	3
Provisions as to general meetings to apply <i>mutatis mutandis</i> to each meeting	11(2)	3
Issue of further shares not to affect rights of existing members	12	3
Power to issue redeemable preference shares	13	3

Further issue of share capital	14(1)(a)(b)(c)	3/4
Mode of further issue of shares	14(2)	4
<b>Lien</b>		
Company's lien on shares	15(1)(a)(b)	4
Lien to extend to dividends, etc.	15(2)	4
Waiver of lien in case of registration	15(3)	4
As to enforcing lien by sale	16(a)(b)	4
Validity of sale	17(1)	4
Purchaser to be registered holder	17(2)	4
Validity of Company's receipt	17(3)	4
Purchaser not affected	17(4)	4
Application of proceeds of sale	18(1)	5
Payment of residual money	18(2)	5
Outsider's lien not to affect Company's lien	19	5
Provisions as to lien to apply <i>mutatis mutandis</i> to debentures, etc.	20	5
<b>Calls on Shares</b>		
Board may make calls	21(1)	5
Notice of call	21(2)	5
Board may extend time for payment	21(3)	5
Revocation or postponement of call	21(4)	5
Call to take effect from date of resolution	22	5
Liability of joint holders of shares	23	5
When interest on call or installment payable	24(1)	5
Board may waive interest	24(2)	5
Sums deemed to be calls	25(1)	5
Effect of non-payment of sums	25(2)	6
Payment in anticipation of calls may carry interest	26(a)(b)	6
Installments on shares to be duly paid	27	6
Calls on shares of same class to be on uniform basis	28	6
Partial payment not to preclude forfeiture	29	6
Provisions as to calls to apply <i>mutatis mutandis</i> to debentures, etc.	30	6
<b>Transfer of Shares</b>		
Instrument of transfer to be executed by transferor and transferee	31(1)(2)	6
Board may refuse to register transfer	32(a)(b)	6
Board may decline to recognize instrument of transfer	33(a)(b)(c)	6/7
Transfer of shares when suspended	34	7
Provisions as to transfer of shares to apply <i>mutatis mutandis</i> to debentures, etc.	35	7
<b>Transmission of Shares</b>		
Title to shares on death of a member	36(1)	7
Estate of deceased member	36(2)	7
Transmission Clause	37(1)(a)(b)	7

Board's right unaffected	37(2)	7
Indemnity to the Company	37(3)	7
Right to election of holder of share	38(1)	7
Manner of testifying election	38(2)	7
Limitations applicable to notice	38(3)	7
Claimant to be entitled to same advantage	39	8
Provisions as to transmission to apply <i>mutatis mutandis</i> to debentures, etc.	40	8
<b>Forfeiture of Shares</b>		
If call or installment not paid notice must be given	41	8
Form of notice	42(a)(b)	8
In default of payment of shares to be forfeited	43	8
Receipt of part amount or grant of indulgence not to affect forfeiture	44	8
Entry of forfeiture in register of members	45	8
Effect of forfeiture	46	8
Forfeited shares may be sold, etc.	47(1)	9
Cancellation of forfeiture	47(2)	9
Members still liable to pay money owing at the time of forfeiture	48(1)	9
Member still liable to pay money owing at time of forfeiture and interest	48(2)	9
Cesser of liability	48(3)	9
Certificate of forfeiture	49(1)	9
Title of purchaser and transferee	49(2)	9
Transferee to be registered as holder	49(3)	9
Transferee not affected	49(4)	9
Validity of sales	50	9
Cancellation of share certificate in respect of forfeited shares	51	9
Surrender of share certificates	52	10
Sums deemed to be calls	53	10
Provisions as to forfeiture of shares to apply <i>mutatis mutandis</i> to debentures, etc.	54	10
<b>Alteration of Capital</b>		
Power to alter share capital	55(a)(b)(c)(d)(e)	10
Shares may be converted into stock	56(a)	10
Right of stockholders	56(b)(c)	10
Reduction of Capital	57(a)(b)(c)(d)	10/11
<b>Joint Holders</b>		
Joint-holders	58	11
Liability of joint-holders	58(a)	11
Death of one or more joint-holders	58(b)	11
Receipt of one sufficient	58(c)	11
Delivery of certificate and giving of notice to first named holder	58(d)	11
Vote of joint-holders	58(e)(i)	11
Executors or administrators as joint holders	58(e)(ii)	11

Provisions as to joint holders as to shares to apply <i>mutatis mutandis</i> to debentures, etc.	58(f)	11
<b>Capitalisation of profits</b>		
Capitalisation	59(1)(a)(b)	12
Sum how applied	59(2)(a)(b) (c)(3)(4)	12
Powers of the Board for capitalisation	60(1)(a)(b)	12
Board's power to issue fractional certificate/coupon etc	60(2)(a)(b)	12
Agreement binding on members	60(3)	12
<b>Buy-back of shares</b>		
Buy-back of shares	61	13
<b>General Meetings</b>		
Extraordinary general meeting	62	13
Powers of Board to call extraordinary general meeting	63	13
<b>Proceedings at General Meetings</b>		
Presence of quorum	64(1)	13
Business confined to election of Chairperson whilst chair vacant	64(2)	13
Quorum for general meeting	64(3)	13
Chairperson of the meetings	65	13
Directors to elect a Chairperson	66	13
Members to elect a Chairperson	67	13
Casting vote of Chairperson at general meeting	68	13
Minutes of proceedings of meetings and resolutions passed by postal ballot	69(1)	13
Certain matters not be included in the Minutes	69(2)(a)(b)(c)	13/14
Discretion of Chairperson in relation to Minutes	69(3)	14
Minutes to be evidence	69(4)	14
Inspection of Minute books of general meeting	70(1)(a)(b)	14
Members may obtain copy of Minutes	70(2)	14
Powers to arrange security at meetings	71	14
<b>Adjournment of Meeting</b>		
Chairperson may adjourn the meeting	72(1)	14
Business at adjourned meeting	72(2)	14
Notice of adjourned meeting	72(3)	14
Notice of adjourned meeting not required	72(4)	14
<b>Voting Rights</b>		
Entitlement to vote on show of hands and on poll	73(a)(b)	14
Voting through electronic means	74	14
Vote of joint-holders	75(1)	15
Seniority of names	75(2)	15
How members non compos mentis and minor may vote	76	15
Votes in respect of shares of deceased or insolvent members, etc.	77	15
Business may proceed pending poll	78	15

## IV

Restriction on voting rights	79	15
Restriction on exercise of voting right in other cases to be void	80	15
Equal rights of members	81	15
<b>Proxy</b>		
Member may vote in person or otherwise	82(1)	15
Proxies when to be deposited	82(2)	15
Form of proxy	83	15
Proxy to be valid notwithstanding death of the principal	84	16
<b>Board of Directors</b>		
Board of Directors	85	16
Directors not liable to retire by rotation	86(1)	16
One individual may be Chairperson and Managing Director I Chief Executive Officer	86(2)	16
Remuneration of directors	87(1)	16
Remuneration to require members' consent	87(2)	16
Travelling and other expenses	87(3)(a)(b)	16
Execution of negotiable instruments	88	16
Appointment of additional directors	89(1)	16
Duration of office of additional director	89(2)	16
Appointment of alternate director	90(1)	16
Duration of office of alternate director	90(2)	17
Re-appointment provisions applicable to Original Director	90(3)	17
Appointment of director to fill a casual vacancy	91(1)	17
Duration of office of Director appointed to fill casual vacancy	91(2)	17
<b>Powers of Board</b>		
General powers of the Company vested in the Board	92	17
<b>Proceedings of the Board</b>		
When meeting to be convened	93(1)	17
Who may summon Board meeting	93(2)	17
Quorum for Board meetings	93(3)	17
Participation at Board meetings	93(4)	17
Questions at Board meeting how decided	94(1)	17
Casting vote of Chairperson at Board meeting	94(2)	18
Directors not to act when number falls below minimum	95	18
Who to preside at meetings of the Board	96(1)	18
Directors to elect a Chairperson	96(2)	18
Delegation of powers	97(1)	18
Committee to conform to Board regulations	97(2)	18
Participation at Committee meetings	97(3)	18
Chairperson of Committee	98(1)	18
Who to preside at meetings of Committee	98(2)	18
Committee to meet	99(1)	18

Questions at Committee meeting how decided	99(2)	18
Casting vote of Chairperson at Committee meeting	99(3)	18
Acts of Board or Committee valid notwithstanding defect of appointment	100	18
Passing of resolution by circulation	101	19
<b>Chief Executive Officer, Manager, Company Secretary and Chief Financial Officer</b>		
Chief Executive Officer, etc	102(a)	19
Director may be Chief Executive Officer, etc.	102(b)	19
<b>Registers</b>		
Statutory registers	103	19
Foreign register	104(a)(b)	19
<b>The Seal</b>		
The seal, its custody and use	105(1)	19
Affixation of seal	105(2)	19
<b>Dividends and Reserve</b>		
Company in general meeting may declare dividends	106	20
Interim dividends	107	20
Dividends only to be paid out of profits	108(1)	20
Carry forward of profits	108(2)	20
Division of profits	109(1)	20
Payments in advance	109(2)	20
Dividends to be apportioned	109(3)	20
No member to receive dividend whilst indebted to the Company and Company's right to reimbursement therefrom	110(1)	20
Retention of dividends	110(2)	20
Dividend how remitted	111(1)	20
Instrument of payment	111(2)	21
Discharge to company	111(3)	21
Receipt of one holder sufficient	112	21
No interest on dividends	113	21
Waiver of dividends	114	21
<b>Accounts</b>		
Inspection by Directors	115(1)	21
Restriction on inspection by members	115(2)	21
<b>Winding up</b>		
Winding up of Company	116(a)(b)(c)	21
<b>Indemnity and Insurance</b>		
Directors and officers right to indemnity	117(a)(b)	22
Insurance	117(c)	22
<b>General Power</b>		
General Power	118	22

---

**ARTICLES OF ASSOCIATION  
OF  
ATUL LIMITED**

---



**ARTICLES OF ASSOCIATION**  
**OF**  
**ATUL LIMITED**

The following regulations comprised in these Articles of Association were adopted pursuant to members' resolution passed at the annual general meeting of the Company held on August 04, 2015 in substitution for, and to the entire exclusion of, the earlier regulations comprised in the existing Articles of Association of the Company.

**TABLE 'F' EXCLUDED**

**Table 'F' not to apply**

1. (1) The regulations contained in the Table marked 'F' in Schedule I to the Companies Act, 2013 (the Act) shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the Act.

**Company to be governed by these Articles**

- (2) The regulations for the management of the Company and for the observance by the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration of or addition to its regulations by resolution as prescribed or permitted by the Companies Act, 2013, be such as are contained in these Articles.

**Interpretation**

2. (1) In these Articles:

**"The Act"**

- (a) "Act" means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable.

**"The Articles"**

- (b) "Articles" means these articles of association of the Company as altered from time to time or applied in pursuance of this Act.

**"The Board of Directors" or "The Board"**

- (c) "Board of Directors" or "Board", means the collective body of the Directors of the Company.

**"The Company"**

- (d) "Company" means ATUL Limited.

**"The Rules"**

- (e) "Rules" means the applicable rules for the time being in force as prescribed under the Act.

**"The Seal"**

- (f) "Seal" means the common seal of the Company.

**"Number" and "Gender"**

- (2) Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine and neuter gender.

**Expressions in the Articles to bear the same meaning as in the Act**

- (3) Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as given in the Act or the Rules, as the case may be.

**Share capital and variation of rights**

**Shares under control of Board**

3. Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.

**Directors may allot otherwise than for cash**

4. Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be.

**Kinds of Share Capital**

5. The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws:
- (a) Equity share capital:
    - (i) with voting rights; and / or
    - (ii) with differential rights as to dividend,
  - (b) Preference share capital

**Issue of certificate**

6. (1) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month from the date of receipt by the Company of the application for the registration of transfer or transmission or within such other period as the conditions of issue or any other regulations shall provide-
- (a) One certificate for all his shares without payment of any charges; or
  - (b) Several certificates, each for one or more of his shares, upon payment of such charges as may be fixed by the Board for each certificate after the first.

**Certificate to bear seal**

- (2) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.

**One certificate for shares held jointly**

- (3) 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.

**Option to receive share certificate or hold shares with depository**

7. A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialised state with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.

**Issue of new certificate in place of one defaced, lost or destroyed**

8. 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 Board deems adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of fees for each certificate as may be fixed by the Board.

**Provisions as to issue of certificates to apply *mutatis mutandis* to debentures, etc.**

9. The provisions of the foregoing Articles relating to issue of certificates shall *mutatis mutandis* apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.

**Power to pay commission in connection with securities issued**

10. (1) The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its securities, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the Rules.

**Rate of commission in accordance with Rules**

- (2) The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules.

**Mode of payment of commission**

- (3) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

**Variation of members' rights**

11. (1) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing, of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act.

**Provisions as to general meetings to apply *mutatis mutandis* to each meeting**

- (2) To every such separate meeting, the provisions of these Articles relating to general meetings shall *mutatis mutandis* apply.

**Issue of further shares not to affect rights of existing members**

12. 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 issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

**Power to issue redeemable preference shares**

13. Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.

**Further issue of share capital**

14. (1) The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to:
- (a) persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or
  - (b) employees under any permissible scheme; or

- (c) any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above.

**Mode of further issue of shares**

- (2) A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules.

**Lien**

**Company's lien on shares**

- 15. (1) The Company shall have a first and paramount lien:
  - (a) 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
  - (b) on all shares (not being fully paid shares) standing registered in the name of a member, for all monies presently payable by him or his estate to the Company:

Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

**Lien to extend to dividends, etc.**

- (2) The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares for any money owing to the Company.

**Waiver of lien in case of registration**

- (3) Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company's lien.

- 16. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:

Provided that no sale shall be made-

**As to enforcing lien by sale**

- (a) unless a sum in respect of which the lien exists is presently payable; or
- (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 to the person entitled thereto by reason of his death or insolvency or otherwise.

**Validity of sale**

- 17. (1) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

**Purchaser to be registered holder**

- (2) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

**Validity of Company's receipt**

- (3) The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share.

**Purchaser not affected**

- (4) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale.

**Application of proceeds of sale**

18. (1) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

**Payment of residual money**

- (2) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

**Outsider's lien not to affect Company's lien**

19. In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.

**Provisions as to lien to apply *mutatis mutandis* to debentures, etc.**

20. The provisions of these Articles relating to lien shall *mutatis mutandis* apply to any other securities including debentures of the Company.

**Calls on shares**

**Board may make calls**

21. (1) 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.

**Notice of call**

- (2) 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.

**Board may extend time for payment**

- (3) The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.

**Revocation or postponement of call**

- (4) A call may be revoked or postponed at the discretion of the Board.

**Call to take effect from date of resolution**

22. 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 installments.

**Liability of joint holders of shares**

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

**When interest on call or installment payable**

24. (1) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof (the "due date"), the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment at such rate as may be fixed by the Board.

**Board may waive interest**

- (2) The Board shall be at liberty to waive payment of any such interest wholly or in part.

**Sums deemed to be calls**

25. (1) 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 Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

**Effect of non-payment of sums**

- (2) In case of non-payment of such sum, all the relevant provisions of these Articles 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.

**Payment in anticipation of calls may carry interest**

26. 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 as may be fixed by the Board. Nothing contained in this clause shall confer on the member (a) any right to participate in profits or dividends or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him.

**Installments on shares to be duly paid**

27. If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by installments, then every such installment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.

**Calls on shares of same class to be on uniform basis**

28. All calls shall be made on a uniform basis on all shares falling under the same class. *Explanation:* Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.

**Partial payment not to preclude forfeiture**

29. Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.

**Provisions as to calls to apply *mutatis mutandis* to debentures, etc.**

30. The provisions of these Articles relating to calls shall *mutatis mutandis* apply to any other securities including debentures of the Company.

**Transfer of shares**

**Instrument of transfer to be executed by transferor and transferee**

31. (1) The instrument of transfer of any share in the Company shall be duly executed by or on behalf of both the transferor and transferee.
- (2) 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.

**Board may refuse to register transfer**

32. The Board may, subject to the right of appeal conferred by 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.
33. In case of shares held in physical form, the Board may decline to recognise any instrument of transfer unless:

- (a) the instrument of transfer is duly executed and is in the form as prescribed in the Rules made under the Act;
- (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.

**Transfer of shares when suspended**

34. On giving of previous notice of at least seven days or such lesser period in accordance with 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: 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.

**Provisions as to transfer of shares to apply *mutatis mutandis* to debentures, etc.**

35. The provisions of these Articles relating to transfer of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company.

**Transmission of shares**

**Title to shares on death of a member**

36. (1) 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.

**Estate of deceased member**

- (2) Nothing in clause (1) 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.

**Transmission Clause**

37. (1) 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:(a) to be registered himself as holder of the share; or (b) to make such transfer of the share as the deceased or insolvent member could have made.

**Board's right unaffected**

- (2) 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.

**Indemnity to the Company**

- (3) The Company shall be fully indemnified by such person indemnity to the Company from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.

**Right to election of holder of share**

38. (1) 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.

**Manner of testifying election**

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

**Limitations applicable to notice**

- (3) 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.

**Claimant to be entitled to same advantage**

39. 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:

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.

**Provisions as to transmission to apply *mutatis mutandis* to debentures, etc**

40. The provisions of these Articles relating to transmission by operation of law shall *mutatis mutandis* apply to any other securities including debentures of the Company.

**Forfeiture of share**

**If call or installment not paid notice must be given**

41. If a member fails to pay any call, or installment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or installment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.

**Form of notice**

42. The notice aforesaid shall:

- (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
- (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited

**In default of payment of shares to be forfeited**

43. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

**Receipt of part amount or grant of indulgence not to affect forfeiture**

44. Neither the receipt by the Company for a portion of any money which may from time to time be due from any member in respect of his shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.

**Entry of forfeiture in register of members**

45. When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.

**Effect of forfeiture**

46. The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.



**Forfeited shares may be sold, etc.**

47. (1) A forfeited share shall be deemed to be the property of the Company and may be sold or re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board thinks fit.

**Cancellation of forfeiture**

- (2) At any time before a sale, re-allotment or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

**Members still liable to pay money owing at the time of forfeiture**

48. (1) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay, and shall pay, to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.

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

- (2) All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realisation. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part.

**Cesar of liability**

- (3) The liability of such person shall cease if and when the Cesar of liability Company shall have received payment in full of all such monies in respect of the shares.

**Certificate of forfeiture**

49. (1) A duly verified declaration in writing that the declarant is a director, the manager or the secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.

**Title of purchaser and transferee**

- (2) The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;

**Transferee to be registered as holder**

- (3) The transferee shall thereupon be registered as the holder of the share; and

**Transferee not affected**

- (4) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.

**Validity of shares**

50. Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.

**Cancellation of share certificate in respect of forfeited shares**

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

**Surrender of share certificates**

52. The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.

**Sums deemed to be calls**

53. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

**Provisions as to forfeiture of shares to apply *mutatis mutandis* to debentures, etc.**

54. The provisions of these Articles relating to forfeiture of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company.

**Alteration of capital**

**Power to alter share capital**

55. Subject to the provisions of the Act, the Company may, by appropriate resolution:
- (a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;
  - (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act;
  - (c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
  - (d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
  - (e) 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.

**Shares may be converted into stock**

56. Where shares are converted into stock:
- (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:  
  
Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose;

**Right of Stockholders**

- (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage
- (c) such of these Articles of the Company as are shall apply to stock and the words "share" and "shareholder"/"member" shall include "stock" and "stock-holder" respectively.

**Reduction of capital**

57. The Company may, by resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules:-

- (a) its share capital; and/or
- (b) any capital redemption reserve account; and/or
- (c) any securities premium account; and/or
- (d) any other reserve in the nature of share capital.

### **Joint Holders**

#### **Joint Holders**

58. Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles:

#### **Liability of Joint Holders**

- (a) The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or instalments and other payments which ought to be made in respect of such share.

#### **Death of one or more joint-holders**

- (b) On the death of any one or more of such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.

#### **Receipt of one sufficient**

- (c) Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share.

#### **Delivery of certificate and giving of notice to first named holder**

- (d) Only the person whose name stands first in the register of members as one of the joint-holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders.

#### **Vote of joint holders**

- (e) (i) Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint-holders shall be entitled to vote in preference to a joint-holder present by attorney or by proxy although the name of such joint-holder present by any attorney or proxy stands first or higher (as the case may be) in the register in the respect of such shares.

#### **Executors or administrators as joint holders**

- (ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint-holders.

#### **Provisions as to joint holders as to shares to apply *mutatis mutandis* to debentures, etc.**

- (f) The provisions of these Articles relating to joint holders of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company registered in joint names.

## Capitalization of profits

### Capitalisation

59. (1) The Company by ordinary resolution in general meeting may, upon the recommendation of the Board, resolve:(a) 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 (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

### Sum how applied

- (2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (3) below, either in or towards:
- (a) paying up any amounts for the time being unpaid on any shares held by such members respectively;
  - (b) paying up in full, unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
  - (c) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B).
- (3) A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;
- (4) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.

### Powers of the Board for capitalisation

60. (1) Whenever such a resolution as aforesaid shall have been passed, the Board shall:
- (a) make all appropriations and applications of the amounts resolved to be capitalised thereby, and all allotments and issues of fully paid shares or other securities, if any; and
  - (b) generally do all acts and things required to give effect thereto.

### Board's power to issue fractional certificate/coupon etc.

- (2) The Board shall have power:
- (a) to make such provisions, by the issue of fractional certificates/coupons or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions; and
  - (b) 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 or other securities 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.

### Agreement binding on members

- (3) Any agreement made under such authority shall be effective and binding on such members.

## **Buy-back of shares**

### **Buy-back of shares**

61. Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.

## **General meetings**

### **Extraordinary general meeting**

62. All general meetings other than annual general meeting shall be called extraordinary general meeting.

### **Powers of Board to call extraordinary general meeting**

63. The Board may, whenever it thinks fit, call an extraordinary general meeting.

## **Proceedings at general meetings**

### **Presence of Quorum**

64. (1) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

### **Business confined to election of Chairperson whilst chair vacant**

- (2) No business shall be discussed or transacted at any general meeting except election of Chairperson whilst the chair is vacant.

### **Quorum for general meeting**

- (3) The quorum for a general meeting shall be as provided in the Act.

### **Chairperson of the meetings**

65. The Chairperson of the Company shall preside as Chairperson at every general meeting of the Company.

### **Directors to elect a Chairperson**

66. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

### **Members to elect a Chairperson**

67. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall, by poll or electronically, choose one of their members to be Chairperson of the meeting.

### **Casting vote of Chairperson at general meeting**

68. On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote .

### **Minutes of proceedings of meetings and resolutions passed by postal ballot**

69. (1) The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered.

### **Certain matters not to be included in Minutes**

- (2) There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting:(a) is, or could reasonably be regarded, as defamatory of any person; or (b) is irrelevant or immaterial to the proceedings; or (c) is detrimental to the interests of the Company.

**Discretion of Chairperson in relation to Minutes**

- (3) The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.

**Minutes to be evidence**

- (4) The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.

**Inspection of minute books of general meeting**

70. (1) The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall: a) be kept at the registered office of the Company; and (b) be open to inspection of any member without charge, during 11.00 a.m. to 1.00 p.m. on all working days other than Saturdays.

**Members may obtain copy of minutes**

- (2) Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to in clause (1) above, provided that a member who has made a request for provision of a soft copy of the minutes of any previous general meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost.

**Powers to arrange security at meetings**

71. The Board, and also any person(s) authorised by it, may take any action before the commencement of any general meeting, or any meeting of a class of members in the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting, and the future orderly conduct of the meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision.

**Adjournment of meeting**

**Chairperson may adjourn the meeting**

72. (1) The Chairperson may, *suomotu*, adjourn the meeting from time to time and from place to place.

**Business at adjourned meeting**

- (2) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

**Notice of adjourned meeting**

- (3) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

**Notice of adjourned meeting not required**

- (4) Save as aforesaid, and save as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

**Voting rights**

**Entitlement to vote on show of hands and on poll**

73. Subject to any rights or restrictions for the time being attached to any class or classes of shares:(a) on a show of hands, every member present in person shall have one vote; and (b) 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.

**Voting through electronic means**

74. A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.

**Vote of joint-holders**

75. (1) 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.

**Seniority of names**

- (2) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

**How members *non compos mentis* and minor may vote**

76. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians.

**Votes in respect of shares of deceased or insolvent members, etc.**

77. Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the Transmission Clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.

**Business may proceed pending poll**

78. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

**Restriction on voting rights**

79. 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 or in regard to which the Company has exercised any right of lien.

**Restriction on exercise of voting rights in other cases to be void**

80. A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in the preceding Article.

**Equal rights of members**

81. Any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.

**Proxy**

**Member may vote in person or otherwise**

82. (1) Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.

**Proxies when to be deposited**

- (2) The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.

**Form of Proxy**

83. An instrument appointing a proxy shall be in the form as Form of proxy prescribed in the Rules.

**Proxy to be valid notwithstanding death of the principal**

84. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given. Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

**Board of Directors**

**Board of Directors**

85. Unless otherwise determined by the Company in general meeting, the number of directors shall not be less than 3 (three) and shall not be more than 15(fifteen). However this number can be increased by passing a Special Resolution by the Company.

**Directors not liable to retire by rotation**

86. (1) The Board shall have the power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation.

**One individual may be Chairperson and Managing Director /Chief Executive Officer**

- (2) One individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company.

**Remuneration of directors**

87. (1) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

**Remuneration to require members' consent**

- (2) The remuneration payable to the directors, including any managing or whole-time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act by an ordinary resolution passed by the Company in general meeting.

**Travelling and other expenses**

- (3) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them. (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or (b) in connection with the business of the Company.

**Execution of negotiable instruments**

88. All cheques, promissory notes, drafts, *hundis*, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

**Appointment of additional directors**

89. (1) Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.

**Duration of office of additional director**

- (2) Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.

**Appointment of alternate director**

90. (1) The Board may appoint an alternate director to act for a (hereinafter in this Article called "the Original Director") during his absence for a period of not less than three months from



India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.

**Duration of office of alternate director**

- (2) An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.

**Re-appointment provisions applicable to Original Director**

- (3) If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.

**Appointment of director to fill a casual vacancy**

91. (1) If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board.

**Duration of office of Director appointed to fill casual vacancy**

- (2) The director so appointed shall hold office only upto the date upto which the director in whose place he is appointed would have held office if it had not been vacated.

**Powers of Board**

**General powers of the Company vested in the Board**

92. The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.

**Proceedings of the Board**

**When meeting to be convened**

93. (1) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

**Who may summon Board meeting**

- (2) The Chairperson or any one Director with the previous consent of the Chairperson may, or the company secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board.

**Quorum for Board meetings**

- (3) The quorum for a Board meeting shall be as provided in the Act.

**Participation at Board meetings**

- (4) The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.

**Questions at Board meeting how decided**

94. (1) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

**Casting vote of Chairperson at Board meeting**

- (2) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

**Directors not to act when number falls below minimum**

95. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.

**Who to preside at meetings of the Board**

96. (1) The Chairperson of the Company shall be the Chairperson at meetings of the Board. In his absence, the Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

Directors to elect a Chairperson

- (2) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the directors present may choose one of their members to be Chairperson of the meeting.

**Delegation of powers**

97. (1) The Board may, subject to the provisions of the Act, delegate any of its powers to the Committees consisting of such member or members of its body as it thinks fit.

**Committee to conform to Board regulations**

- (2) Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

**Participation at Committee meetings**

- (3) The participation of directors in a meeting of the Committee may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.

**Chairperson of Committee**

98. (1) A Committee may elect a Chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee.

**Who to preside at meetings of Committee**

- (2) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

**Committee to meet**

99. (1) A Committee may meet and adjourn as it thinks fit.

**Questions at Committee meeting how decided**

- (2) Questions arising at any meeting of a Committee shall be determined by a majority of votes of the members present.

**Casting vote of Chairperson at Committee meeting**

- (3) In case of an equality of votes, the Chairperson of the Committee shall have a second or casting vote.

**Acts of Board or Committee valid notwithstanding defect of appointment**

100. All acts done in any meeting of the Board or of a Committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid,

or that they or any of them were disqualified or that his or their appointment had terminated, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.

#### **Passing of resolution by circulation**

101. Save as otherwise expressly provided in the Act, a resolution in writing, signed, whether manually or by secure electronic mode, by a majority of the members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held.

#### **Chief Executive Officer, Manager, Company Secretary and Chief Financial Officer**

##### **Chief Executive Officer, etc**

102. (a) Subject to the provisions of the Act: A chief executive officer, manager, company secretary and 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 and chief financial officer so appointed may be removed by means of a resolution of the Board; the Board may appoint one or more chief executive officers for its multiple businesses.

##### **Director may be chief executive officer, etc.**

- (b) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

#### **Registers**

##### **Statutory registers**

103. The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.

##### **Foreign register**

104. (a) The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register.
- (b) The foreign register shall be open for inspection and may be closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, *mutatis mutandis*, as is applicable to the register of members.

#### **The Seal**

##### **The seal, its custody and use**

105. (1) The Board shall provide for the safe custody of the seal.

##### **Affixation of seal**

- (2) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorised by it in that behalf, and except in the presence of at least one director or the manager, if any or of the secretary

or such other person as the Board may appoint for the purpose; and such director or manager or the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.

### **Dividends and Reserves**

#### **Company in general meeting may declare dividends**

106. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board but the Company in general meeting may declare a lesser dividend.

#### **Interim dividends**

107. Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit.

#### **Dividends only to be paid out of profits**

108. (1) 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 applied 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, think fit.

#### **Carry forward of profits**

- (2) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

#### **Division of profits**

109. (1) 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.

#### **Payment in advance**

- (2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.

#### **Dividends to be apportioned**

- (3) 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.

#### **No member to receive dividend whilst indebted to the Company and Company's right to reimbursement there from**

110. (1) 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.

#### **Retention of dividends**

- (2) The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.

#### **Dividend how remitted**

111. (1) Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque 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.

**Instrument of payment**

- (2) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

**Discharge to Company**

- (3) Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.

**Receipt of one holder sufficient**

112. 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.

**No interest on dividends**

113. No dividend shall bear interest against the Company.

**Waiver of dividends**

114. The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.

**Accounts**

**Inspection by Directors**

115. (1) The books of account and books and papers of the Company, or any of them, shall be open to the inspection of directors in accordance with the applicable provisions of the Act and the Rules.

**Restriction on inspection by members**

- (2) No member (not being a director) shall have any right of inspecting any books of account or books and papers or document of the Company except as conferred by law or authorised by the Board.

**Winding Up**

**Winding up of company**

116. Subject to the applicable provisions of the Act and the Rules made thereunder:

- (a) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.
- (b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- (c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

## **Indemnity and Insurance**

### **Directors and officers right to indemnity Insurance**

117. (a) Subject to the provisions of the Act, every director, managing director, whole-time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such director, manager, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses.
- (b) Subject as aforesaid, every director, managing director, manager, company secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court. (c) The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

## **General Power**

### **General power**

118. Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

Name of subscriber	Address, description and occupation of the subscriber	No. of equity shares taken by each subscriber	Signature of the subscriber
ANIL CHUNIBHAI SHAH	F/6,Samarpan Flats, Ahmedabad-6 S/o.Shri Chunibhai M.Shah Indian Administrative Service	1 (One)	Sd/- (ANIL C. SHAH)
PAREKH MADHUSUDAN PURSHOTTAMDAS	A-1, Videep Apartments, Navarangpura,Ahmedabad-9 S/o.Purshottamads Parekh Indian Administrative Service	1 (One)	Sd/- (M.P.PAREKH)
GHANSHYAMARY GOVINDRAY DAVE	A-3,Govt, Flats, Behind L.D. Eng.College, Ahmedabad-15 S/o.Govindram kanji Dave Govt.Service	1 (One)	Sd/- (G. G.DAVE)
R.PARTHASARTHY	49/1 Sector 23, Gandhinagar. S/o.Shri K.V.Ramanujam Service	1 (One)	Sd/- (R. PARTHASARTHY)
BAXI KAUSHIKRAY KANTILAL	6/4,Sector 20, Gandhinagar S/o.Kantilal Baxi Service	1 (One)	Sd/- (K.K.BAXI)
SOPARKAR NATVARLAL MOTILAL	B/2.F/4, Mrudul Park, Ahmedabad-15. S/o.Soparkar Motilal Sakarlal Govt.Service	1 (One)	Sd/- (N.M. SOPARKAR)
KAJI JASHVANTLAL MANILAL	Block no. 22/4 GH Near Dena Bank, Sector No. 22 Gandhinagar. S/o Manilal Kashidas Kaji Govt.Service	1 (One)	Sd/- (J.M.KAJI)

I remain witness to all the above signatories.

Sd/- H.G.SHAH,  
69, Sharda Society, Ahmedabad,  
S/o.Chimanlal K.Shah,  
Service.

Dated 1-12-1975.

**IN THE HIGH COURT OF GUJARAT AT AHMEDABAD**  
**(Original jurisdiction)**  
**COMPANY PETITION NO. 18 OF 1986**  
**Connected with**  
**Company Application No. 207 of 1985.**

In the matter of the Companies  
Act, 1956;  
And

In the matter of  
The ATUL PRODUCTS LIMITED  
having its registered office at  
Arvind Asoka Aruna Mills  
Hospital Premises, Naroda Road,  
Ahmedabad - 380 025 ... Petitioner

V/s.  
Gujarat Aromatics Limited  
having its registered office  
at H.K.House, 6th floor,  
Behind Jivabhai Chambers,  
Ashram road, Ahmedabad-9. ... Respondent

**Before the Hon'ble Mr. Justice D. C. Gheewala**

Dated 29th July, 1988

**ORDER ON PETITION**

The above petition coming on for hearing on 29th day of July, 1988 and upon reading the said petition, the order dated 7th November 1985 whereby the petitioner company was ordered to convene a meeting of its equity shareholders for the purpose of considering, and if thought fit, approving with or without modification the Scheme of Amalgamation of the petitioner company with the respondent and arrangement between the respondent company and its members and creditors annexed to the affidavit of Shri V. M. Modi, Secretary of the petitioner company filed on the first day of November, 1985 in support of the judge's summons in Company Application No.207 of 1985, upon reading the Gujarat Government Gazette dated 21st November, 1985 and the issues of "The Times of India" and "Sandesh" both dated 25th November 1985, each containing the advertisement of the said notice convening of the said meeting to be held by the said order dated 7th November, 1985, upon reading the affidavit of the Chairman of the meeting showing the publication and despatch of the notices convening the said meeting, upon reading the report of the Chairman of the said meeting dated 6th January 1986 as to the result of the said meeting that the proposed amalgamation and arrangement have been approved with modification by a majority of not less than three fourths in value of the equity shareholders present and voting in person or by proxy, upon reading the report of the Official Liquidator filed on the 8th day of July 1986 pursuant to Section 394(1) of the Companies Act that the affairs of the petitioner company have not been conducted in a manner prejudicial to the interest of its members or to public interest, upon reading the order dated 25th February, 1988 in Company Application No. 33 of 1988 whereby the petitioner was permitted to amend the petition and the scheme of Amalgamation and Arrangement and directed to public notice in "The Times of India" Ahmedabad edition and "Sandesh" inviting objections against sanctioning the amended Scheme of Amalgamation and Arrangement, upon reading the issues of 'The Times of India' Ahmedabad edition and "Sandesh" both dated 29-2-1988 containing the public notice inviting objections as per the order made in Company Application No. 33 of 1988, upon reading the order dated 13th April, 1987 of Government of India, Ministry of Industries (Department of Company Affairs) according approval to the scheme of Amalgamation of the petitioner company with the respondent company, upon hearing Shri B.R.Shah, advocate for the petitioner company, Shri Akshay H. Mehta,



advocate for the respondent company and upon hearing Mrs. K. A. Mehta counsel for the Central Government, this Court both hereby sanction the scheme of Amalgamation and Arrangement set forth in Annexure 9 (nine) attached to the petition herein and in the schedule annexed hereto and marked as schedule T and both hereby declare the same to be binding on the shareholders and creditors of the petitioner and the respondent companies as also on the said companies.

AND this Court doth hereby further order :

- (A) That the whole of the undertaking of the petitioner company with all the property, investments, rights, powers, privileges and assets specified in the first, second and third part of the Schedule annexed hereto and marked as Schedule 'II' with effect from 1st January, 1985 be transferred without further act or deed to the respondent company and accordingly the same shall, pursuant to Section 394(2) of the Companies Act, 1956, be transferred and vest in the respondent company for all the estate and interest of the petitioner company therein, but subject nevertheless to all the charge now affecting the same.
- (B) That all the liabilities and duties of the petitioner company be transferred to the respondent company without further act or deed and accordingly the same shall, pursuant to section 394(2) of the Companies Act, 1956, be transferred to and become the liabilities and duties of respondent company.
- (C) That all the proceedings now pending by or against the petitioner company be continued by or against the respondent company.
- (D) That the respondent company do without further application allot its equity shares to the equity shareholders of the petitioner company to which they are entitled under Scheme of Amalgamation and Arrangement.
- (E) That a certified copy of this order be delivered to the registrar of Companies within thirty days from the date of order for "registration and on such certified copy being so delivered, the petitioner company be dissolved without winding up, and the Registrar of Companies shall place all documents relating to the petitioner company and registered with him on the file kept by him in relation to the respondent company and the files relating to the said two companies shall be consolidated accordingly; and
- (F) That any person interested shall be at liberty to apply to the court in the above matter for direction that may be necessary.

And this Court further order that the cost of the Central Government shall be paid by the respondent company which is quantified at Rs. 2,000/-.

Schedule I - Scheme of Amalgamation and Arrangement as sanctioned by the court.

Schedule II - Description of the properties of the petitioner company.

#### **SCHEDULE - I**

Scheme, of amalgamation of The Atul Products limited with Gujarat Aromatics Limited an arrangement between Gujarat Aromatics Limited and its Members and Creditors.

#### **Preliminary**

A. In this scheme, unless inconsistent with subject or context, the following expressions shall have the following meanings :-

- (a) "Act" means Companies Act, 1956
- (b) "Appointed Date" means 1st January, 1985
- (c) "GAL" means Gujarat Aromatic Limited
- (d) "Atul" means The Atul Products Limited
- (e) "Effective Date" means the day on which the Scheme becomes effective in accordance with Clause 21 of this Scheme.

- B. The authorised capital of Atul is Rs. 10,00,00,000/- (Rupees ten crores) divided into 7,50,000 equity shares of Rs.100/- each and 2,50,000 shares of Rs. 100/- each. The issued, subscribed and paid-up capital of Atul is Rs. 7,50,00,000 (Rupees seven crores fifty lacs) divided into 7,50,000 equity share of Rs.100/- each.
- C. The authorised capital of GAL is Rs. 4,00,00,000/- (Rupees four crores) divided into 37,50,000 equity shares of Rs. 10/- each and 25,000 cumulative redeemable preference shares of Rs. 100/- each. The issued, subscribed and paid up capital of GAL is Rs. 3,68,60,000/-(Rupees three crores sixty eight lacs sixty thousand only) divided into 35,86,000 equity shares of Rs. 10/- each and 10,000 11% cumulative redeemable preference shares of Rs. 100/- each.
- D. GAL is indebted to the secured creditors mentioned in Clause 1 of the Scheme in the sum of Rs. 6,61,46,447 in aggregate which sum together with interest and charges thereon is still due and owing. GAL is also indebted to the Government of Gujarat in the sum of Rs. 25,00,000 in respect of interest free sales-tax loan. Besides, GAL is indebted to the specified creditors mentioned in clause 4 of the Scheme in the sum of Rs. 1,05,00,000 in aggregate which sum together with interest and charge thereon is still due and owing.
- E. The object of this Scheme is to effect reorganisation of the capital of GAL, make an arrangement for payment of outstanding dues of secured and specified unsecured creditors and effect amalgamation of Atul with GAL.

### SCHEME

#### **Arrangement for payment of outstanding dues of Creditor of GAL:**

1. The secured creditors of GAL are :
- |  |         |
|--|---------|
| (i) Unit Trust of India  | (UTI)   |
| (ii) Industrial Development Bank of India                      | (IDBI)  |
| (iii) Industrial Credit & Investment Corporation of India Ltd. | (ICICI) |
| (iv) Industrial Finance Corp. of India                         | (IFCI)  |
| (v) General Insurance Corp. of India                           | (GIC)   |
| (vi) The New India Assurance Company Ltd.                      | (NIA)   |
| (vii) National Insurance Company Ltd.                          | (NIC)   |
| (viii) Oriental Insurance Company Ltd.                         | (OIC)   |
| (ix) United India Insurance Company Ltd.                       | (UIC)   |

The UTI has given a term loan to GAL by subscribing to debenture issued by GAL. The rest of the secured creditors have advanced loan under respective loan agreements for diverse purposes. All these loans are secured by first mortgage over the immovable properties and hypothecation of movable properties (excepting book debts) belonging to the company. The hypothecation charge is subject to prior charge created in favour of the bankers of GAL. The mortgages and the charges created in favour of the aforesaid creditors inter se rank pari passu.

#### **The outstanding dues of the secured creditors shall be paid as under:**

- (a) The secured creditors shall forgo an waive penal interest/ liquidated damages, compound interest, etc. charge up to June 30,1987;
- (b) Interest already accrued and accruing on principal amount hereafter up to June 30,1989 after waiver mentioned in clause (a) above shall be funded. Out of the interest so funded;
- (i) Interest for the period up to December 31,1986 will remain interest free and will be paid in eight quarterly instalments, the first instalment being payable on March 15, 1996.
- (ii) Interest for the period from January 1, 1987 to June 30, 1989 will be paid in eight quarterly instalments, the first instalment being payable on March 15,1994.

- (c) Funded interest for the period from January 1, 1987 to June 30, 1989 will carry simple interest at the rate of 10% per annum. While such interest accruing up to June 30, 1989 will be separately funded on interest free basis and will be paid in four equal quarterly instalments. The first instalment being payable on March 15, 1997, the interest accruing after June 30, 1989 will be paid every year along with the regular interest payable on the outstanding term loan.
  - (d) The rate of interest on the normal component of the term loan shall be reduced from 11% per annum to 10% per annum with effect from January 1, 1985 whereas the rate of interest on concessional component of the term loan will continue to carry interest at the existing rate of 9.5% per annum.
  - (e) The principal amount of loan will be repaid in fourteen quarterly instalments, the first instalment being payable on September 15, 1990.
  - (f) The term loan shall continue to be secured by first mortgage of immovable properties and hypothecation of movable properties (excepting book debts) of the Division of GAL at Ankleshwar.
2. Under the loan agreements executed in favour of the secured creditors mentioned in Clause above, as also by the Trust Deed executed in respect of debentures, the secured creditors are entitled to convert a portion of the loan amount into equity shares of Rs. 10/- each at par. This right shall stand extinguished and none of the secured creditors shall be entitled to convert the Loan amount of any part thereof into equity shares of GAL.

**Arrangement for the payment of the Outstanding dues of the Specified Unsecured Creditors of GAL ;**

3. The following are the specified unsecured creditors of GAL :

Gujarat Industrial Investment Corp. Ltd. (GIIC)  
 The Aruna Mills Limited.  
 The Arvind Mills Limited.  
 The Asoka Mills Limited.  
 The Raipur manufacturing Co. Ltd.  
 Cibatul Limited.

The said creditors have advanced loans to GAL, The outstanding dues of these creditors shall be paid as follows :

- (a) The specified unsecured creditors shall forego and waive penal interest/liquidated damages, compound interest etc. charged up to June 30, 1987;
- (b) (i) The rate of interest on the loans with effect from January 1, 1985 shall be reduced to 10% per annum for the period up to December 31, 1986.  
 (ii) No interest will be payable on the loans for a period beginning from January 1, 1987 to December 15, 1997. But on and from December 15, 1987, interest will be paid on the principal amount at the rate of 10% per annum.
- (c) Interest already accrued up to December 31, 1986 after waiver as mentioned in Clause (a) above shall be funded and such funded interest shall be repaid in five annual instalments, the first instalment being payable on April 1, 1998. No interest shall be paid on the funded interest.
- (d) The principal amount of loan shall be repaid in five equal annual instalments the first instalment being payable on April 1, 1998.
- (e) The payment of interest on the loans and repayment of loans, funded interest, shall be subordinate to the institutional dues, It is further clarified that the funds brought in by the said creditors and interest charged thereon up to December 31, 1986 will be paid only after

the institutional dues are fully repaid. The funds brought in hereafter and interest thereon will be paid as per the stipulated terms and conditions.

**Waiver of Dividend by preference Shareholder of GAL.**

4. The holder of 11% cumulative redeemable preference shares of Rs. 100/- each, shall forego and waive their right to receive dividends for the period up to December 31, 1984 which has fallen in arrears.

**Reduction and Reorganisation of Share Capital of GAL.**

5. The issued, subscribed and paid-up share capital of GAL shall be reduced from Rs. 3,68,60,000/- equity shares of Rs. 10/- each and 10,000 11% cumulative redeemable preference shares of Rs. 100/- each to Rs. 45,86,000/- divided into 35,86,000 equity shares of Rs. 1/- each and 10,000 11% cumulative redeemable preference shares of Rs. 100/- each, such reduction to be effected by cancelling the capital paid-up to the extent of Rs. 9/- per equity share.
6. Forthwith upon such reduction of capital taking effect, the 35,86,000 equity shares of Rs. 1/- (one) each will be consolidated in such manner that every 10 of such shares shall constitute one share of Rs. 10/- fully paid up.
7. (a) If any member of GAL holds less than or in excess of 10 equity shares or multiples thereof he shall be issued and allotted coupon or certificate representing 1/10th of equity share in GAL credited as fully paid up against each equity share in GAL which may be less than or in excess of 10 equity shares or multiples thereof :  
(b) A coupon or certificate representing a fractional entitlement as aforesaid shall have the following rights and conditions applicable thereto :
  - (i) All the coupons or fractional certificates shall be consolidated into equity shares of Rs. 10/- each of GAL credited as fully paid-up. For this purpose the holder of coupons or fractional certificates representing 1/10th equity share of GAL shall submit the coupons or fractional certificates to GAL on or before the expiry of period of three months from the date of issue thereof or such later date as may be fixed by the Directors of GAL in that behalf alongwith an application in the form prescribed and GAL shall issue and allot one equity share of Rs. 10/- each credited as fully paid up for every lot of 10 coupons or fractional certificates.
  - (ii) Coupons or fractional certificates shall not carry any dividend or any right to receive any dividend or any voting or other rights and shall be transferrable by delivery.

**Amalgamation of Atul with GAL :**

8. The whole undertaking of Atul shall, without any further act or deed, be transferred to and vested in GAL with effect from the appointed date pursuant to the provisions of section 394 of the Act subject to all charges, if any, then effecting the same or any part thereof. For the purpose of this scheme, the undertaking of Atul shall include rights, powers, authorities and privileges and all properties, moveable or immovable, real or personal, corporeal or incorporeal, in possession or reversion, present or contingent or whatsoever nature or wheresoever situate, including leases and tenancy rights and all other interests or rights in or arising out of such property and including all licenses, liberties, patents, trade marks, quota rights held by, applied for or as may be obtained hereafter by Atul or which Atul is entitled to.
9. With effect from the appointed date, all debts, liabilities duties and obligations of the undertaking of Atul be transferred without any further act or deed, and accordingly the same shall stand transferred to GAL pursuant to Section 394(2) of the Act.
10. With effect from the appointed date, Atul shall be deemed to have been carrying on and to be carrying on all business and activities for and on account of GAL until the undertaking of Atul becomes

transferred to and vested in GAL as aforesaid by an Order of the High Court of Gujarat at Ahmedabad or otherwise in accordance with the terms of this Scheme and until this Scheme finally takes effect in accordance with the terms hereof Atul shall carry on the business with utmost prudence and shall not, without the concurrence of GAL alienate, charge or otherwise deal with, during the pendency of this Scheme, the undertaking or any part thereof except in the ordinary course of business or vary the terms and conditions of employment of any of its employees. Profits accruing to Atul or losses arising or incurred by it during the intervening period in between the appointed date and the date on which this Scheme finally takes effect shall, for all purposes, be treated as the profits and losses of GAL as the case may be.

11. Subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature to which Atul is a party, subsisting or having effect immediately before this Scheme becomes finally effective as hereinafter provided, shall be in full force and effect against or in favour of GAL as the case may be and may be enforced as fully and effectively as if, instead of Atul, GAL had been a party thereto.
12. Subject to the other provisions of this scheme, all proceedings by or against Atul, pending on the effective date, shall be continued and enforced by or against GAL as the case may be.
13. GAL will take over all employees of Atul willing to join on the same terms and conditions on which they are employed by Atul without any break or interruption of service.
14. On the Scheme of Amalgamation becoming effective as provided for herein, the name of GAL shall stand changed to "Atul Products Limited".
15. Upon the scheme of Amalgamation becoming effective in consideration of the transfer of the whole of the undertaking of Atul in favour of GAL, under the foregoing Clauses, GAL shall, without further act or deed, issue and allot (against production of such evidence of title or in compliance with such requirement as the Board of Directors of GAL may prescribe) to the members of Atul 10 Equity Shares of the face Value of Rs. 10/- each credited as fully paid-up out of the capital of GAL for one equity share of Rs. 100/- each in the capital of ATUL The equity shares of GAL to be issued and allotted to the shareholders of Atul shall rank pari passu in all respects with the reduced and reorganised equity share capital of GAL. In case Atul declares any dividend for the financial year 1985 during the intervening period between the appointed date and the effective date, the existing shareholders of GAL shall also be paid dividend at the same rate on their reduced share capital i.e. On the footing that reduction of share capital envisaged by the scheme had taken place on 1-1-1985.
16. Upon the scheme finally becoming effective, every member of Atul shall surrender to GAL for cancellation his share certificate(s) in respect of equity shares held by him in Atul, and GAL shall thereupon issue to him certificate(s) or fraction(s) for shares of GAL to which he may be entitled to in terms of this Scheme.
17. Atul and GAL shall, with all reasonable despatch make an application to the High Court of Gujarat at Ahmedabad for sanctioning this Scheme of Amalgamation under section 391 of the Act and for an order or orders under Section 394 thereof for carrying this Scheme into effect and for dissolution of Atul without winding up.
18. Atul (by its Directors) and GAL (by its Directors) may assent to any modification or amendments of this Scheme or of any conditions which the Court may deem fit to approve of or impose and after dissolution of Atul, GAL (by its Directors) shall be authorised to take such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or question whether by reason of any order of the Court or of any directive or order of any other authorities or otherwise howsoever, arising out of, under or by virtue of this Scheme and/or any matters concerned or connected therewith.
19. This Scheme is conditional on and subject to :
  - (a) the requisite sanction or approval, if any of the Controller of Capital Issues under the Capital Issues (Control) Act, 1947 and Monopolies and Restrictive Trade Practices Act, 1969 and

of any other appropriate Authorised concerned being obtained and granted in the matters in respect of which such sanctions or approvals shall be required.

- (b) the approval of the Scheme and agreement to the scheme by the requisite majority of the members of Atul and GAL.
  - (c) the sanction of the High Court of Gujarat at Ahmedabad under Section 391 of the Act and the necessary order or orders under Section 394 of the Act being obtained.
  - (d) it being fully effective in accordance with Section 391 and 394 of the Act; and
  - (e) that the name of GAL is changed to "Atul Products Limited".
20. In the event of the said sanctions and approvals not being obtained or complied with, and of the Scheme not being sanctioned by the Court, and the order or orders not being passed by it as aforesaid, before 31st December, 1986 or within such further period or periods, as any be agreed upon between Atul (by it Directors) and GAL (by its Directors), this Scheme shall become null and void and in that event no rights and liabilities whatsoever shall accrue to or be accrued inter se to the parties.
  21. The Scheme though operative from the appointed date, shall be effective from the day on which certified copies of the orders made by the High Court of Gujarat sanctioning under Section 391 of the Act this Scheme, making necessary orders under Section 394 of the Act and confirming under Section 100 of the Act the reduction of capital provided for in this Scheme, shall have been duly delivered to the Registrar of Companies, Gujarat State, for registration.
  22. All the costs, charges and expenses of Atul and GAL in respect of the negotiations leading up to this Scheme and of carrying out and completing the terms of this Scheme and to the completion if the amalgamation of the said companies in pursuance of this Scheme shall be borne and paid by GAL alone.
  23. On the Scheme becoming effective, the Board of Directors of GAL shall stand dissolved and the Board of Directors of Atul as on that day shall become the Board of Directors of GAL.
  24. On the Scheme becoming effective, the Managing Directors of Atul shall become the Managing Directors of GAL.
  25. On the Scheme becoming finally effective ad taking effect Atul shall be dissolved without winding up.

## SCHEDULE - II

PART I : Short description of the freehold property of the transferor company:-

**(i) Immovable Property :-**

Firstly, all those pieces or parcels of land situate in village Atul (formerly villages Haria, Dived and Parnera) in Taluka Bulsar, District Bulsar, and in village velvach in Taluka Bulsar, District Bulsar, and in villages Pardi, Panchlai and Mota Vaghchhipa in Taluka Pardi, District Bulsar totally admeasuring about 1130 acres (partly acquired and partly purchased as per Table given below:-

	<b>Village</b>	<b>Acres</b>	<b>Gunthas</b>
Nos, Village Atul and for merally villages.	(Haria	117	19 1/2
	(Dived	439	39
	(Parnera	316	36
	Velvach	9	06
	Pardi	194	07 1/2
	Panchlai	6	26
	Mota		
	Vaghchhipa	4	08
Kotars within Atul complex		30	12
Internal roads within Atul Complex		11	30
		1130	24

together with parks Open Air Theater, Play grounds, as also superstructures such as factories, offices, warehouses, godowns, residential quarters, trees etc. standing thereon including the buildings let out to the Banks, Post Office and Telephone Exchange, alongwith fencing. Compound walls and other enclosures and drainage and water supply facilities provided in relation thereto.

Secondly, Office premises situated at third floor, Ashoka chambers, Rasala Marg, Mithakhali Cross Roads, Ellisbridge, Ahmedabad-380 006, allotted by M/s. Ravi Organisers under agreement dated 21st May, 1988.

PART II : Short description of the leasehold/Rental Properties of the transferor company.

All the undermentioned properties taken on lease by the transferor company :

<b>Sr.</b>	<b>Owner</b>	<b>Premises &amp; Locations.</b>
1.	Shantibhai Shah Ahmedabad.	Shop No. 24/53/19., Hirabhai Market, Ahmedabad.
2.	Nila Products Ltd. Bombay.	14, Rupal Apartments, 3rd Floor, 98, Dadasaheb Phalke Road, Dadar, Bombay. 400 010. Ganesh Narayan P.15., India Exchange Place Extn., Brijlal Ltd. Calcutta. Todi Mansion, Calcutta 700 073.
3.	Mr. Maruti R. Kathare,	Plot No.35, Rishikesh Apartments Madras. No. 38 G. N. Chetty Road, T'Nagar, Madras 600 017.
4.	Smt. Panna kamadar,	Flat No. 303, Dhoop Chaon, Bombay. Versova, Bombay.
5.	Dr.(Mrs) S.Deshraj	75, Sundernagar, New Delhi. New Delhi. 110 003.
6.	Land Development Authority, Municipal Corporation of New Delhi.	Plot No.188 situate at Jorbag, New Delhi, on perpetual lease From Delhi Development Authority vide indenture dated 22.7.1966 (on which the company has con structed Bunglow from its funds).

PART III : Special rights, privileges and beneficial interest in respect of immovable properties of the transferor company :

- (i) Right to draw water from River Par under agreement dated 25.9.1950 entered into with erstwhile Government of Bombay;
- (ii) Right to draw water from Kakrapar Canal under agreement dated 29.7.1974 entered into with the State Government of Gujarat.
- (iii) Rights and privilege in respect of railway siding at Atul Railway Station on Western Railway.
- (iv) Right to obtain conveyance of Plot No. 622 situate at G.I.D.C., vapi which is allotted to Shyam Industries, Vapi in consideration of the outstanding dues of the loan advanced to the said concern.

PART IV : Short description of investments and other assets of the company.

**A. (1) Investments made by the transferor Company:**

- (a) 27,787 equity shares of Rs. 100/- each of Hindustan Ciba-Geigy Limited;

- (b) 28,873 equity shares of Rs. 10/- each of Gujarat State Fertilisers Co. Ltd.;
- (c) 1,665 equity shares of the Industrial Credit and Investment Corporation of India Limited;
- (d) 65,000 equity shares of Rs. 100/- each of Cibatul Limited;
- (e) 4,800 equity shares of Rs. 100/- each (Rs. 10 pre share paid up) of Ameer Trading Corporation Limited.
- (f) 15 equity shares of Rs. 1000/- each of Capexil (Agencies) Limited;
- (g) One equity share of Rs. 100/- of Anusandhan Investments Private Limited;
- (h) 800 equity shares of Rs. 10/- each of Aakar Performance Plastics Private Limited;
- (i) Rs. 11,53,000 in Corporate Bonds of Housing Development Finance Corporation Limited.

**(2) In Government securities :**

- (a) 7 years National Saving Certificate of Rs. 2,000/-.
  - (b) 1,89,490 Units of Rs.10/- each of Unit Trust of India.
- A. Rights and benefits of technical know-how agreements/collaboration agreements/Memorandum of Understanding with :
- (a) American Cynamid Co. U.S.A.
  - (b) Ciba-Geigy Limited, Switzerland
  - (c) ACNA Chimea Organica S.P.A., Italy.
  - (d) Imperial Chemical Industries PLC..U.K.
  - (e) Ahmedabad Textile Industries Research Association, Ahmedabad.
- B. Proprietary Rights in-
- (i) Registered Trade Marks;
  - (ii) Patents;
  - (iii) Copy Rights, designs etc.
- C. Concessions :
- (i) Concessions of deferred payment of sales tax under Sales Tax Deferment Scheme as per eligibility certificate No. IC/Extn/S.T. 79/3785 dated 9.11.1983; and exemption certificate No. 47600839/ 118/Vi-chu/228 dated 23-1-1984 granted by the Assistant Commissioner of Sales Tax, Surat.
- D. Privileges.
- Privileges of agreement dated 3-2-1960 and 30-4-1971 entered into with Gujarat Elec, Board for supply of electricity (L.T.&H.T.)
- E. Licences granted by the authorities under Central and State Enactments including:-
- (a) The Factories Act, 1948;
  - (b) Prevention of Food Adulteration Act, 1954.
  - (c) Contract Labour (Regulation & Abolition) Act, 1970
  - (e) Drugs Control Act, 1950
  - (f) Poisons Act, 1919.
  - (g) Explosives Act, 1984.



F. Quota and permits issued under :

- (i) Imports and Exports Control Act, 1975;
- (ii) Essential commodities Act for items like cement, coal, kerosene, alcohol, furnace oil etc. from various Government Authorities.

G. Recognition granted by the Central Government ;

- (i) As Research and Development Laboratory by Department of Science and Technology;
- (ii) As export House by the Controller of Import and Exports.

H. Credit Facilities :

Benefits of credit facilities extended and limits sanctioned by the Banks and financial institution from time to time.

Witness Pulliyangudi Ramayapillai Gokulkrishnan, Esquire, Chief Justice at Ahmedabad aforesaid this 29th day of July One Thousand Nine Hundred and Eighty Eight.

By the order of the Court

Sd/-

A.H.THAKER,

Joint Registrar.

This 20th day of August, 1988.

Order drawn by

Sd/-

B.R.SHAH,

Advocates for the petitioner,

Sd/-

M.C.SHUKLA (Sealer)

This 20th day of August, 1988.

True Copy

For Deputy Registrar,

This 22nd day of August, 1988.



**IN THE HIGH COURT OF GUJARAT AT AHMEDABAD.**

**(Original Jurisdiction)**

**COMPANY PETITION No. 19 OF 1986**

**connected with**

**Company Application No. 209 of 1985**

In the matter of the  
Companies Act, 1956

and

in the matter of

Gujarat Aromatics Ltd.,  
having its registered office at  
H. K. House, 6th floor,  
Behind Jivabhai Chambers.  
Ashram Road,  
Ahmedabad. ...Petitioner

V/s.

The Atul Products Ltd.,  
having its registered office at  
Arvind Ashoka Aruna mills  
Hospital Premises, Naroda Road,  
Ahmedabad-380 025. ...Respondent

**Before the Hon'ble Mr. Justice D.C.Gheewala.**

Dated 29th July 1988.

**ORDER ON PETITION**

The above petition coming on for hearing on 29th day of July, 1988 and upon reading the said petition, the order dated 7th November 1985 whereby the petitioner company was ordered to convene a meeting of its equity and preference shareholders as also its secured and specified creditors for the purpose of considering, and if thought fit, approving with or without modification the Scheme of Amalgamation of the respondent company with the petitioner company and arrangement between the petitioner company and its members and creditors annexed to the affidavit of Shri Jayant T. Shah, Secretary & Finance Manager of the petitioner company filed on the 1st day of November, 1985 in support of the judge's Summons in Company Application No. 209 of 1985, upon reading the Gujarat Government Gazette dated 21st November, 1985 and the issues of "The Indian Express" and "Gujarat Samachar" both dated 25th November 1985, each containing the advertisement of the said notice convening of the said meetings directed to be held by the said order dated 7th November, 1985, upon reading the affidavit of the Chairman of the meeting showing the publication and despatch of the notice convening the said meeting, upon reading the report of the Chairman of the said meetings dated 6th January 1986 as to the result of the said meetings and it appearing from the report that the proposed amalgamation and arrangement have been approved with modification unanimously in the meetings of the equity and preference shareholders as well as in the meetings of the secured

and specified creditors of the petitioner company, upon reading the order dated 25th February, 1988 in Company Application No. 34 of 1988 whereby the petitioner was permitted to amend the petition and the Scheme of Amalgamation and Arrangement and directed to publish notice in "The Times of India" Ahmedabad edition and "Sandesh" inviting objections against sanctioning of the amended Scheme of Amalgamation and Arrangement, upon reading the issues of "The Times of India" Ahmedabad edition and "Sandesh" both dated 29th February, 1988 containing the public notice inviting objections as per the order made in Company Application No. 34 of 1988, upon reading the affidavit of Shri J. T. Shah, Company Secretary of the petitioner company filed on the 16th day of June 1988 enclosing the copies of the letters received from secured and specified creditors agreeing to grant of further concessions, upon reading the order dated 13th April, 1987 of Government of India, Ministry of Industries (Department of Company Affairs) according approval to the Scheme of Amalgamation of the respondent company, with the petitioner company, upon reading Company Application No. 15 of 1986 filled by Gujarat Aromatics Employees' Union, upon hearing Shri Akshay H. Mehta, advocate of the petitioner company, Shri B. R. Shah, advocate for the respondent company and upon hearing Mrs. K. A. Mehta counsel for the Central Government, this Court doth hereby sanction the Scheme of Amalgamation and Arrangement set forth in Annexure '10' attached to the petition and in the annexed hereto and marked as schedule-I' and doth hereby declare the same to be binding on shareholders and creditors of the petitioner and the respondent companies and also on the said companies.

This Court doth hereby further order :

- (A) that the reduction of the share capital of the petitioner company resolved on and affected by the special resolution passed at a General Meeting of the said company held on the 7th day of January 1986. Which resolution was in the words and figures following, viz.
- (1) "Subject to the confirmation by the High Court of Gujarat under Section 100 of the Companies Act, 1956, the issued, subscribed and paid-up equity share capital of the company be reduced from Rs. 3,58,60,000 (Rupees three crores fifty eight lacs sixty thousand only) divided into 35,86,000 (thirty five lacs eighty six thousand) equity shares of Rs. 10/- (Rupees ten only) to Rs. 35,86,000/- (thirty five lacs eighty six thousand.) divided into 35,86,000/- (thirty five lacs eighty six thousand.) equity shares of Re. 1/- (Rupee one only) each and that such reduction be effected by cancelling the capital paid up to the extent of Rs. 9/- (Rupees nine only) per equity share.
  - (2) "Forthwith upon such reduction of capital taking effect 35,86,000 (thirty five lacs eighty six thousand only) equity shares of Re. 1/- (Rupee one only) be consolidated in such manner that every 10 of such shares shall constitute one share of Rs. 10/- each fully paid-up.
  - (3) "The existing certificates of shares be called back and cancelled and in place thereof new certificates of shares be issued in terms of Companies (Issue of Share Certificates) Rules, 1960."
- be and the same is hereby confirmed.
- (B) that the minute set forth in the schedule annexed hereto and marked as Schedule II be and is hereby approved.
- (C) that for approval of the change in name from GUJARAT AROMATICS LIMITED to 'ATUL PRODUCTS LIMITED' the petitioner company shall approach the Registrar of Companies, Gujarat State, under Section 21 of the Companies Act, 1956, latest by 30th September 1988 after complying with the formalities of Section 21 of the Companies Act. 1956.
- (D) that the certified copy of this order alongwith the scheme of Amalgamation of respondent company with the petitioner company and Arrangement between the petitioner company and its members and creditors as also the minute as approved be delivered to the Registrar of Companies within thirty days from this date.

- (E) that notice of the registration by the Registrar of Companies of the order confirming the reduction of capital and of the minute be published once each in the State Government Gazette and in "The Times of India" Ahmedabad edition and "Sandesh" within fourteen days of the registration aforesaid.
- (F) that any person interested shall be at liberty to apply to the Court in the above matter for any direction that may be necessary in regard to the working of the Scheme of Amalgamation and Arrangement.

AND this Court further order that the cost of the Central Government shall be paid by the petitioner company which is quantified at Rs. 2,000/-.

Schedule I — Scheme of Amalgamation and Arrangement as sanctioned by the Court.

Schedule II — Minute as approved by the Court.

### **SCHEDULE - I**

Scheme of Amalgamation of The Atul Products Limited with Gujarat Aromatics Limited and arrangement between Gujarat Aromatics Limited and its Members and Creditors.

#### **Preliminary**

- A. In this scheme, unless inconsistent with subject or context, the following expressions shall have the following meanings :-
- |                      |  |
|----------------------|--|
| (a) "Act"            | means Companies Act, 1956  |
| (b) "Appointed Date" | means 1st January, 1985  |
| (c) "GAL"            | means Gujarat Aromatics Limited  |
| (d) "Atul"           | means The Atul Products Limited  |
| (e) "Effective Date" | means the day on which the Scheme becomes effective in accordance with Clause 21 of this Scheme. |
- B. The authorised capital of Atul is Rs. 10,00,00,000/- (Rupees ten crores) divided into 7,50,000 equity shares of Rs. 100/- each and 2,50,000 shares of Rs. 100/- each. The issued subscribed and paid-up capital of Atul is Rs. 7,50,00,000 (Rupees seven crores fifty lacs) divided into 7,50,000 equity shares of Rs. 100/- each.
- C. The authorised capital of GAL is Rs. 4,00,00,000/- (Rupees four crores) divided into 37,50,000 equity shares of Rs. 10/- each and 25,000 cumulative redeemable preference shares of Rs. 100/- each. The issued subscribed and paid up capital of GAL is Rs. 3,68,60,000/- (Rupees three crores sixty eight lacs sixty thousand only) divided into 35,86,000 equity shares of Rs. 10/- each and 10,000 11% cumulative redeemable preference shares of Rs. 100/- each.
- D. GAL is indebted to the secured creditors mentioned in Clause 1 of the Scheme in the sum of Rs. 6,61,46,447 in aggregate which sum together with interest and charges thereon is still due and owing. GAL is also indebted to the Government of Gujarat in the sum of Rs. 25,00,000 in respect of interest free sales-tax loan.
- Besides GAL is indebted to the specified creditors mentioned in Clause 4 of the Scheme in the sum of Rs. 1,05,00,000 in aggregate which sum together with interest and charges thereon is still due and owing.
- E. The object of this Scheme is to effect reorganisation of the capital of GAL, make an arrangement for payment of outstanding dues of secured and specified unsecured creditors and effect amalgamation of Atul with GAL.

## SCHEME

### Arrangement for payment of outstanding dues of Creditors of GAL:

1. The secured creditors of GAL are :
- |        |  |         |
|--------|--|---------|
| (i)    | Unit Trust of India                                      | (UTI)   |
| (ii)   | Industrial Development Bank of India                     | (IDBI)  |
| (iir)  | Industrial Credit & Investment Corporation of India Ltd. | (ICICI) |
| (iv)   | Industrial Finance Corp. of India                        | (IFCI)  |
| (v)    | General Insurance Corp. of India                         | (GIC)   |
| (vi)   | The New India Assurance Company Ltd.                     | (NIA)   |
| (vii)  | National Insurance Company Ltd.                          | (NIC)   |
| (viii) | Oriental Insurance Company Ltd.                          | (OIC)   |
| (ix)   | United India Insurance Company Ltd.                      | (UIC)   |

The UTI has given a term loan to GAL by subscribing to debentures issued by GAL. The rest of the secured creditors have advanced loans under respective loan agreements for diverse purposes. All these loans are secured by first mortgage over the immovable properties and hypothecation of movable properties (excepting book debts) belonging to the Company. The hypothecation charge is subject to prior charge created in favour of the banks of GAL. The mortgages and the charges created in favour of the aforesaid creditors inter se rank pari passu.

### The outstanding dues of the secured creditors shall be paid as under:

- (a) The secured creditors shall forego an waive penal interest/ liquidated damages, compound interest, etc. charged upto June 30,1987;
- (b) Interest already accrued and accruing on principal amount hereafter upto June 30,1989 after waiver mentioned in clause (a) above shall be funded. Out of the interest so funded;
- (i) Interest for the period upto December 31,1986 will remain interest free and will be paid in eight quarterly instalments, the first instalment being payable on March 15, 1996.
- (ii) Interest for the period from January 1, 1987 to June 30, 1989 will be paid in eight quarterly instalments, the first instalment being payable on March 15,1994.
- (c) Funded interest for the period from January 1, 1987 to June 30, 1989 will carry simple interest at the rate of 10% per annum. While such interest accruing upto June 30, 1989 will be separately funded on interest free basis and will be paid in four equal quarterly instalments. The first instalment being payable on March 15,1997, the interest accruing after June 30, 1989 will be paid every year along with the regular interest payable on the outstanding term loan.
- (d) The rate of interest on the normal component of the term loan shall be reduced from 11% per annum to 10% per annum with effect January 1, 1985 whereas the rate of interest on concessional component of the term loan will continue to carry interest at the existing rate of 9.5% per annum.
- (e) The principal amount of loan will be repaid in fourteen quarterly instalments, the first instalment being payable on September 15, 1990.
- (f) The term loan shall continue to be secured by first mortgage of immovable properties and hypothecation of movable properties (excepting book debts) of the Division of GAL at Ankleshwar.
2. Under the loan agreements executed in favour of the secured creditors mentioned in Clause above, as also by the Trust Deed executed in respect of debentures, the secured creditors are entitled to convert a portion of the loan amount into equity shares of Rs. 10/- each at par. This right shall stand extinguished and none of the secured creditors shall be entitled to convert the loan amount or any part thereof into equity shares of GAL.

**Arrangement for the payment of the Outstanding dues of the Specified Unsecured Creditors of GAL :-**

3. The following are the specified unsecured creditors of GAL :

Gujarat Industrial Investment Corpn. Ltd. (GIIC)  
The Aruna Mills Limited.  
The Arvind Mills Limited.  
The Asoka Mills Limited.  
The Raipur manufacturing Co. Ltd.  
Cibutul Limited.

The said creditors have advanced loans to Gal, The outstanding dues of these creditors shall be paid as follows :

- (a) The specified unsecured creditors shall forego and waive penal interest/ liquidated damages, compound interest etc. charged upto June 30, 1987;
- (b) (i) The rate of interest on the loans with effect from January 1, 1985 shall be reduced to 10% per annum for the period upto December 31, 1986.  
(ii) No interest will be payable on the loans for a period beginning from January 1, 1987 to December 15, 1987. But on and from December 15, 1987, interest will be paid on the principal amount at the rate of 10% per annum.
- (c) Interest already accrued upto December 31, 1986 after waiver as mentioned in clause (a) above shall be funded and such funded interest shall be repaid in five annual instalments, the first instalment being payable on April 1, 1988. No interest shall be paid on the funded interest.
- (d) The principal amount of loan shall be repaid in five equal annual instalments the first instalment being payable on April 1, 1988.
- (e) The payment of interest on the loans and repayment of loans, funded interest, shall be subordinate to the institutional dues. It is further clarified that the funds brought in by the said creditors and interest charged thereon upto December 31, 1986 will be paid only after the institutional dues are fully repaid. The funds brought in hereafter and interest thereon will be paid as per the stipulated terms and conditions.

**Waiver of Dividend by preference shareholder of GAL.**

4. The holders of 11% cumulative redeemable preference shares of Rs. 100/- each shall forego and waive their right to receive dividends for the period upto December 31, 1984 which has fallen in arrears.

**Reduction and Reorganisation of Share Capital of GAL.**

5. The issued, subscribed and paid-up share capital of GAL shall be reduced from Rs. 3,68,60,000/- divided into 35,86,000 equity shares of Rs. 10/- each and 10,000 11% cumulative redeemable preference shares of Rs. 100/- each to Rs. 45,86,000/- divided into 35,86,000 equity shares of Rs. 1/- each and 10,000 11% cumulative redeemable preferences shares of Rs. 100/- each, such reduction to be effected by cancelling the capital paid-up to the extent of Rs. 9/- per equity share.
6. Forthwith upon such reduction of capital taking effect, the 35,86,000 equity shares of Rs. 1/- (one) each will be consolidated in such manner that every 10 of such shares shall constitute one shares of Rs. 10/- fully paid up.
7. (a) If any member of GAL holds less than or in excess of 10 equity shares or multiples thereof, he shall be issued and allotted coupon or certificate representing 1/10th of equity share in GAL credited as fully paid up against each equity share in GAL which may be less than or in excess of 10 equity shares or multiples thereof :

- (b) A coupon or certificate representing a fractional entitlement as aforesaid shall have the following rights and conditions applicable thereto :
- (i) All the coupons or fractional certificates shall be consolidated into equity shares of Rs. 10/- each of GAL credited as fully paid-up. For this purpose the holder of coupons or fractional certificates representing 1/10th equity share of GAL shall submit the coupons or fractional certificates of GAL on or before the expiry of period of three months from the date of issue thereof or such later date as may be fixed by the Directors of GAL in that behalf alongwith an application in the form prescribed and GAL shall issue and allot 1 equity share of Rs.10/-each credited as fully paid up for every lot of 10 coupons or fractional certificates.
  - (ii) Coupons or fractional certificates shall not carry any dividend or any right to receive any dividend or any voting or other rights and shall be transferrable by delivery.

**Amalgamating of Atul with GAL :**

8. The whole undertaking of Atul shall, without any further act or deed, be transferred to and vested in GAL with effect from the pointed date pursuant to the provisions of section 394 of the Act subject to all charges, if any, then effecting the same or any part thereof. For the purpose of this scheme, the undertaking of Atul shall include rights, powers, authorities an privileges and all properties, moveable or immovable, real or personal, corporeal or incorporeal, in possession or reversion, present or contingent or whatsoever nature or wheresoever situate, including leases and tenancy rights and all other interests or rights in or arising out of such property and including all licenses, liberties, patents, trade marks, quota rights held by, applied for or as may be obtained hereafter by Atul or which Atul is entitled to.
9. With effect from the appointed date, all debts, liabilities duties and obligations of the undertaking of Atul be transferred without any further act or deed, and accordingly the same shall stand transferred to GAL pursuant to Section 394(2) of the Act.
10. With effect from the appointed date, Atul shall be deemed to have been carrying on and to be carrying on all business and activities for and on account of GAL until the undertaking of Atul become transferred to and vested in GAL as aforesaid by an order of the High Court of Gujarat at Ahmedabad or otherwise in accordance with the terms of this Scheme and until this Scheme finally takes effect in accordance with the terms hereof Atul shall carry on the business with utmost prudence and shall not, without the concurrence of GAL alienate, charges or otherwise deal with, during the pendency of this Scheme, the undertaking or any part thereof except in the ordinary course of business or vary the terms and conditions of employment of any of its employees. Profits accruing to Atul or losses arising or incurred by it during the intervening period in between the appointed date and the date on which this scheme finally takes effect shall, for all purposes, be treated as the profits and losses of GAL as the case may be.
11. Subject to the other provisions of the scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature to which Atul is a party, subsisting or having effect immediately before this Scheme becomes finally effective as hereinafter provided, shall be in full force and effect against or in favour of GAL as the case may be and may be enforced as fully and effectively as if, instead of Atul, GAL had been a party thereto.
12. Subject to the other provisions of this scheme, all proceedings by or against Atul, pending the effecting date, shall be continued and enforced by or against GAL as the case may be.
13. GAL will take over all employees of Atul willing to join on the same terms and conditions on which they are employed by Atul without any break or interruption of service.
14. On the Scheme of Amalgamation becoming effective as provided for herein, the name of GAL shall stand changed to "Atul Products Limited".
15. Upon the scheme of Amalgamation becoming effective in consideration of the transfer of the whole of the undertaking of Atul in favour of GAL, under the foregoing Clauses, GAL shall, without further

act or deed, issue and allot (against production of such evidence of title or on compliance with such requirement as the Board of Directors of GAL may prescribe) to the members of Atul 10 Equity Shares of the face Value of Rs. 10/- each credited as fully paid-up out of the capital of GAL for one equity share of Rs. 100/- each in the capital of AM. The equity shares of GAL to be issued allotted to the shareholders of Atul shall rank pari passu in all respects with the reduced and reorganised equity share capital of GAL. In case Atul declares any dividend for the financial year 1985 during the intervening period between the appointed date and the effective date, the existing shareholders of GAL shall also be paid dividend at the same rate on their reduced share capital i.e. on the footing that reduction of share capital envisaged by the scheme had taken place on 1-1-1985.

16. Upon the scheme finally becoming effective, every member of Atul shall surrender to GAL for cancellation his share certificate(s) in respect of equity shares held by him in Atul, and GAL shall thereupon issue to him certificate(s) or fraction(s) for shares of GAL to which he may be entitled to in terms of this scheme.
17. Atul and GAL shall, with all reasonable despatch make an application to the High Court of Gujarat at Ahmedabad for sanctioning this Scheme of Amalgamation under Section 391 of the Act and for an order or orders under Section 394 thereof for carrying this Scheme into effect and for dissolution of Atul without winding up.
18. Atul (by its Directors) and GAL (by its Directors) may assent to any modification or amendments of this Scheme or of any conditions which the Court may deem fit to approve of or impose and after dissolution of Atul, GAL (by its Directors) shall be 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 authorities or otherwise howsoever, arising out of, under or by virtue of this Scheme and/or any matters concerned or connected therewith.
19. This Scheme is conditional on and subject to :
  - (a) the requisite sanction or approval, if any of the Controller of Capital Issue under the Capital Issues (Control) Act, 1947 and Monopolies and Restrictive Trade Practices Act, 1969 and of any other appropriate Authorities concerned being obtained and granted in the matters in respect of which such sanctions or approvals shall be required.
  - (b) the approval of the Scheme and agreement to the scheme by the requisite majority of the members of Atul and GAL.
  - (c) the sanction of the High Court of Gujarat at Ahmedabad under Section 391 of the Act and to the necessary order or orders under Section 394 of the Act being obtained.
  - (d) It being fully effective in accordance with Section 391 and 394 of the Act; and
  - (e) that the name of GAL is changed to "Atul Products Limited".
20. In the event of the said sanctions and approvals not being obtained or complied with, and of the Scheme not being sanctioned by the Court, and the order or orders not being passed by it as aforesaid, before 31st December, 1986 or within such further period or periods, as any be agreed upon between Atul (by its Directors) and GAL (by its Directors), this Scheme shall become null and void and in that event no rights and liabilities whatsoever shall accrue to or be accrued inter se to the parties.
21. The Scheme though operative from the appointed date, shall be effective from the date on which certified copies of the orders made by the High Court of Gujarat sanctioning under Section 391 of Act this Scheme, making necessary orders under Section 394 of the Act and confirming under Section 100 of the Act the reduction of capital provided for in this Scheme, shall have been duly delivered to the Registrar of Companies, Gujarat State, for registration.
22. All the costs, charges and expenses of Atul and GAL in respect of the negotiations leading upto this Scheme and of carrying out and completing the terms of this Scheme and to the completion of this amalgamation of the said companies in pursuance of this Scheme shall be borne and paid by GAL alone.



23. On the Scheme becoming effective, the Board of Directors of GAL shall stand dissolved and the Board of Directors of Atul as on that day shall become the Board of Directors of GAL.
24. On the Scheme becoming effective, the Managing Directors of Atul shall become the Managing Directors of GAL.
25. On the Scheme becoming finally effective and taking effect Atul shall be dissolved without winding up.

#### SCHEDULE-II

'The issued, subscribed and paid up share Capital of Gujarat Aromatics Limited was by virtue of a special resolution of the company and confirmation given by the High Court of Gujarat of 29th day of July 1988 reduced from Rs. 3,58,60,000/- (Rupees three crores fifty eight lacs sixty thousand only) divided into 35,86,000 (thirty five lacs eighty six thousand) equity shares of Rs. 10/- (Rupees ten only) each and 10,000 (ten thousand only) 11% cumulative redeemable preference shares of Rs.100/- (Rupees one hundred only) each to Rs. 45,86,000/- (Rupees forty five lacs eighty six thousand) divided into 35,86,000 (Thirty five lacs eighty six thousand) equity shares of Rs. 1/- (Rupee one only) and 10,000 (Ten thousand only) 11% cumulative redeemable preference shares of Rs. 100/- (Rupees one hundred only) each. At the date of registration of this minute all the said equity shares of Rs. 1/- (Rupees one only) each 11% cumulative redeemable preference shares of Rs. 100/- (Rupee one hundred only) each had been issued and were deemed to be fully paid up and 1,64,000 (one lac. Sixty four thousand) equity shares of Rs. 10/- (Rupees ten only) each and 15,000 (fifteen thousand) cumulative redeemable preference shares of Rs.100/- (Rupees one hundred only)each were unissued. A special resolution of the company has been passed to the effect that upon the said reduction of the capital taking effect, the said 35,86,000 equity shares of Rs.1/- each be consolidated in such manner that every 10 such shares shall constitute one share of Rs.10/-(Rupees ten only) each fully paid-up."

Witness Pulliyangudi Ramayapilliai Gokulkrishnan, Esquire, Chief Justice at ahmedabad aforesaid this 29th day of July, One Thousand Nine hundred Eighty Eight.

By the order of the court.

Sd/-

A. H. THAKER  
Joint Registrar.

This 20th day of August, 1988.

Order drawn by

SHILPA SHAH

for

AKSHAY H. MEHTA  
Advocate for the petitioner.

Sd/-

M.C.SHUKLA,  
(Sealer)

This 20th day of August, 1988.



**IN THE HIGH COURT OF GUJARAT AT AHMEDABAD  
(ORIGINAL JURISDICTION)**

**Company Petition No. 18 of 1986  
Connected with  
Company Application No. 207 of 1985  
with  
Company Petition No. 19 of 1986  
Connected with  
Company Application No. 209 of 1985**

In the matter of the  
Companies Act, 1956

And

In the matter of:-

The Atul Products Limited  
having its registered office at  
Arvind Asoka Aruna mills  
hospital Premises Near  
Asoka Mill Ltd., Naroda Road,  
Ahmedabad.

Petitioner in  
Co. Petition No. 18/86

Versus

Gujarat Aromatics Limited  
having its registered office  
at H. K. House, 6th floor,  
Behind Jivabhai Chambers,  
Ashram Road, Ahmedabad-380 009

Respondent in  
Co. Petition No. 18/86.

Gujarat Aromatics Limited,  
Ahmedabad.

Petitioner in  
Co. Petition No. 19/86.

The Atul Products Limited,  
Ahmedabad.

Respondent in  
Co. Petition No. 19/86.

Judgement received on 10.8.1988  
Title Prepared on 11.8.1988

Mr. B. R. Shah Advocate for the Petitioner  
in Company Petition no. 18/86.

Mrs. K. A. Mehta Advocate for the Central Government  
Mr. Akshay H. Mehta Advocate for the petitioner in  
company Petition no. 19/86.

Mrs. K. A. Mehta Advocate for Central Government.  
Coram :- D. C. Gheewala. J  
( 29.7.1988)

**CAV JUDGEMENT**

1. The present petition filed U/s. 391 read with Section 394 of the Companies Act Seek to obtain sanction of the court to the Scheme of Amalgamation of the Atul Products Ltd.(ATUL) with Gujarat

Aromatics Ltd., and its members and creditors and also to obtain confirmation of reduction of equity share capital of Gujarat Aromatics Ltd. For the sake of convenience, hereinafter Atul product shall be referred to as the transferor Company and Gujarat Aromatics Ltd., shall be referred to as transferee Company. The transferor Company namely, Atul Products was incorporated on 5th September, 1948 and the registered office thereof is situated at Arvind Asoka Aruna mills Hospital Premises, Near Asoka Mills Ltd., Naroda Road, Ahmedabad. The authorised capital of the Atul Products is Rs. 10,00,00,000/- (Rupees ten crores) divided into 7,50,000/- equity shares of Rs.100/- (Rupees one hundred) each and 2,50,000 unclassified shares of Rs.100/- each. The issued subscribed and paid up capital of the Atul Products Ltd. is Rs. 7,50,00,000/- (Rupees Seven crores fifty lakhs) divided into 7,50,000 equity shares of Rs.100/- each. The objects of the Company are set out in the Memorandum and Articles of Association. The main objects thereof are to produce, manufacture, use, buy or otherwise acquire, sell, distribute deal in and dispose of chemicals and chemical products of every nature. It has been carrying on business of manufacturing dyes, dyes intermediates, heavy organic chemicals, pharmaceuticals etc. It is marketing its products under its trade name 'ATUL' which has acquired a goodwill and reputation for its products. Its annual turn over has increased from Rs. 30 crores in the year 1975 to Rs. 93 crores in the year 1985.

2. The transferee company, i.e. Gujarat Aromatic Ltd., was incorporated on 11th December, 1975 and its registered office is at H. K. House, 6th floor, Behind Jivabhai chambers, Ashram Road. Ahmedabad-380 009. The authorised capital of the said company is Rs.4,00,00,000/- (Rupees four crores) divided into 37,50,000 equity shares of Rs. 10/- each and 25,000 cumulative redeemable preference shares of Rs. 100/- each. The issued, subscribed and paid up capital of the transferee company is Rs.3,68,60,000/- divided into 35,86,000 equity shares of Rs. 10/- each and 10,000 11% cumulative redeemable preference shares of Rs.100/- each. The objects of the said Company are set out in the Memorandum and Articles of the Association and the main objects of the company were to manufacture, synthesize, produce prepare, extract, process and finish, manipulate, improve, treat, preserve, reduce, render merchantable, import, export buy, sell install, estimate, transport, refine, store and generally carry on the business or deal or traffic in cresols, phenols and naphthols. The company is carrying on business of manufacturing synthetic cresols and other basic organic chemicals. However, right from the inception the transferee Company was facing difficulties and has been in doldrums As a consequence thereof. It has been incurring losses year after year and as on 31st December, 1985 its accumulated book losses were to the tune of Rs. 757 lakhs as against the paid up capital of Rs. 368.41 lakhs. The substratum of the said Company in knocked out and it has ceased to be a financially viable undertaking. The transferee company is outcome of the joint efforts of the public and private sectors. The Government of Gujarat and Financial Institutions have contributed Rs. 93 lakhs toward the capital of the company. Besides the financial institutions have advanced loans to the extent of Rs. 715 lakhs to the Company. The public companies in private sector have contributed Rs. 90 lakhs towards the share capital and have made advances to the tune of Rs. 51 lakhs to the Company. The contributions of the members of the public in the share capital of the Company is to the extent of Rs. 81 lakhs. Therefore, it is but natural that the closure of the undertaking of the Company will have ramifications on public exchequer, financial institutions etc. In order that it may not have to close down, the transferee company was exploring the possibility of collaboration with big industrial units and ultimately the transferor company, namely, Atul Products was approached. On careful consideration of various alternatives, Board of Directors of the two Companies came to a conclusion that Amalgamation of the two companies coupled with there-organization of the capital structure of the Gujarat Aromatics Ltd. and rescheduling of the instalments payable to the financial institutions might go a long way towards revival of the sick undertaking of the Gujarat Aromatics Ltd. It was also thought that it might offer additional business opportunities to the transferor company, namely, Atul Products.
3. As a result of the said decision by the respective Board of Directors, a Scheme of Amalgamation as per annexure-5 attached to the petition was prepared and proposed.
4. A judge's summons for directions in Company Application No. 2077 85 seeking Court's directions for convening a meeting of the equity shareholders of transferor company for consideration of the scheme of Amalgamation was taken out and by order dated 9th November, 1985 the transferor Company was directed to convene a meeting of Equity Shareholders for approving with or without modification of the Scheme of Amalgamation. Notices for the meetings were sent accordingly. Similar judge's Summons

for seeking Court's direction for convening meeting of secured and specified creditors, Preference and Equity Shareholders of the transferee company was also taken out in Company Application No. 209/85. The meetings were accordingly convened. The Scheme of Amalgamation with minor amendments and modifications was approved unanimously in meetings of the Creditors and Shareholders of Transferee Company. In the meeting of the Equity Shareholders of Transferor Company also the Scheme was duly approved by overwhelming majority where over 96% shareholders were present in person or by proxy representing 99% in value voted in favour of the scheme.

5. It is alleged that the transferor and the transferee Companies are interconnected with each other, that both the transferor and transferee companies manufacture heavy organic and inorganic chemicals, sodium sulphate, an item of basic heavy inorganic chemicals enumerated in subgroup 310.1 (c), Group 310, of Major Group No. 310 of the Schedule annexed to the M.R.T.P. (Classification of Goods) Act, 1971. It is also their case that neither the transferor nor the transferee Company is a dominant undertaking and as a result of amalgamation of the transferor company with the transferee company no undertaking to which clause (a) or clause (b) of Section 20 of the M.R.T.P. Act would apply, will come into existence. That no approval of the Central Government as envisaged by sub-section (1) of section 23 of the M.R.T.P. Act. Is required. It would become necessary to go into this aspect of the matter but for the fact that on an applications made by the transferor and transferee companies, by way of abundant caution, the Central Government has already sanctioned the scheme of Amalgamation and Arrangement, vide its order dated 13.4.1987 produced at Annexure-10 attached to Company Petition No. 18 of 1986 and Annexure 11 attached to Company petition No. 19 of 1986. That apart, Mrs. Mehta, counsel for the Central Government has made a categorical statement that the Central Government has no objection against sanctioning of the scheme of Amalgamation and Arrangement by this Hon'ble Court.
6. The parameters of the Scheme appears to have undergone a change after filing of the company petitions. It was felt that the tax benefits which were likely to accrue on the amalgamation of the transferor Company with the transferee Company would now stand reduced by Rs. 239 lacs. The performance of the transferee Company also further declined and as against the estimated cash loss of Rs.104 lacs, it incurred cash loss to the tune of Rs. 183 lacs during the financial year 1985-86. The transferor company therefore approached the Industrial Development Bank of India (IDBI) a lead financial institution, for further concessions and reliefs, vide its letter dated 24.6.1987. IDBI favorably responded and granted further concessions as enumerated in its letter dated 23.11.1987 subject to the condition that similar reliefs/concessions will be granted by other concerned institutions. This Condition is duly complied with as it is evident from the affidavit of Shri J.T.Shah, Company Secretary of the Transferee Company filed in Company petition No.19 of 1986. In view of this development both the Company petitions and the Scheme of Amalgamation and Arrangement have been amended by obtaining the Hon'ble Court's permission in Company Application Nos. 33 and 34 of 1988. The final Scheme incorporating the modifications made at the meeting of the shareholders and creditors of the transferee Company and at the meeting of the share-holders of the transferor Company, as also further concessions and reliefs offered by the secured and the specified unsecured creditors of the transferor company is produced at Annexure-9 attached to Company Petition No.18 of 1986 and Annexure-10 attached to Company Petition No.19 of 1986. The Court's sanction is sought to this Scheme of Amalgamation and Arrangement.
7. On the presentation of the Company petitions before the Hon'ble Court, notices of the date fixed for the hearing of the petitions were advertised in the newspapers. In view of the amendments carried out in the scheme of Amalgamation and Arrangement, separate notices inviting objections against granting sanction to the amended scheme of Amalgamation and Arrangement were published in the Times of India' and 'Sandesh'. Barring Gujarat Aromatics Employees' Union, none has come forward raising any objections against sanctioning of the Scheme of Amalgamation and Arrangement by the Court in response to these notices. The grievance of the Gujarat Aromatics Employees Union is that the amalgamation will have adverse implications in the interest of the employees of the Transferee Company. This grievance appears to be unfounded having regard to the fact that no arrangement is offered to the employees of the transferee Company by the Scheme of Amalgamation and arrangement. Their terms and conditions of service will remain unaltered as they are today even after the amalgamation of the transferor company with the transferee company. As such, there is no merit in the objection raised by the Gujarat Aromatics Employees' Union.

8. While sanctioning a scheme such as the present one, a duty is cast upon the Court to find out as to whether all the statutory requirements have been complied with, but merely because the statutory requirements have been complied with, the sanction of the Court would not automatically follow. A duty is cast upon the Court to find out as to whether the proposed scheme is for the benefit of the Company as a whole. The Court is not supposed to set its seal upon a decision of the majority and while the Court is not supposed to scrutinise the scheme with a fine tooth-comb to find out flaws and then to view them through a magnifying glass, the Court must be satisfied before the sanction is accorded that the majority vote was honestly obtained, that the majority acted honestly, that no financial or arithmetical jugglery was perpetrated either upon the creditors or upon the shareholders to cajole them or coax them for voting in favour of the Scheme. However, the Scheme is not to be scrutinised by the Court with the eye of an expert, or with the exactness of an Accountant but if the scheme is broadly speaking calculated to benefit the Company as a whole it would be entitled to the sanction of the Court.
9. In the instant case it is obvious that by the reason of its liabilities and losses, the undertaking of the transferee Company has ceased to be financially viable. The plant of the transferee Company is versatile and with certain modifications in the plant it is possible to produce cresols of different grades. On its own the transferee Company is not in a position to exploit this potential since it does not possess necessary technical knowhow, network of marketing organisation and can not raise requisite finance. Efforts made for collaboration with G.N.F.C. and Hindustan Lever have not yielded any result. The undertaking of the transferee Company is on the verge, of collapse. The closure of the undertaking of the transferee Company will have serious implication of public exchequer, financial institutions, State Government and other creditors and shareholders of the transferee Company apart from on its employees. It is felt that if a prosperous and healthy undertaking of the transferor company merges with the transferee Company, the new company will derive substantial tax benefits on account of the accumulated losses and unabsorbed depreciation of the transferee Company. These tax benefits coupled with the measured like reduction of share capital by cancellation of the paid up capital of the transferee Company to the extent of Rs. 9/- per equity share and the diverse concessions and reliefs granted by the financial institutions and specified unsecured creditors of the transferee Company would go a long way in reviving the sick undertaking of the transferee Company. The approval of the scheme by the financial institutions, Government of Gujarat and specified unsecured creditors is a weighty factor in favour of granting sanction to the Scheme of Amalgamation and Arrangement. It hardly needs to be emphasised that these bodies are well informed, they scrutinise the Scheme with an expert's eye. They would not have approved the Scheme unless they were convinced that the Scheme would revive the undertaking of the transferee Company. The Central Government has also accorded its sanction to the Scheme of Amalgamation under Section 23 of the M.R.T.P. Act on being satisfied that the proposed Scheme of Amalgamation of the transferor Company with the transferee Company is in public interest. The Official Liquidator has on the scrutiny of the Books and papers of the Transferor Company made a report as per second proviso to Sec. 394 (1) of the Companies Act that the affairs of the Transferor Company have not been conducted in a manner prejudicial to the interest of its members or to public interest. The Scheme of Amalgamation and Arrangement is approved unanimously by the shareholders secured and specified unsecured creditors of the transferee Company and by overwhelming majority of the equity shareholders of the transferor Company. There is nothing to suggest that these persons have not acted bonafide or have been influenced by extraneous considerations. Thus on overall consideration of the facts and circumstances of the case, I am satisfied that the Scheme of Amalgamation and Arrangement will facilitate the rehabilitation or revival of the sick undertaking of the transferee Company.
10. The petitioner in Company petition No. 19 of 1986 has inter-alia prayed for a direction that its name be changed from Gujarat Aromatics Limited to ATUL PRODUCTS LIMITED. This is outside the purview of the Court's jurisdiction, Section 21 of the Companies Act enables a Company to change its name by making proper special resolution in that behalf with the approval of the Central Government, I am informed that this power under Section 23 to grant approval of the Central Government has been delegated to the Registrar of Companies, Gujarat State. I am sure that when an application comes to be made to the Registrar of Companies after complying with the formalities of Section 21 of the Companies Act, 1956, the Registrar of Companies would consider it favorably having regard to the fact that amalgamation of transferor company with the transferee company is in larger public interests and that it is subject to a specific condition that name of the transferee Company shall

be changed to 'ATUL PRODUCTS LIMITED'. The transferee Company is therefore directed to obtain necessary approval of the Registrar of Companies Gujarat State, under Section 21 of the Companies Act, 1956.

11. For the reasons stated aforesaid, therefore, the scheme of Amalgamation of the transferor Company with the transferee Company and Arrangement between the transferee Company and its members and creditors as per Annexure-9 attached to Company petition No. 18 of 1986 and Annexure-10 attached to Company petition No.19 of 1986 is hereby sanctioned, subject to the condition that the 'transferee Company shall make an application for approval of the change in name from Gujarat Aromatics Limited to ATUL PRODUCTS LIMITED under Section 21 of the Companies Act latest by 30th September 1988. Accordingly, prayers (a) to (g) of para 31 of Company Petition No. 18 of 1986 and prayers (a), (b) and (c) of para 43 of Company Petition No. 19 of 1986 are granted. So far as prayer (d) of para 43 of Company Petition No. 19 of 1986 is concerned, the transferee Company will abide by the direction given above and take necessary steps as envisaged by Section 21 of the Companies Act, 1956. Costs of the Central Government shall be paid by the Gujarat Aromatics Ltd. in both the matters and costs in each matter is quantified at Rs. 2000/-.



BY ORDER OF THE COURT

Sd/-

A. H. THAKAR.  
Joint Registrar

This 19th day of August, 1988

True Copy

For Deputy Registrar

The 22nd Day of August, 1988

**IN THE HIGH COURT OF GUJARAT AT AHMEDABAD  
(ORIGINAL JURISDICTION)  
COMPANY PETITION NO. 46 OF 1996  
connected with  
COMPANY APPLICATION NO. 23 of 1996**

In the matter of:

**Atul Products Limited.**

a Company registered under the Companies Act, 1956, and having its registered office at Ashoka Chambers, Rasala Marg, Mithakhali, Ellisbridge, Ahmedabad 380 006 in the State of Gujarat.

**Atul Products Limited.**

a Company registered under the Companies Act, 1956, and having its registered office at Ashoka Chambers, Rasala Marg, Mithakhali, Ellisbridge, Ahmedabad 380006 in the state of Gujarat.....Petitioner

**BEFORE HONORABLE MR. JUSTICE H L GOKHALE.**

**Date : 1st May 1996**

**ORDER ON PETITION**

The above petition coming on for hearing on 1st May 1996 upon reading the said petition, the order dated 23.1.1996 in the Company Application No. 23 of 1996 whereby the petitioner was directed to convene separate meetings of the Equity and Preference Shareholders of the above Company for the purpose of considering, and if thought fit, approving, with or without modification the compromise or arrangement proposed to be made between the said Company and its shareholders in the matter of scheme of arrangement between Atic Industries Limited, Vat Investments Limited and Reactive Investments Limited with the Petitioner Company and annexed to the affidavit of Shri T R Gopi Kannan filed on the 22nd day of January 1996 and 'Indian Express' English Daily dated 2-2-1996 and 'Gujarat Samachar' Gujarati Daily dated 2-2-1996 containing each the advertisement of the said notice convening the said meetings directed to be held by the said order dated 23-1-1996, the affidavit of Shri Siddharthbhai Kasturbhai made on 7th day of February 1996 showing the publication and despatch of the notices convening the said meetings, the reports dated 8-3-1996 filed by Shri Sunilbhai S Lalbhai, the Chairman of the said meeting dated 27-2-1996 as to the result of the said meeting, and upon hearing Shri Saurabh N Soparkar, Advocate for the petitioner company and Shri Haroobhai Mehta, Central Government Standing Counsel appearing for the Central Government and it appearing from the reports that the proposed compromise or arrangement has been approved by the shareholders of the Company by majority of more than 99.99%.\*\*\* This Court doth hereby sanction the compromise or arrangement set forth in para 8 of the petition herein and in the Schedule hereto and doth hereby declare the same to be binding on the shareholders of the above named company and also on the above named company.

And this Court doth further order that parties to the compromise or arrangement or other persons interested shall be at liberty to apply to this court for any directions that may be necessary in regard to the working of the compromise or arrangement, and

That the said Company do file with the Registrar of the Companies a certified copy of this order within 30 days from this date, and

This Court doth further order payment of Rs. 2,500/- in aggregate as the cost of this petition awardable to Shri Haroobhai Mehta, Central Government Standing Counsel, appearing for the Central Government.

## SCHEDULES

### **Scheme of Compromise or Arrangement as sanctioned by the Court.**

Dated this 1st day of May, 1996.

#### **SCHEME OF ARRANGEMENT RELATING TO SCHEDULE "A"**

##### **ATIC INDUSTRIES LIMITED, VAT INVESTMENTS LIMITED, REACTIVE INVESTMENTS LIMITED AND ATUL PRODUCTS LIMITED**

- 01.** This Scheme is presented for the arrangement relating to (1) Atic Industries Limited, a Company registered under the provisions of the Companies Act, 1956, having its registered office at Atul, Dist. Valsad, (2) Vat Investments Limited, having its registered office at D/1, Down Colony, P. O. Atul 396 020, Dist. Valsad, (3) Reactive Investments Limited, having its registered office at D/1, Down Colony, P.O. Atul 396 020, Dist. Valsad, hereinafter collectively referred to as the "Transferor Companies" and Atul Products Limited, a Company registered under the Companies Act, 1956, and having its registered office at Ashoka Chambers, Rasala Marg, Mithakhali Cross Roads, Ellisbridge, Ahmedabad 380 006 (hereinafter referred to as 'the Transferee Company').
- 02.** (a) With effect from the 1st day of April, 1995 in respect of Atic Industries Ltd. and from 10th day of May, 1995 in respect of both Vat Investments Ltd and Reactive Investments Ltd. (hereinafter referred to collectively as the Appointed Date') and subject to the provisions of this Scheme in relation to the mode of transfer and vesting, the undertaking and the entire business and all the properties, assets, investments, powers, authorities, allotments, approvals and consents, licences, registrations, contracts, engagements, arrangements, rights, titles, interests, benefits and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Companies, including but without being limited to all patents, trade marks, trade names and other industrial rights of any nature whatsoever and licences in respect thereof, privileges, liberties, easements, advantages, benefits leases, tenancy rights, ownership flats, quota rights, permits, approvals, authorisations, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, reserves, provisions, deposits, funds, benefits of all agreements and all other interests, (hereinafter collectively referred to as "undertaking") shall without any further act or deed be and stand transferred and vested in the Transferee Company pursuant to the provisions of section 394 of the Companies Act, 1956 (hereinafter referred to as "the said Act"). The transfer/ vesting as aforesaid shall be subject to existing charges/hypothecation/ mortgage (if any as may be subsisting) over or in respect of the said assets or any part thereof. 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 the Transferor Companies are parties 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.
- (b) It is expressly provided that in respect of such of the assets as are movable in nature or are otherwise capable of transfer by delivery or by endorsement and delivery, the same shall be so transferred by the Transferor Company, without requiring any deed or instrument of conveyance for the same and shall become the property of the Transferee Company accordingly prior to the order of Honorable High Court of Gujarat under Section 394 of the Companies Act, 1956.
- (c) In respect of such of the assets other than those referred to in paragraph (2-b) above, the same shall, without further act, instrument or deed, be transferred to and vested in and/or deemed to be transferred to and vested in the Transferee Company on the appointed day in accordance with the provisions of section 394 of the Companies act, 1956.



- 03.** With effect from the “Appointed Date” all debts, liabilities, duties and obligations of the Transferor Companies (hereinafter referred to as “the said liabilities”) shall also be and stand transferred or deemed to be transferred, without further act, instrument or deed to the Transferee Company, pursuant to the provisions of section 394 of the said Act so as to become as and from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this clause.
- 04.** This scheme, although operative from the Appointed Date shall be effective from the last of the following date or such other date as the Court may direct, namely :
- (a) The date on which the last of all the consents, approvals, permissions, resolutions, sanctions and orders as are hereinafter referred to have been obtained or passed, and
  - (b) The date on which certified copies of the Order of the Gujarat High Court under section 394 of the said Act are filed with the Registrar of Companies, Gujarat and such date shall be hereinafter referred to as “the Effective Date”.
- 05.** With effect from the Appointed Date upto the Effective Date :-
- (a) The Transferor Companies shall carry on and shall be deemed to have carried on all its business and activities in respect of the Undertaking and stand possessed of its properties and assets for and on account of and in trust for the Transferee-Company.
  - (b) All the profits or income accruing or arising to the Transferor Companies or expenditure or losses arising or incurred by the Transferor-Companies shall for all purposes be treated and be deemed to be and accrue as, the profits or incomes or expenditure or losses of the Transferee Company, as the case may be;
  - (c) The Transferor Companies shall carry on their respective business activities in relation to the undertaking under reasonable diligence, utmost prudence and shall not alienate, charge, mortgage encumber or otherwise deal with the said Assets or any part thereof, except in the ordinary course of business, or without the prior written consent of the Transferee-Company or pursuant to any preexisting obligation undertaken by the Transferor Companies prior to the Appointed Date.
  - (d) The Transferor Companies shall not without the written consent of the Transferee Companies, undertake any new business.
  - (e) The Transferee Company shall also 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 (including without limitation under the Industries (Development & Regulation) Act, 1957, Monopolies and Restrictive Trade Practices Act, 1969, Transfer of Property Act, 1882, Indian Contract Act, 1872, Foreign Exchange Regulation Act, 1973 etc.) for such consents, approvals and sanctions which the Transferee Company, may require.
- 06.** All suits, actions and proceedings by or against the Transferor Companies pending and/or arising on or before the date on which this scheme shall finally take effect shall be continued and be enforced by or against the Transferee Company as effectually as if the same had been pending and/or arising against the Transferor Companies.
- 07.** Subject to the provisions of this Scheme all contracts, deeds, bonds, agreements, arrangements and other, instruments of whatsoever nature to which the Transferor Companies are parties or to the benefit of which the Transferor Companies are parties or to the benefit of which the Transferor Companies may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect against or in favour of the Transferee Company as the case may be enforced as fully and effectually as if, instead of the Transferor Companies, the Transferee Company had been a party or beneficiary thereto. The Transferee Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any documentation confirmations or novations, as may be appropriate.

- 08.** (a) The Authorised share capital of the Transferor Companies are as follows :-
1. Atic Industries Ltd Rs. 20 Crores divided into 20,00,000 Equity Shares of Rs. 100/- each.
  2. Vat Investments Ltd Rs. 41.25 Crores divided into 4,12,50,000 Equity Shares of Rs. 10/- each.
  3. Reactive Investments Ltd Rs. 41.25 Crores divided into 4,12,50,000 Equity Shares of Rs.10/- each.
- (b) The issued subscribed and paid up share capital of the Transferor Companies are as follows:-
1. Atic Industries Ltd - 9,00,000 Equity Shares each of Rs. 100.00 as fully paid up totaling to Rs. 9 Crores.
  2. Vat Investments Ltd - 4,12,22,500 Equity Shares of Rs.10/- each as fully paid up totaling to Rs. 41,22,25,000.00.
  3. Reactive Investments Ltd - 4,12,22,500 Equity Shares of Rs.10/- each as fully paid up totaling to Rs. 41,22,25,000.00.

The Authorised share capital of the Transferee Company is Rs. 160,00,00,000 divided into 6,00,00,000 Equity shares of Rs.10/- each and 1,00,00,000 Cumulative Redeemable Preference Shares of Rs.100/- each.

- 09.** At any time and from time to time after the Appointed Date, the Transferor Companies and the Transferee 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.
- 10.** (a) On the scheme of arrangement being sanctioned, except for the investments made by Vat Investments Ltd. and Reactive Investments Ltd. in the shares of Atic Industries Limited, all other assets of all the three Transferor Companies shall stand transferred to and vest in the Transferee Company at the same value at which they appear in the respective books of accounts of the Transferor Companies. So far as the aforesaid investments in the shares of Atic Industries Limited is concerned the same shall be cancelled as provided in Clause 15 of the scheme.
- (b) It is further provided that upon the Scheme coming into effect, the respective balance/s appearing under the head "Miscellaneous Expenditure (to the extent not written off or adjusted)" in the books of the Transferor Company shall be debited by the Transferee Company to "Miscellaneous Expenditure (to the extent not written off or adjusted) Account" and the same shall thereafter be dealt with, in the same manner as they would have been, had they been incurred by the Transferee Company.
- 11.** (a) Subject to the provisions of Clause 10 above, the excess of the value of the net assets of the Transferor Companies and (which shall include the balance under the heads of "Miscellaneous Expenditure" mentioned in Clause 10 above) as appearing in the books of account of the Transferor Companies over the value of the shares of the three Transferor Companies as appearing in the books of accounts of either the Transferee Company or one or more of the Transferor Companies shall be accounted for and dealt with, in the books of the Transferee Company as follows:-
- (i) An amount equal to the balance lying to the credit of the General Reserve in the books of account of the Transferor Companies shall be credited by the Transferee Company to its General Reserve and shall constitute the Transferee Company's free reserve as effectively as if the same were created by the Transferee Company out of its own earned and distributable profits. Investment allowance (utilised) reserve lying in the books of account of Transferor Companies, being in the nature of general reserve, will be clubbed under the head of general reserve in the books of Transferee Company.

- (ii) An amount equal to the balance lying to the credit of Revaluation Reserve in the books of account of the Transferor Company arising out of revaluation of some of its assets made as at the first day of April 1995 shall be credited by the Transferee Company to an account to be styled as "Revaluation Reserve Account". The balance in the said account, after making adjustment as per Clause 11 (a) (iv) herein, shall be considered as a free reserve and shall form part of the net worth of the Transferee Company.
  - (iii) An amount equal to the balance lying to the credit of "Profit and Loss Account in the books of account of the Transferor Company shall be credited by the Transferee Company to its Profit and Loss Account and shall constitute the Transferee Company's free reserve as effectively as if the same were created by the Transferee Company out of its own earned and distributable profits.
  - (iv) The balance shall be debited by the Transferee Company to the balance lying to the credit of Revaluation Reserve which appears in the books of accounts of the Transferor Company and is, pursuant to Clause 11
    - (a) as aforesaid, transferred to the books of the Transferee Company.
    - (b) Notwithstanding the above the Board of Directors of the Transferee Company in consultation with its Auditors, is authorised to account any of these balances in any manner whatsoever as may be deemed fit.
12. All Employees of the Transferor Companies in service on the date immediately preceding the Effective Date shall become the employees of the Transferee Company on such date without any break or interruption in service and on terms and conditions of service not less favourable. It is expressly provided that as far as the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund created or existing for the benefit of the Employees of the Transferor Company are concerned, upon the Scheme becoming finally effective, the Transferee Company shall, stand substituted for the Transferor Companies for all purposes whatsoever related to the administration or operation of such Scheme or Funds or in relation to the obligation to make contributions to the said Funds in accordance with provisions of such schemes, or Funds as per the terms provided in the respective Trust Deeds to the end and intent that, all the rights, duties, powers and obligation of the Transferor Companies in relation to such Funds shall become those of the Transferee Company. It is clarified that the services of the employees of the Transferor Companies will be treated as having been continuous for the purpose of the aforesaid Funds or provisions.
  13. The Transferor Companies and the Transferee Company shall with all reasonable despatch, make applications/petitions under sections 391 and 394 and other applicable provisions of the said Act to the High Court of Judicature at Gujarat for sanctioning this Scheme and for dissolution of the Transferor Companies without winding up.
  14. On the Scheme becoming effective the transferror companies be dissolved without winding up.
  15. The Transferee Company holds all the shares of Vat Investments Ltd. as also Reactive Investments Ltd. The said two companies hold 50 % of share capital (25% + 25%) of Atic Industries Limited whereas the other 50 % of share capital of Atic Industries Limited is held by the Transferee Company. Accordingly the scheme of arrangement involving the Transferor Companies and the Transferee Company will be implemented on the basis that the Transferee Company shall not be required to allot any shares to any one. Consequently the value of the shares of the Transferor Companies in the books of the Transferee Company or any or more of the Transferor Companies shall be written off.
  16. The Transferor Companies (by their Directors) and the Transferee Company (by its Directors) may assent from time to time on behalf of all persons concerned to any modifications or amendments of this Scheme or of any conditions or limitations which the High Court and/or any other authorities under law may deem fit to approve of or impose and to resolve all doubts or difficulties that may arise for carrying out the Scheme and to do and execute all acts, deeds, matter and things necessary for putting the Scheme into effect. For the purpose of giving effect to this Scheme or to any

modifications thereof, the Directors of the Transferee Company may give and are authorised to give all such directions as are necessary including directions for settling any question or doubt or difficulty that may arise.

17. This Scheme is specifically conditional upon and subject to :
- (a) The sanction or approval under any law or of the Central Government or any other Agency, Department of Authorities concerned being obtained and granted in respect of any of the matters in respect of which such sanction or approval is required.
  - (b) The requisite Resolution under the applicable provisions of the said Act being passed by the Shareholders of the Transferee Company under the applicable provisions of the said Act, for any of the matters provided for or relating to the scheme as may be required or be necessary.
  - (c) The sanctions of the High Court of Judicature at Gujarat being obtained under sections 391 and 394 and other applicable provisions of the said Act if so required on behalf of the Transferor Companies and the Transferee Company.
18. All costs, charges and expenses of the Transferor Companies respectively in relation to or in connection with this Scheme and of and incidental to the completion of the arrangement of this Scheme shall, except as specifically provided herein, be borne and paid by the Transferee Company.

Dated this 1st Day of May, 1996.  
Witness RAMESH AMRATLAL MEHTA Esquire, the  
Acting Chief Justice at Ahmedabad aforesaid this 1st  
day of May One Thousand Nine Hundred Ninety Six.

Order drawn by :  
Sd/-  
**(Saurabh N. Soparkar)**  
Advocate



By order of the Court  
Sd/-  
**S D Gaekwad.**  
Joint Registrar  
This 17th day of May 1996

Sd/-  
**D B Dholakia**  
Sealer  
This 17th day of May 1996

True Copy  
For Deputy Registrar,  
This 17th day of May 1996

**IN THE HIGH COURT OF GUJARAT AT AHMEDABAD  
(ORIGINAL JURISDICTION)  
COMPANY PETITION No. 47 OF 1996  
connected with  
COMPANY APPLICATION No. 24 of 1996**

In the matter of :

**Reactive Investments Limited.**

a Company registered under the Companies Act, 1956, and having its registered office at D/1, Down Colony, P.O. Atul 396 020 Dist. Valsad in the State of Gujarat.

**Reactive Investments Limited.**

a Company registered under the Companies Act, 1956, and having its registered office at D/1, Down Colony, P.O. Atul 396 020 Dist. Valsad in the state of Gujarat.....Petitioner

**BEFORE HONORABLE MR JUSTICE H L GOKHALE.**

**Date : 1st May 1996**

**ORDER ON PETITION**

The above petition coming on for hearing on 1st May 1996 upon reading the said petition, the order dated 23.1.1996 in the Company Application No. 24 of 1996 whereby the meetings of the shareholders and unsecured creditors of the Company (there being no secured creditors of the Company) for the purpose of considering, and if thought fit, approving, with or without modification the compromise or Arrangement proposed to be made between the said Company and its members and creditors by the scheme of arrangement of the petitioner company with Atul Products Limited were dispensed with and upon hearing Smt. Swati Soparkar, Advocate for the petitioner company and upon hearing Shri Jayant Patel, Additional Central Government Standing Counsel appearing for the Central Government and it appearing from the consent letters that the proposed compromise or arrangement has been approved unanimously by the Equity shareholders and unsecured creditors of the Company and it appearing from the report dated. 10-04-1996 of the official liquidator, Gujarat High Court, that the affairs of the Company have not been conducted in a manner prejudicial to the interest of its members or to the public interest.

This Court doth hereby sanction the compromise or arrangement set forth in para 7 of the petition herein and in the Schedule hereto and doth hereby declare the same to be binding on the creditors and shareholders of the above named company and also on the above named company. And this Court doth further order that parties to the compromise or arrangement or other persons interested shall be at liberty to apply to this court for any direction that may be necessary in regard to the working of the compromise or arrangement, and

That the said company do file with the Registrar of the Companies a certified copy of this order within 30 days from the date of obtaining the same, and

This Court doth further order payment of Rs. 2,500/- in aggregate as the cost of this petition awardable to Shri Jayant Patel, Additional Central Government Standing Counsel, appearing for the Central Government.

**SCHEDULE**

**Scheme of Compromise or Arrangement as sanctioned by the Court.**

Dated this 1st day of May, 1996.

## **SCHEME OF ARRANGEMENT RELATING TO SCHEDULE "A"**

### **ATIC INDUSTRIES LIMITED, VAT INVESTMENTS LIMITED, REACTIVE INVESTMENTS LIMITED AND ATUL PRODUCTS LIMITED**

- 01.** This Scheme is presented for the arrangement relating to (1) Atic Industries Limited, a Company registered under the provisions of the Companies Act, 1956, having its registered office at Atul, Dist. Valsad, (2) Vat Investments Limited, having its registered office at D/1, Down Colony, P. O. Atul 396 020, Dist. Valsad, (3) Reactive Investments Limited, having its registered office at D/1, Down Colony, P.O. Atul 396 020, Dist. Valsad, hereinafter collectively referred to as the "Transferor Companies" and Atul Products Limited, a Company registered under the Companies Act, 1956, and having its registered office at Ashoka Chambers, Rasala Marg, Mithakhali Cross Roads, Ellisbridge, Ahmedabad 380 006 (hereinafter referred to as 'the Transferee Company').
- 02.** (a) With effect from the 1st day of April, 1995 in respect of Atic Industries Ltd. and from 10th day of May, 1995 in respect of both Vat Investments Ltd and Reactive Investments Ltd. (hereinafter referred to collectively as the Appointed Date and subject to the provisions of this Scheme in relation to the mode of transfer and vesting, the undertaking and the entire business and all the properties, assets, investments, powers, authorities, allotments, approvals and consents, licences, registrations, contracts, engagements, arrangements, rights, titles, interests, benefits and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Companies, including but without being limited to all patents, trade marks, trade names and other industrial rights of any nature whatsoever and licences in respect thereof, privileges, liberties, easements, advantages, benefits leases, tenancy rights, ownership flats, quota rights, permits, approvals, authorisations, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, reserves, provisions, deposits, funds, benefits of all agreements and all other interests, (hereinafter collectively referred to as "undertaking") shall without any further act or deed be and stand transferred and vested in the Transferee Company pursuant to the provisions of section 394 of the Companies Act, 1956 (hereinafter referred to as "the said Act"). The transfer/ vesting as aforesaid shall be subject to existing charges/hypothecation/ mortgage (if any as may be subsisting) over or in respect of the said assets or any part thereof. 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 the Transferor Companies are parties 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.
- (b) It is expressly provided that in respect of such of the assets as are movable in nature or are otherwise capable of transfer by delivery or by endorsement and delivery, the same shall be so transferred by the Transferor Company, without requiring any deed or instrument of conveyance for the same and shall become the property of the Transferee Company accordingly prior to the order of Honorable High Court of Gujarat under Section 394 of the Companies Act, 1956.
- (c) In respect of such of the assets other than those referred to in paragraph (2-b) above, the same shall, without further act, instrument or deed, be transferred to and vested in and/or deemed to be transferred to and vested in the Transferee Company on the appointed day in accordance with the provisions of section 394 of the Companies act, 1956.
- 03.** With effect from the "Appointed Date" all debts, liabilities, duties and obligations of the Transferor Companies (hereinafter referred to as "the said liabilities") shall also be and stand transferred or deemed to be transferred, without further act, instrument or deed to the Transferee Company, pursuant to the provisions of section 394 of the said Act so as to become as and from the Appointed Date,

the debts, liabilities, duties and obligations of the Transferee Company and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this clause.

- 04.** This scheme, although operative from the Appointed Date shall be effective from the last of the following date or such other date as the Court may direct, namely :
- (a) The date on which the last of all the consents, approvals, permissions, resolutions, sanctions and orders as are hereinafter referred to have been obtained or passed, and
  - (b) The date on which certified copies of the Order of the Gujarat High Court under section 394 of the said Act are filed with the Registrar of Companies, Gujarat and such date shall be hereinafter referred to as "the Effective Date".
- 05.** With effect from the Appointed Date upto the Effective Date :-
- (a) The Transferor Companies shall carry on and shall be deemed to have carried on all its business and activities in respect of the Undertaking and stand possessed of its properties and assets for and on account of and in trust for the Transferee-Company.
  - (b) All the profits or income accruing or arising to the Transferor Companies or expenditure or losses arising or incurred by the Transferor-Companies shall for all purposes be treated and be deemed to be and accrue as, the profits or incomes or expenditure or losses of the Transferee Company, as the case may be;
  - (c) The Transferor Companies shall carry on their respective business activities in relation to the undertaking under reasonable diligence, utmost prudence and shall not alienate, charge, mortgage encumber or otherwise deal with the said Assets or any part thereof, except in the ordinary course of business, or without the prior written consent of the Transferee-Company or pursuant to any pre-existing obligation undertaken by the Transferor Companies prior to the Appointed Date.
  - (d) The Transferor Companies shall not without the written consent of the Transferee Companies, undertake any new business.
  - (e) The Transferee Company shall also 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 (including without limitation under the Industries (Development & Regulation) Act, 1957, Monopolies and Restrictive Trade Practices Act, 1969, Transfer of Property Act, 1882, Indian Contract Act, 1872, Foreign Exchange Regulation Act, 1973 etc.) for such consents, approvals and sanctions which the Transferee Company, may require.
- 06.** All suits, actions and proceedings by or against the Transferor Companies pending and/or arising on or before the date on which this scheme shall finally take effect shall be continued and be enforced by or against the Transferee Company as effectually as if the same had been pending and/or arising against the Transferor Companies.
- 07.** Subject to the provisions of this Scheme all contracts, deeds, bonds, agreements, arrangements and other, instruments of whatsoever nature to which the Transferor Companies are parties or to the benefit of which the Transferor Companies are parties or to the benefit of which the Transferor Companies may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect against or in favour of the Transferee Company as the case may be enforced as fully and effectually as if, instead of the Transferor Companies, the Transferee Company had been a party or beneficiary thereto. The Transferee Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any documentation confirmations or novations, as may be appropriate.
- 08.** (a) The Authorised share capital of the Transferor Companies are as follows :-

1. Atic Industries Ltd Rs. 20 crores divided into 20,00,000 Equity shares of Rs. 100/- each.
  2. Vat Investments Ltd Rs. 41.25 Crores divided into 4,12,50,000 Equity Shares of Rs. 10/- each.
  3. Reactive Investments Ltd Rs. 41.25 Crores divided into 4,12,50,000 Equity Shares of Rs.10/- each.
- (b) The issued subscribed and paid up share capital of the Transferor Companies are as follows:-
1. Atic Industries Ltd - 9,00,000 Equity Shares each of Rs. 100.00 as fully paid up totalling to Rs.9 Crores.
  2. Vat Investments Ltd - 4,12,22,500 Equity Shares of Rs.10/- each as fully paid up totalling to Rs. 41,22,25,000.00.
  3. Reactive Investments Ltd - 4,12,22,500 Equity Shares of Rs.10/- each as fully paid up totalling to Rs. 41,22,25,000.00.

The Authorised share capital of the Transferee Company is Rs. 160,00,00,000 divided into 6,00,00,000 Equity shares of Rs.10/- each and 1,00,00,000 Cumulative Redeemable Preference Shares of Rs.100/-each.

- 09.** At any time and from time to time after the Appointed Date, the Transferor Companies and the Transferee 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.
- 10.** (a) On the scheme of arrangement being sanctioned, except for the investments made by Vat Investments Ltd. and Reactive Investments Ltd. in the shares of Atic Industries Limited, all other assets of all the three Transferor Companies shall stand transferred to and vest in the Transferee Company at the same value at which they appear in the respective books of accounts of the Transferor Companies. So far as the aforesaid investments in the shares of Atic Industries Limited is concerned the same shall be cancelled as provided in Clause 15 of the scheme.
- (b) It is further provided that upon the Scheme coming into effect, the respective balance/s appearing under the head "Miscellaneous Expenditure (to the extent not written off or adjusted)" in the books of the Transferor Company shall be debited by the Transferee Company to "Miscellaneous Expenditure (to the extent not written off or adjusted) Account" and the same shall thereafter be dealt with, in the same manner as they would have been, had they been incurred by the Transferee Company.
- 11.** (a) Subject to the provisions of Clause 10 above, the excess of the value of the net assets of the Transferor Companies and (which shall include the balance under the heads of "Miscellaneous Expenditure" mentioned in Clause 10 above) as appearing in the books of account of the Transferor Companies over the value of the shares of the three Transferor Companies as appearing in the books of accounts of either the Transferee Company or one or more of the Transferor Companies shall be accounted for and dealt with, in the books of the Transferee Company as follows:-
- (i) An amount equal to the balance lying to the credit of the General Reserve in the books of account of the Transferor Companies shall be credited by the Transferee Company to its General Reserve and shall constitute the Transferee Company's free reserve as effectively as if the same were created by the Transferee Company out of its own earned and distributable profits. Investment allowance (utilised) reserve lying in the books of account of Transferor Companies, being in the nature of general reserve, will be clubbed under the head of general reserve in the books of Transferee Company.
  - (ii) An amount equal to the balance lying to the credit of Revaluation Reserve in the books of account of the Transferor Company arising out of revaluation of some of its assets made as at the first day of April 1995 shall be credited by the Transferee Company



to an account to be styled as "Revaluation Reserve Account". The balance in the said account, after making adjustment as per Clause 11 (a) (iv) herein, shall be considered as a free reserve and shall form part of the net worth of the Transferee Company.

- (iii) An amount equal to the balance lying to the credit of Profit and Loss Account in the books of account of the Transferor Company shall be credited by the Transferee Company to its Profit and Loss Account and shall constitute the Transferee Company's free reserve as effectively as if the same were created by the Transferee Company out of its own earned and distributable profits.
- (iv) The balance shall be debited by the Transferee Company to the balance lying to the credit of Revaluation Reserve which appears in the books of accounts of the Transferor Company and is, pursuant to Clause 11

(a) (ii) as aforesaid, transferred to the books of the Transferee Company.

(b) Notwithstanding the above the Board of Directors of the Transferee Company in consultation with its Auditors, is authorised to account any of these balances in any manner whatsoever as may be deemed fit.

12. All Employees of the Transferor Companies in service on the date immediately preceding the Effective Date shall become the employees of the Transferee Company on such date without any break or interruption in service and on terms and conditions of service not less favourable. It is expressly provided that as far as the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund created or existing for the benefit of the Employees of the Transferor Company are concerned, upon the Scheme becoming finally effective, the Transferee Company shall, stand substituted for the Transferor Companies for all purposes whatsoever related to the administration or operation of such Scheme or Funds or in relation to the obligation to make contributions to the said Funds in accordance with provisions of such schemes, or Funds as per the terms provided in the respective Trust Deeds to the end and intent that, all the rights, duties, powers and obligation of the Transferor Companies in relation to such Funds shall become those of the Transferee Company. It is clarified that the services of the employees of the Transferor Companies will be treated as having been continuous for the purpose of the aforesaid Funds or provisions.
13. The Transferor Companies and the Transferee Company shall with all reasonable despatch, make applications/petitions under sections 391 and 394 and other applicable provisions of the said Act to the High Court of Judicature at Gujarat for sanctioning this Scheme and for dissolution of the Transferor Companies without winding up.
14. On the Scheme becoming effective the transferror companies be dissolved without winding up.
15. The Transferee Company holds all the shares of Vat Investments Ltd. as also Reactive Investments Ltd. The said two companies hold 50 % of share capital (25% + 25%) of Atic Industries Limited whereas the other 50 % of share capital of Atic Industries Limited is held by the Transferee Company. Accordingly the scheme of arrangement involving the Transferor Companies and the Transferee Company will be implemented on the basis that the Transferee Company shall not be required to allot any shares to any one. Consequently the value of the shares of the Transferor Companies in the books of the Transferee Company or any or more of the Transferor Companies shall be written off.
16. The Transferor Companies (by their Directors) and the Transferee Company (by its Directors) may assent from time to time on behalf of all persons concerned to any modifications or amendments of this Scheme or of any conditions or limitations which the High Court and/or any other authorities under law may deem fit to approve of or impose and to resolve all doubts or difficulties that may arise for carrying out the Scheme and to do and execute all acts, deeds, matter and things necessary for putting the Scheme into effect. For the purpose of giving effect to this Scheme or to any modifications thereof, the Directors of the Transferee Company may give and are authorised to give all such directions as are necessary including directions for settling any question or doubt or difficulty that may arise.

17. This Scheme is specifically conditional upon and subject to :
- (a) The sanction or approval under any law or of the Central Government or any other Agency, Department of Authorities concerned being obtained and granted in respect of any of the matters in respect of which such sanction or approval is required.
  - (b) The requisite Resolution under the applicable provisions of the said Act being passed by the Shareholders of the Transferee Company under the applicable provisions of the said Act, for any of the matters provided for or relating to the scheme as may be required or be necessary.
  - (c) The sanctions of the High Court of Judicature at Gujarat being obtained under sections 391 and 394 and other applicable provisions of the said Act if so required on behalf of the Transferor Companies and the Transferee Company.
18. All costs, charges and expenses of the Transferor Companies respectively in relation to or in connection with this Scheme and of and incidental to the completion of the arrangement of this Scheme shall, except as specifically provided herein, be borne and paid by the Transferee Company.

Dated this 1st Day of May, 1996.

Witness RAMESH AMRATLAL MEHTA Esquire, the Acting Chief Justice at Ahmedabad aforesaid this 1st day of May One Thousand Nine Hundred Ninety Six.

Order drawn by:  
Sd/  
**(Swati Soparkar)**  
Advocate

By order of the Court  
Sd/-  
**S D Gaekwad.**  
Joint Registrar  
This 17th day of May 1996.



Sd/-  
**D B Dholakia**  
This 17th day of May 1996

True Copy  
For Deputy Registrar,  
This 17th day of May 1996

**IN THE HIGH COURT OF GUJARAT AT AHMEDABAD  
(ORIGINAL JURISDICTION)  
COMPANY PETITION No. 48 OF 1996  
connected with  
COMPANY APPLICATION NO. 25 of 1996**

In the matter of :

**Vat Investments Limited.**

a Company registered under the Companies Act, 1956, and having its registered office at D/1, Down Colony, P.O. Atul 396 020 Dist. Valsad in the State of Gujarat.

**Vat Investments Limited.**

a Company registered under the Companies Act, 1956, and having its registered office at D/1, Down Colony, P O Atul 396 020 Dist. Valsad in the state of Gujarat.....Petitioner

**BEFORE HONORABLE MR JUSTICE H L GOKHALE.**

**Date : 1st May 1996**

**ORDER ON PETITION**

The above petition coming on for hearing on 1st May 1996 upon reading the said petition, the order dated 23.1.1996 in the Company Application No. 25 of 1996 whereby the meetings of the shareholders and unsecured creditors of the Company (there being no secured creditors of the Company) for the purpose of considering and if thought fit, approving, with or without modification the compromise or arrangement proposed to be made between the said Company and its members and creditors by the scheme of arrangement of the petitioner company with Atul Products Limited were dispensed with and upon hearing Smt. Swati Soparkar, Advocate for the petitioner company and upon hearing Shri Jayant Patel, Additional Central Government Standing Counsel appearing for the Central Government and it appearing from the consent letters that the proposed compromise or arrangement has been approved unanimously by the equity shareholders and unsecured creditors of the Company and it appearing from the report dated. 10-04-1996 of the official liquidator, Gujarat High Court, that the affairs of the Company have not been conducted in a manner prejudicial to the interest of its members or to the public interest.

This Court doth hereby sanction the compromise or arrangement set forth in para 7 of the petition herein and in the Schedule hereto and doth hereby declare the same to be binding on the creditors and shareholders of the above named company and also on the above named company. And this Court doth further order that parties to the compromise or arrangement or other persons interested shall be at liberty to apply to this court for any direction that may be necessary in regard to the working of the compromise or arrangement, and

That the said company do file with the Registrar of the Companies a certified copy of this order within 30 days from the date of obtaining the same and

This Court doth further order payment of Rs. 2,500/- in aggregate as the cost of this petition awardable to Shri Jayant Patel, Additional Central Government Standing Counsel, appearing for the Central Government.

**SCHEDULE**

**Scheme of Compromise or Arrangement as sanctioned by the Court.**

Dated this 1st day of May, 1996.

## **SCHEME OF ARRANGEMENT RELATING TO SCHEDULE "A"**

### **ATIC INDUSTRIES LIMITED, VAT INVESTMENTS LIMITED, REACTIVE INVESTMENTS LIMITED AND ATUL PRODUCTS LIMITED**

- 01.** This Scheme is presented for the arrangement relating to (1) Atic Industries Limited, a Company registered under the provisions of the Companies Act, 1956, having its registered office at Atul, Dist. Valsad, (2) Vat Investments Limited, having its registered office at D/1, Down Colony, P. O. Atul 396 020, Dist. Valsad, (3) Reactive Investments Limited, having its registered office at D/1, Down Colony, P.O. Atul 396 020, Dist. Valsad, hereinafter collectively referred to as the "Transferor Companies" and Atul Products Limited, a Company registered under the Companies Act, 1956, and having its registered office at Ashoka Chambers, Rasala Marg, Mithakhali Cross Roads, Ellisbridge, Ahmedabad 380 006 (hereinafter referred to as 'the Transferee Company').
- 02.** (a) With effect from the 1st day of April, 1995 in respect of Atic Industries Ltd. and from 10th day of May, 1995 in respect of both Vat Investments Ltd and Reactive Investments Ltd. (hereinafter referred to collectively as 'the Appointed Date') and subject to the provisions of this Scheme in relation to the mode of transfer and vesting, the undertaking and the entire business and all the properties, assets, investments, powers, authorities, allotments, approvals and consents, licences, registrations, contracts, engagements, arrangements, rights, titles, interests, benefits and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Companies, including but without being limited to all patents, trade marks, trade names and other industrial rights of any nature whatsoever and licences in respect thereof, privileges, liberties, easements, advantages, benefits leases, tenancy rights, ownership flats, quota rights, permits, approvals, authorisations, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, reserves, provisions, deposits, funds, benefits of all agreements and all other interests, (hereinafter collectively referred to as "undertaking") shall without any further act or deed be and stand transferred and vested in the Transferee Company pursuant to the provisions of section 394 of the Companies Act, 1956 (hereinafter referred to as "the said Act"). The transfer/ vesting as aforesaid shall be subject to existing charges/hypothecation/ mortgage (if any as may be subsisting) over or in respect of the said assets or any part thereof. 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 the Transferor Companies are parties 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.
- (b) It is expressly provided that in respect of such of the assets as are movable in nature or are otherwise capable of transfer by delivery or by endorsement and delivery, the same shall be so transferred by the Transferor Company, without requiring any deed or instrument of conveyance for the same and shall become the property of the Transferee Company accordingly prior to the order of Honorable High Court of Gujarat under Section 394 of the Companies Act, 1956.
- (c) In respect of such of the assets other than those referred to in paragraph (2-b) above, the same shall, without further act, instrument or deed, be transferred to and vested in and/or deemed to be transferred to and vested in the Transferee Company on the appointed day in accordance with the provisions of section 394 of the Companies act, 1956.
- 03.** With effect from the "Appointed Date" all debts, liabilities, duties and obligations of the Transferor Companies (hereinafter referred to as "the said liabilities") shall also be and stand transferred or deemed to be transferred, without further act, instrument or deed to the Transferee Company, pursuant to the provisions of section 394 of the said Act so as to become as and from the Appointed Date,

the debts, liabilities, duties and obligations of the Transferee Company and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this clause.

- 04.** This scheme, although operative from the Appointed Date shall be effective from the last of the following date or such other date as the Court may direct, namely :
- (a) The date on which the last of all the consents, approvals, permissions, resolutions, sanctions and orders as are hereinafter referred to have been obtained or passed, and
  - (b) The date on which certified copies of the Order of the Gujarat High Court under section 394 of the said Act are filed with the Registrar of Companies, Gujarat and such date shall be hereinafter referred to as "the Effective Date".
- 05.** With effect from the Appointed Date upto the Effective Date :-
- (a) The Transferor Companies shall carry on and shall be deemed to have carried on all its business and activities in respect of the Undertaking and stand possessed of its properties and assets for and on account of and in trust for the Transferee-Company.
  - (b) All the profits or income accruing or arising to the Transferor Companies or expenditure or losses arising or incurred by the Transferor-Companies shall for all purposes be treated and be deemed to be and accrue as, the profits or incomes or expenditure or losses of the Transferee Company, as the case may be;
  - (c) The Transferor Companies shall carry on their respective business activities in relation to the undertaking under reasonable diligence, utmost prudence and shall not alienate, charge, mortgage encumber or otherwise deal with the said Assets or any part thereof, except in the ordinary course of business, or without the prior written consent of the Transferee-Company or pursuant to any preexisting obligation undertaking by the Transferor Companies prior to the Appointed Date.
  - (d) The Transferor Companies shall not without the written consent of the Transferee Companies, undertake any new business.
  - (e) The Transferee Company shall also 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 (including without limitation under the Industries (Development & Regulation) Act, 1957, Monopolies and Restrictive Trade Practices Act, 1969, Transfer of Property Act, 1882, Indian Contract Act, 1872, Foreign Exchange Regulation Act, 1973 etc.) for such consents, approvals and sanctions which the Transferee Company, may require.
- 06.** All suits, actions and proceedings by or against the Transferor Companies pending and/or arising on or before the date on which this scheme shall finally take effect shall be continued and be enforced by or against the Transferee Company as effectually as if the same had been pending and/or arising against the Transferor Companies.
- 07.** Subject to the provisions of this Scheme all contracts, deeds, bonds, agreements, arrangements and other, instruments of whatsoever nature to which the Transferor Companies are parties or to the benefit of which the Transferor Companies are parties or to the benefit of which the Transferor Companies may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect against or in favour of the Transferee Company as the case may be enforced as fully and effectually as if, instead of the Transferor Companies, the Transferee Company had been a party or beneficiary thereto. The Transferee Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any documentation confirmations or novations, as may be appropriate.
- 08.** (a) The Authorised share capital of the Transferor Companies are as follows :-

1. Atic Industries Ltd Rs. 20 crores divided into 20,00,000 Equity shares of Rs. 100/- each.
  2. Vat Investments Ltd Rs. 41.25 Crores divided into 4,12,50,000 Equity Shares of Rs. 10/- each.
  3. Reactive Investments Ltd Rs. 41.25 Crores divided into 4,12,50,000 Equity Shares of Rs. 10/- each.
- (b) The issued subscribed and paid up share capital of the Transferor Companies are as follows:-
1. Atic Industries Ltd - 9,00,000 Equity Shares each of Rs. 100.00 as fully paid up totaling to Rs. 9 Crores.
  2. Vat Investments Ltd - 4,12,22,500 Equity Shares of Rs.10/- each as fully paid up totaling to Rs. 41,22,25,000.00.
  3. Reactive Investments Ltd - 4,12,22,500 Equity Shares of Rs.10/- each as fully paid up totaling to Rs. 41,22,25,000.00.

The Authorised share capital of the Transferee Company is Rs. 160,00,00,000 divided into 6,00,00,000 Equity shares of Rs. 10/- each and 1,00,00,000 Cumulative Redeemable Preference Shares of Rs. 100/- each.

- 09.** At any time and from time to time after the Appointed Date, the Transferor Companies and the Transferee 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.
- 10.** (a) On the scheme of arrangement being sanctioned, except for the investments made by Vat Investments Ltd. and Reactive Investments Ltd. in the shares of Atic Industries Limited, all other assets of all the three Transferor Companies shall stand transferred to and vest in the Transferee Company at the same value at which they appear in the respective books of accounts of the Transferor Companies. So far as the aforesaid investments in the shares of Atic Industries Limited is concerned the same shall be cancelled as provided in Clause 15 of the scheme.
- (b) It is further provided that upon the Scheme coming into effect, the respective balance/s appearing under the head "Miscellaneous Expenditure (to the extent not written off or adjusted)" in the books of the Transferor Company shall be debited by the Transferee Company to "Miscellaneous Expenditure (to the extent not written off or adjusted) Account" and the same shall thereafter be dealt with, in the same manner as they would have been, had they been incurred by the Transferee Company.
- 11.** (a) Subject to the provisions of Clause 10 above, the excess of the value of the net assets of the Transferor Companies and (which shall include the balance under the heads of "Miscellaneous Expenditure" mentioned in Clause 10 above) as appearing in the books of account of the Transferor Companies over the value of the shares of the three Transferor Companies as appearing in the books of accounts of either the Transferee Company or one or more of the Transferor Companies shall be accounted for and dealt with, in the books of the Transferee Company as follows:-
- (i) An amount equal to the balance lying to the credit of the General Reserve in the books of account of the Transferor Companies shall be credited by the Transferee Company to its General Reserve and shall constitute the Transferee Company's free reserve as effectively as if the same were created by the Transferee Company out of its own earned and distributable profits. Investment allowance (utilised) reserve lying in the books of account of Transferor Companies, being in the nature of general reserve, will be clubbed under the head of general reserve in the books of Transferee Company.
  - (ii) An amount equal to the balance lying to the credit of Revaluation Reserve in the books of account of the Transferor Company arising out of revaluation of some of its assets made as at the first day of April 1995 shall be credited by the Transferee Company

to an account to be styled as "Revaluation Reserve Account". The balance in the said account, after making adjustment as per Clause 11 (a) (iv) herein, shall be considered as a free reserve and shall form part of the net worth of the Transferee Company.

- (iii) An amount equal to the balance lying to the credit of "Profit and Loss Account in the books of account of the Transferor Company shall be credited by the Transferee Company to its Profit and Loss Account and shall constitute the Transferee Company's free reserve as effectively as if the same were created by the Transferee Company out of its own earned and distributable profits.
  - (iv) The balance shall be debited by the Transferee Company to the balance lying to the credit of Revaluation Reserve which appears in the books of accounts of the Transferor Company and is, pursuant to Clause 11
    - (a) as aforesaid, transferred to the books of the Transferee Company.
    - (b) Notwithstanding the above the Board of Directors of the Transferee Company in consultation with its Auditors, is authorised to account any of these balances in any manner whatsoever as may be deemed fit.
12. All Employees of the Transferor Companies in service on the date immediately preceding the Effective Date shall become the employees of the Transferee Company on such date without any break or interruption in service and on terms and conditions of service not less favourable. It is expressly provided that as far as the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund created or existing for the benefit of the Employees of the Transferor Company are concerned, upon the Scheme becoming finally effective, the Transferee Company shall, stand substituted for the Transferor Companies for all purposes whatsoever related to the administration or operation of such Scheme or Funds or in relation to the obligation to make contributions to the said Funds in accordance with provisions of such schemes, or Funds as per the terms provided in the respective Trust Deeds to the end and intent that, all the rights, duties, powers and obligation of the Transferor Companies in relation to such Funds shall become those of the Transferee Company. It is clarified that the services of the employees of the Transferor Companies will be treated as having been continuous for the purpose of the aforesaid Funds or provisions.
13. The Transferor Companies and the Transferee Company shall with all reasonable despatch, make applications/petitions under sections 391 and 394 and other applicable provisions of the said Act to the High Court of Judicature at Gujarat for sanctioning this Scheme and for dissolution of the Transferor Companies without winding up.
14. On the Scheme becoming effective the transferror companies be dissolved without winding up.
15. The Transferee Company holds all the shares of Vat Investments Ltd. as also Reactive Investments Ltd. The said two companies hold 50 % of share capital (25% + 25%) of Atic Industries Limited whereas the other 50 % of share capital of Atic Industries Limited is held by the Transferee Company. Accordingly the scheme of arrangement involving the Transferor Companies and the Transferee Company will be implemented on the basis that the Transferee Company shall not be required to allot any shares to any one. Consequently the value of the shares of the Transferor Companies in the books of the Transferee Company or any or more of the Transferor Companies shall be written off.
16. The Transferor Companies (by their Directors) and the Transferee Company (by its Directors) may assent from time to time on behalf of all persons concerned to any modifications or amendments of this Scheme or of any conditions or limitations which the High Court and/or any other authorities under law may deem fit to approve of or impose and to resolve all doubts or difficulties that may arise for carrying out the Scheme and to do and execute all acts, deeds, matter and things necessary for putting the Scheme into effect. For the purpose of giving effect to this Scheme or to any modifications thereof, the Directors of the Transferee Company may give and are authorised to give all such directions as are necessary including directions for settling any question or doubt or difficulty that may arise.

17. This Scheme is specifically conditional upon and subject to :

- (a) The sanction or approval under any law or of the Central Government or any other Agency, Department of Authorities concerned being obtained and granted in respect of any of the matters in respect of which such sanction or approval is required.
- (b) The requisite Resolution under the applicable provisions of the said Act being passed by the Shareholders of the Transferee Company under the applicable provisions of the said Act, for any of the matters provided for or relating to the scheme as may be required or be necessary.
- (c) The sanctions of the High Court of Judicature at Gujarat being obtained under sections 391 and 394 and other applicable provisions of the said Act if so required on behalf of the Transferor Companies and the Transferee Company.

18. All costs, charges and expenses of the Transferor Companies respectively in relation to or in connection with this Scheme and of and incidental to the completion of the arrangement of this Scheme shall, except as specifically provided herein, be borne and paid by the Transferee Company.

Dated this 1st Day of May, 1996.

Witness RAMESH AMRATLAL MEHTA Esquire, the Acting Chief Justice at Ahmedabad aforesaid this 1st day of May One Thousand Nine Hundred Ninety Six.

Order drawn by:  
Sd/  
**(Swati Soparkar)**  
Advocate

By order of the Court  
Sd/-  
**S D Gaekwad.**  
Joint Registrar  
This 17th day of May 1996.

Sd/-  
**D B Dholakia**  
This 17th day of May 1996



True Copy  
For Deputy Registrar,  
This 17th day of May 1996



**IN THE HIGH COURT OF GUJARAT AT  
AHMEDABAD (ORIGINAL JURISDICTION)  
COMPANY PETITION NO. 49 OF 1996  
connected with  
COMPANY APPLICATION NO. 26 of 1996**

In the matter of:

**Atic Industries Limited.**

a Company registered under the Companies Act, 1956, and having its registered office at Atul, 396 020 Dist. Valsad, in the State of Gujarat.

**Atic Industries Limited.**

a Company registered under the Companies Act, 1956, and having its registered office at Atul, 396 020 Dist. Valsad in the state of Gujarat.....Petitioner

**BEFORE HONORABLE MR JUSTICE H L GOKHALE.**

**Date : 1st May 1996**

**ORDER ON PETITION**

The above petition coming on for hearing on 1st May 1996 upon reading the said petition, the order dated 23.1.1996 in the Company Application No. 26 of 1996 whereby the meeting of the Equity Shareholders was dispensed with and the petitioner was directed to convene separate meetings of the Secured and Unsecured Creditors of the above Company for the purpose of considering, and if thought fit, approving, with or without modification the compromise or arrangement proposed to be made between the said Company and its shareholders and creditors by the scheme of arrangement between the petitioner company and Atul Products Limited and annexed to the affidavit of Shri V M Modi filed on the 22nd day of January 1996 and 'Indian Express' English Daily dated 2-2-1996 and 'Gujarat Samachar' and 'Gujarat Mitra' Gujarati Dailies dated 2-2-1996 containing each the advertisement of the said notice convening the said meetings directed to be held by the said order dated 23-1-1996, the affidavit of Shri Siddharthbhai Kasturbhai filed on 7th day of February 1996 showing the publication and despatch of the notices convening the said meetings, the reports dated 8-3-1996 filed by Shri Sunilbhai S Lalbhai, the Chairman of the said meetings dated 27-2-1996 as to the result of the said meeting, and upon hearing Smt. Swati S Soparkar, Advocate for the petitioner company and Shri Haroobhai Mehta, Central Government Standing Counsel appearing for the Central Government and it appearing from the reports that the proposed compromise or arrangement has been approved unanimously by all the Secured and Unsecured Creditors of the Company and it appearing from the consent letters that the proposed compromise or arrangement has been approved unanimously by the Equity Shareholders and it further appearing from the report dated 10-04-1996 of the official liquidator, Gujarat High Court, that the affairs of the Company have not been conducted in a manner prejudicial to the interest of its members or to the public interest.

This Court doth hereby sanction the compromise or arrangement set forth in para 8 of the petition herein and in the Schedule hereto and doth hereby declare the same to be binding on the unsecured creditors and shareholders of the above named company and also on the above named company. And this Court doth further order that parties to the compromise or arrangement or other persons interested shall be at liberty to apply to this court for any direction that may be necessary in regard to the working of the compromise or arrangement, and

That the said company do file with the Registrar of the Companies a certified copy of this order within 30 days from this date, and

This Court doth further order payment of Rs. 2,500/- in aggregate as the cost of this petition awardable to Shri Haroobhai Mehta, Central Government Standing Counsel, appearing for the Central Government.

## **SCHEDULE**

### **Scheme of Compromise or Arrangement as sanctioned by the Court.**

Dated this 1st day of May, 1996.

#### **SCHEME OF ARRANGEMENT RELATING TO SCHEDULE "A"**

#### **ATIC INDUSTRIES LIMITED, VAT INVESTMENTS LIMITED, REACTIVE INVESTMENTS LIMITED AND ATUL PRODUCTS LIMITED**

- 01.** This Scheme is presented for the arrangement relating to (1) Atic Industries Limited, a Company registered under the provisions of the Companies Act, 1956, having its registered office at Atul, Dist. Valsad, (2) Vat Investments Limited, having its registered office at D/1, Down Colony, P. O. Atul 396 020, Dist. Valsad, (3) Reactive Investments Limited, having its registered office at D/1, Down Colony, P.O. Atul 396 020, Dist. Valsad, hereinafter collectively referred to as the "Transferor Companies" and Atul Products Limited, a Company registered under the Companies Act, 1956, and having its registered office at Ashoka Chambers, Rasala Marg, Mithakhali Cross Roads, Ellisbridge, Ahmedabad 380 006 (hereinafter referred to as 'the Transferee Company').
- 02.** (a) With effect from the 1st day of April, 1995 in respect of Atic Industries Ltd. and from 10th day of May, 1995 in respect of both Vat Investments Ltd and Reactive Investments Ltd. (hereinafter referred to collectively as the Appointed Date') and subject to the provisions of this Scheme in relation to the mode of transfer and vesting, the undertaking and the entire business and all the properties, assets, investments, powers, authorities, allotments, approvals and consents, licences, registrations, contracts, engagements, arrangements, rights, titles, interests, benefits and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Companies, including but without being limited to all patents, trade marks, trade names and other industrial rights of any nature whatsoever and licences in respect thereof, privileges, liberties, easements, advantages, benefits leases, tenancy rights, ownership flats, quota rights, permits, approvals, authorisations, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, reserves, provisions, deposits, funds, benefits of all agreements and all other interests, (hereinafter collectively referred to as "undertaking") shall without any further act or deed be and stand transferred and vested in the Transferee Company pursuant to the provisions of section 394 of the Companies Act, 1956 (hereinafter referred to as "the said Act"). The transfer/ vesting as aforesaid shall be subject to existing charges/hypothecation/mortgage (if any as may be subsisting) over or in respect of the said assets or any part thereof. 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 the Transferor Companies are parties 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.
- (b) It is expressly provided that in respect of such of the assets as are movable in nature or are otherwise capable of transfer by delivery or by endorsement and delivery, the same shall be so transferred by the Transferor Company, without requiring any deed or instrument of conveyance for the same and shall become the property of the Transferee Company accordingly prior to the order of Honorable High Court of Gujarat under Section 394 of the Companies Act, 1956.
- (c) In respect of such of the assets other than those referred to in paragraph (2-b) above, the same shall, without further act, instrument or deed, be transferred to and vested in and/or deemed to be transferred to and vested in the Transferee Company on the appointed day in accordance with the provisions of section 394 of the Companies act, 1956.

- 03.** With effect from the "Appointed Date" all debts, liabilities, duties and obligations of the Transferor Companies (hereinafter referred to as "the said liabilities") shall also be and stand transferred or deemed to be transferred, without further act, instrument or deed to the Transferee Company, pursuant to the provisions of section 394 of the said Act so as to become as and from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this clause.
- 04.** This scheme, although operative from the Appointed Date shall be effective from the last of the following date or such other date as the Court may direct, namely :
- (a) The date on which the last of all the consents, approvals, permissions, resolutions, sanctions and orders as are hereinafter referred to have been obtained or passed, and
  - (b) The date on which certified copies of the Order of the Gujarat High Court under section 394 of the said Act are filed with the Registrar of Companies, Gujarat and such date shall be hereinafter referred to as "the Effective Date".
- 05.** With effect from the Appointed Date upto the Effective Date :-
- (a) The Transferor Companies shall carry on and shall be deemed to have carried on all its business and activities in respect of the Undertaking and stand possessed of its properties and assets for and on account of and in trust for the Transferee-Company.
  - (b) All the profits or income accruing or arising to the Transferor Companies or expenditure or losses arising or incurred by the Transferor-Companies shall for all purposes be treated and be deemed to be and accrue as, the profits or incomes or expenditure or losses of the Transferee Company, as the case may be;
  - (c) The Transferor Companies shall carry on their respective business activities in relation to the undertaking under reasonable diligence, utmost prudence and shall not alienate, charge, mortgage encumber or otherwise deal with the said Assets or any part thereof, except in the ordinary course of business, or without the prior written consent of the Transferee-Company or pursuant to any pre-existing obligation undertaken by the Transferor Companies prior to the Appointed Date.
  - (d) The Transferor Companies shall not without the written consent of the Transferee Companies, undertake any new business.
  - (e) The Transferee Company shall also 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 (including without limitation under the Industries (Development & Regulation) Act, 1957, Monopolies and Restrictive Trade Practices Act, 1969, Transfer of Property Act, 1882, Indian Contract Act, 1872, Foreign Exchange Regulation Act, 1973 etc.) for such consents, approvals and sanctions which the Transferee Company, may require.
- 06.** All suits, actions and proceedings by or against the Transferor Companies pending and/or arising on or before the date on which this scheme shall finally take effect shall be continued and be enforced by or against the Transferee Company as effectually as if the same had been pending and/or arising against the Transferor Companies.
- 07.** Subject to the provisions of this Scheme all contracts, deeds, bonds, agreements, arrangements and other, instruments of whatsoever nature to which the Transferor Companies are parties or to the benefit of which the Transferor Companies are parties or to the benefit of which the Transferor Companies may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect against or in favour of the Transferee Company as the case may be enforced as fully and effectually as if, instead of the Transferor Companies, the Transferee Company had been a party or beneficiary thereto. The Transferee Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any documentation confirmations or novations, as may be appropriate.

- 08.** (a) The Authorised share capital of the Transferor Companies are as follows :-
1. Atic Industries Ltd Rs. 20 crores divided into 20,00,000 Equity shares of Rs. 100/- each.
  2. Vat Investments Ltd Rs. 41.25 Crores divided into 4,12,50,000 Equity Shares of Rs. 10/- each.
  3. Reactive Investments Ltd Rs. 41.25 Crores divided into 4,12,50,000 Equity Shares of Rs. 10/ - each.
- (b) The issued subscribed and paid up share capital of the Transferor Companies are as follows:-
1. Atic Industries Ltd - 9,00,000 Equity Shares each of Rs. 100.00 as fully paid up totalling to Rs.9 Crores.
  2. Vat Investments Ltd - 4,12,22,500 Equity Shares of Rs.10/- each as fully paid up totalling to Rs. 41,22,25,000.00.
  3. Reactive Investments Ltd - 4,12,22,500 Equity Shares of Rs. 10/- each as fully paid up totalling to Rs. 41,22,25,000.00.
- The Authorised share capital of the Transferee Company is Rs. 160,00,00,000 divided into 6,00,00,000 Equity shares of Rs.10/- each and 1,00,00,000 Cumulative Redeemable Preference Shares of Rs.100/- each.
- 09.** At any time and from time to time after the Appointed Date, the Transferor Companies and the Transferee 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.
- 10.** (a) On the scheme of arrangement being sanctioned, except for the investments made by Vat Investments Ltd. and Reactive Investments Ltd. in the shares of Atic Industries Limited, all other assets of all the three Transferor Companies shall stand transferred to and vest in the Transferee Company at the same value at which they appear in the respective books of accounts of the Transferor Companies. So far as the aforesaid investments in the shares of Atic Industries Limited is concerned the same shall be cancelled as provided in Clause 15 of the scheme.
- (b) It is further provided that upon the Scheme coming into effect, the respective balance/s appearing under the head "Miscellaneous Expenditure (to the extent not written off or adjusted)" in the books of the Transferor Company shall be debited by the Transferee Company to "Miscellaneous Expenditure (to the extent not written off or adjusted) Account" and the same shall thereafter be dealt with, in the same manner as they would have been, had they been incurred by the Transferee Company.
- 11.** (a) Subject to the provisions of Clause 10 above, the excess of the value of the net assets of the Transferor Companies and (which shall include the balance under the heads of "Miscellaneous Expenditure" mentioned in Clause 10 above) as appearing in the books of account of the Transferor Companies over the value of the shares of the three Transferor Companies as appearing in the books of accounts of either the Transferee Company or one or more of the Transferor Companies shall be accounted for and dealt with, in the books of the Transferee Company as follows:-
- (i) An amount equal to the balance lying to the credit of the General Reserve in the books of account of the Transferor Companies shall be credited by the Transferee Company to its General Reserve and shall constitute the Transferee Company's free reserve as effectively as if the same were created by the Transferee Company out of its own earned and distributable profits. Investment allowance (utilised) reserve lying in the books of account of Transferor Companies, being in the nature of general reserve, will be clubbed under the head of general reserve in the books of Transferee Company.
  - (ii) An amount equal to the balance lying to the credit of Revaluation Reserve in the books of account of the Transferor Company arising out of revaluation of some of its assets

made as at the first day of April 1995 shall be credited by the Transferee Company to an account to be styled as "Revaluation Reserve Account". The balance in the said account, after making adjustment as per Clause 11 (a) (iv) herein, shall be considered as a free reserve and shall form part of the net worth of the Transferee Company.

- (iii) An amount equal to the balance lying to the credit of "Profit and Loss Account in the books of account of the Transferor Company shall be credited by the Transferee Company to its Profit and Loss Account and shall constitute the Transferee Company's free reserve as effectively as if the same were created by the Transferee Company out of its own earned and distributable profits.
- (iv) The balance shall be debited by the Transferee Company to the balance lying to the credit of Revaluation Reserve which appears in the books of accounts of the Transferor Company and is, pursuant to Clause 11

(a) as aforesaid, transferred to the books of the Transferee Company.

(b) Notwithstanding the above the Board of Directors of the Transferee Company in consultation with its Auditors, is authorised to account any of these balances in any manner whatsoever as may be deemed fit.

12. All Employees of the Transferor Companies in service on the date immediately preceding the Effective Date shall become the employees of the Transferee Company on such date without any break or interruption in service and on terms and conditions of service not less favourable. It is expressly provided that as far as the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund created or existing for the benefit of the Employees of the Transferor Company are concerned, upon the Scheme becoming finally effective, the Transferee Company shall, stand substituted for the Transferor Companies for all purposes whatsoever related to the administration or operation of such Scheme or Funds or in relation to the obligation to make contributions to the said Funds in accordance with provisions of such schemes, or Funds as per the terms provided in the respective Trust Deeds to the end and intent that, all the rights, duties, powers and obligation of the Transferor Companies in relation to such Funds shall become those of the Transferee Company. It is clarified that the services of the employees of the Transferor Companies will be treated as having been continuous for the purpose of the aforesaid Funds or provisions.
13. The Transferor Companies and the Transferee Company shall with all reasonable despatch, make applications/petitions under sections 391 and 394 and other applicable provisions of the said Act to the High Court of Judicature at Gujarat for sanctioning this Scheme and for dissolution of the Transferor Companies without winding up.
14. On the Scheme becoming effective the transferror companies be dissolved without winding up.
15. The Transferee Company holds all the shares of Vat Investments Ltd. as also Reactive Investments Ltd. The said two companies hold 50 % of share capital (25% + 25%) of Atic Industries Limited whereas the other 50 % of share capital of Atic Industries Limited is held by the Transferee Company. Accordingly the scheme of arrangement involving the Transferor Companies and the Transferee Company will be implemented on the basis that the Transferee Company shall not be required to allot any shares to any one. Consequently the value of the shares of the Transferor Companies in the books of the Transferee Company or any or more of the Transferor Companies shall be written off.
16. The Transferor Companies (by their Directors) and the Transferee Company (by its Directors) may assent from time to time on behalf of all persons concerned to any modifications or amendments of this Scheme or of any conditions or limitations which the High Court and/or any other authorities under law may deem fit to approve of or impose and to resolve all doubts or difficulties that may arise for carrying out the Scheme and to do and execute all acts, deeds, matter and things necessary for putting the Scheme into effect. For the purpose of giving effect to this Scheme or to any modifications thereof, the Directors of the Transferee Company may give and are authorised to give all such directions as are necessary including directions for settling any question or doubt or difficulty that may arise.

17. This Scheme is specifically conditional upon and subject to :

- (a) The sanction or approval under any law or of the Central Government or any other Agency, Department of Authorities concerned being obtained and granted in respect of any of the matters in respect of which such sanction or approval is required.
- (b) The requisite Resolution under the applicable provisions of the said Act being passed by the Shareholders of the Transferee Company under the applicable provisions of the said Act, for any of the matters provided for or relating to the scheme as may be required or be necessary.
- (c) The sanctions of the High Court of Judicature at Gujarat being obtained under sections 391 and 394 and other applicable provisions of the said Act if so required on behalf of the Transferor Companies and the Transferee Company.

18. All costs, charges and expenses of the Transferor Companies respectively in relation to or in connection with this Scheme and of and incidental to the completion of the arrangement of this Scheme shall, except as specifically provided herein, be borne and paid by the Transferee Company.

Dated this 1st Day of May, 1996.

Witness RAMESH AMRATLAL MEHTA Esquire, the Acting Chief Justice at Ahmedabad aforesaid this 1st day of May One Thousand Nine Hundred Ninety Six.

Order drawn by:  
Sd/  
**(Swati Soparkar)**  
Advocate

By order of the Court  
Sd/-  
**S D Gaekwad.**  
Joint Registrar  
This 17th day of May 1996.

Sd/-  
**D B Dholakia**  
This 17th day of May 1996



True Copy  
For Deputy Registrar,  
This 17th day of May 1996

**IN THE HIGH COURT OF GUJARAT AT AHMEDABAD  
(ORIGINAL JURISDICTION)  
COMPANY PETITION NOS. 46 to 49 of 1996  
connected with  
COMPANY APPLICATION NOS. 23 to 26 of 1996**

**Company Petition No. 46/96 connected with Company Application No. 23/96**

In the matter of the Companies Act, 1956  
And  
In the matter of:  
**Atul Products Limited**  
a Company registered under the Companies Act, 1956, and having its registered office at Ashoka Chambers, Rasala Marg, Mithakhali, Ellisbridge, Ahmedabad 380006 in the State of Gujarat.

**Atul Products Limited**

a Company registered under the Companies Act, 1956, and having its registered office at Ashoka Chambers, Rasala Marg, Mithakhali, Ellisbridge, Ahmedabad - 380 006 in the state of Gujarat.....Petitioner

**Company Petition No. 47/96 connected with Company Application No. 24/96**

In the matter of the Companies Act, 1956  
And  
In the matter of: **Reactive Investments Limited** a Company registered under the Companies Act, 1956, and having its registered office at D/1, Down Colony, P O Atul 396 020 Dist. Valsad in the State of Gujarat.

**Reactive Investments Limited**

a Company registered under the Companies Act. 1956, and having its registered office at D/1, Down Colony, P O Atul 396 020 Dist. Valsad in the state of Gujarat.....Petitioner

**Company Petition No. 48/96 connected with Company Application No. 25/96**

In the matter of the Companies Act, 1956  
And  
In the matter of:  
**Vat Investments Limited**  
a Company registered under the Companies Act, 1956, and having its registered office at D/1, Down Colony, P O Atul 396 020 Dist. Valsad in the State of Gujarat.

**Vat Investments Limited**

a Company registered under the Companies Act, 1956, and having its registered office at D/1, Down Colony, P O Atul 396 020 Dist. Valsad in the state of Gujarat .....Petitioner

**Company Petition No. 49/96 connected with Company Application No. 26/96**

In the matter of the Companies Act, 1956  
And

In the matter of:

**Atic Industries Limited**

a Company registered under the Companies Act, 1956, and having its registered office at Atul, 396 020 Dist. Valsad, in the State of Gujarat.

**Atic Industries Limited**

a Company registered under the Companies Act, 1956, and having its registered office at Atul, 396 020 Dist. Valsad, in the state of Gujarat.....Petitioner

Judgment received on 04.05.1996

**APPEARANCE :-**

- Mr S N Soparkar, Advocate for the applicant in Company Petition No. 46/96
- Mrs Swati Soparkar, Advocate for the applicant in Company Petition Nos. 47,48 and 49/96.
- Mr Jayant Patel, Addl. Central Govt. Standing Counsel in Company Petition Nos. 46 & 47/96.
- Mr H M Mehta, Addl. Central Govt. Standing counsel in Company Petition Nos. 48 & 49/96.

**IN THE HIGH COURT OF GUJARAT AT AHMEDABAD  
COMPANY PETITIONS NO. 46 TO 49 OF 1996**

Date of Decision 01.05.1996.

**The Hon'ble Mr Justice H. L. Gokhale**

1. Whether Reporters of Local Papers may be allowed to see the judgment ?
2. To be referred to the Reporter or not ?
3. Whether their Lordships wish to see the fair copy of judgment ?
4. Whether this case involves a substantial question of law as to the interpretation of the Constitution of India, 1950 or any order made thereunder ?
5. Whether it is to be circulated to the Civil Judge ?

**CORAM : H. L. GOKHALE, J.  
(MAY 01, 1996 )**

**JUDGMENT:**

01. These are the petitions filed by four companies, namely, Atic Industries Limited, Vat Investments Limited, Reactive Investments Limited and Atul Products Limited for amalgamation of the first three transferor companies with the letter one, i.e. Atul Products Limited under Section 391 read with Section 394 of the Companies Act, 1956.
02. Atic Industries Limited, the first transferor Company is engaged in the business of manufacturing, marketing and exporting of various Vat, Reactive and Anthraquinone Disperse Dyes. Vat Investments Limited and Reactive Investments Limited, i.e. the second and the third transferor companies, are engaged in the business of buying and selling of securities. Each of these two companies is a wholly owned subsidiary of the transferee company. The said two companies are also holding 25% of the share capital of the first transferror company whereas the balance 50% of its capital is held by the transferee company. In other words, the transferee company holds 100% shares of the second and



third transferor companies and the said three companies taken together hold 100% shares of the first transferor company. The learned advocate for the transferor companies has placed on the record the valuation report made by a Government approved registered Valuer according to which the market value of the immovable properties of the first transferor company comes to Rs. 14.20 crores.

03. Atul Products Limited, the transferee company is an integrated chemical complex with facilities for manufacturing wide range of dyes, dyes intermediates and chemicals. All the petitions give details of the advantages that would flow by virtue of the amalgamation of these companies. The scheme of amalgamation has been approved in the meetings of the shareholders of the transferee company as also in the meeting of the secured and unsecured creditors of the first transferor company by requisite majority. The shareholders of all the three transferor companies and the unsecured creditors of the second and third transferor companies had given their consents in writing and, hence the meetings were dispensed with by the order of this Court. After the petitions were admitted, they were advertised in the newspapers.
04. One Mr Dipak Jayantilal Shah had written a letter to the High Court and wished to get the copies of the petitions. The same have already been supplied to him by the petitioners. Further, on the order of this Court, the special notice was also given to him by the learned advocates for the petitioners on 15.04.1996 intimating him about the date of the final hearing as fixed by the Court as on 30.04.1996. He has, thereafter, not come forward with any objection for opposing sanction of the scheme of amalgamation.
05. Notice of the petitions have been served upon the Central Government and Mr Jayant N Patel, Additional Central Govt. Standing Counsel and Mr Haroobhai M Mehta, Central Government senior standing counsel appearing for the Central Government have stated that they have no objection in sanctioning the scheme of amalgamation. Notice of the transferor companies has also been served upon the Official Liquidator as required under 2nd proviso to Section 394 (1) of the Act and the Official Liquidator has filed his report dated 10.04.1996 stating that the affairs of the transferor companies have not been conducted in a manner prejudicial to their members or to public interest.
06. I have heard Smt. Soparkar, learned advocate for the transferor companies and Shri S N Soparkar, learned advocate for the transferee company. Having gone through the petitions, I am satisfied that amalgamation would be in the interest of the companies and their members. Under the circumstances, the scheme of amalgamation (Annexure-C to the petitions) is sanctioned. Prayers in terms of paragraph 18 in Company Petition No. 46 of 1996, prayers in terms of paragraph 15 in Company Petitions No. 47 and 48 of 1996 and prayers in terms of paragraph 19 in Company Petition No. 49 of 1996 are granted.
07. The petitions are disposed of accordingly. So far as the costs to be paid to the Central Government Standing counsels are concerned, I quantify the same at Rs. 2,500/- per petition to be paid to Mr Jayant Patel for the first two petitions and Mr H M Mehta for the next two petitions.

01.05.1996.

Sd/-  
**(H. L. GOKHALE, J.)**



By order of the Court  
Sd/-  
**D B Dholakia**  
Joint Registrar  
This 14th day of May 1996

True Copy  
For Deputy Registrar,  
This 14th day of May 1996.

**IN THE HIGH COURT OF GUJARAT AT AHMEDABAD**  
(ORIGINAL JURISDICTION)  
COMPANY PETITION NO. 276 OF 1998  
connected with  
COMPANY APPLICATION NO. 377 OF 1998

In the matter of :  
Cibatul Limited  
a Company registered under the Companies  
Act, 1956 and having its registered office at  
P.O. Atul 396 020, Dist. Valsad in the state  
of Gujarat.

Cibatul Limited  
a Company registered under the Companies  
Act, 1956 and having its registered office at  
P.O. Atul 396 020, Dist. Valsad in the  
state of Gujarat..... Petitioner

**BEFORE HONORABLE MR. JUSTICE H. L. GOKHALE**

Date : 29th December, 1998

**Order On Petition**

The above petition coming on for hearing on 29th December 1998 upon reading the said petition, the order dated 10-11-1998 in the Company Application No. 377 of 1998 whereby the meeting of the shareholders was dispense with and the petitioner was directed to convene the meetings of the secured and unsecured creditors of the above Company for the purpose of considering, and if thought fit, approving, with or without modification the compromise or arrangement proposed to be made between the said Company and its shareholders and creditors in the matter of Amalgamation of the petitioner-company with Atul Limited and annexed to the affidavit of Shri T. R. Gopi Kannan filed on the 6th day of November 1998 and The Indian Express' English Daily dated 16-11-1998 and 'Jansatta' Gujarati Daily dated 16-11-1998 containing each the advertisement of the said notice convening the said meetings directed to be held by the said order dated 10-11-1998, the affidavit of Shri Arvind Narottam Lalbhai on 18-11-1998 showing the publication and despatch of the notices convening the said meetings, the reports dated 9-12-1998 filed by Shri Sunil S. Lalbhai, the chairman of the said meetings dated 9-12-1998 as to the result of the said meetings, and upon hearing Mrs. Swati S. Soparkar, Advocate for the petitioner Company and Shri Jayant Patel, Additional Central Government Standing Counsel appearing for the Central Government and it appearing from the reports that the proposed compromise or arrangement has been approved unanimously by all the Secured and Unsecured Creditors of the company, and it appearing from the consent letters that the proposed compromise or arrangement has been approved by the only Shareholder, and it further appearing from the report dated 24-12-1998 of the official Liquidator, Gujarat High Court, that the affairs of the Company have not been conducted in a manner prejudicial to the interest of its members or to the public interest.

This Court doth hereby sanction the compromise or arrangement set forth in para 10 of the petition herein and in the Schedule hereto and doth hereby declare the same to be binding on all the secured and unsecured creditors and shareholders of the above named company and also on the above named company. And this Court doth further order that parties to the compromise or arrangement or order persons interested shall be at liberty to apply to this Court for any direction that may be necessary in regard to the working of the compromise or arrangement, and.

That the said company do file with the Registrar of the Companies a certified copy of this order within 30 days from this date, and.

This Court doth further order payment of Rs. 2,500/- in aggregate as the cost of this petition awardable to Shri Jayant Patel, Additional Central Government Standing Counsel appearing for the Central Government.

## SCHEDULE

Scheme of Compromise or Arrangement as sanctioned by the Court.

Dated this 29th Day of December 1998.

### **SCHEME OF AMALGAMATION OF CIBATUL LIMITED WITH ATUL LIMITED UNDER SECTION 391 READ WITH SECTION 394 OF THE COMPANIES ACT, 1956. PART I - PRELIMINARY**

#### **1. DEFINITIONS**

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

- 1.1 "the Act" means the Companies Act, 1956 or any statutory modification or re-enactment thereof for the time being in force.
- 1.2 "the Appointed Date" means 1st April, 1998 or such other date as may be fixed by the Honorable High Court of Gujarat at Ahmedabad.
- 1.3 "the Effective Date" means the last of the dates on which the sanctions and approvals and the Orders sanctioning the Scheme referred to in Clause 1 of Part III of the Scheme is obtained.
- 1.4 "the Transferor company" means Cibatul Limited, a company incorporated under the Act and having its Registered Office at P.O.: Atul - 396 020. Dist. Valsad, Gujarat State.
- 1.5 "the Transferee Company" means Atul Limited, a company incorporated under the Act and having its Registered Office at Ashoka Chambers, Rasala Marg. Mithakhali Cross Roads, Ellisbridge, Ahmedabad 380 006.
- 1.6 "the Scheme" means this Scheme of Amalgamation
- 1.7 "Undertaking" means :
  - (a) all the assets and properties of the Transferor Company as on the Appointed Date;
  - (b) all the debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date :

and includes all the reserves, movable and immovable properties and assets of the Transferor Company including its leasehold rights, tenancy rights, industrial and other licences, permits, authorisations, quota rights, trade marks, patents and other industrial and intellectual property rights, import quotas telephones, telex, facsimile and other communication facilities and equipment, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals.

#### **2. SHARE CAPITAL :**

- 2.1 The authorised and the issued, subscribed and paid up share capital of the Transferor Company is as follows :

The authorised share capital is Rs. 10,00,00,000/- (Rupees Ten Crores) divided into 1,00,00,000 (One Crore) equity shares of Rs. 10/- each.

The issued Subscribed and paid-up share capital is Rs. 6,00,00,000/- (Rupees Six Crores) divided into 60,00,000 (Sixty Lacs) equity shares of Rs. 10/- each.

- 2.2 The authorised share capital of the Transferee Company is Rs. 160,00,00,000/- (Rupees One Hundred Sixty Crores) divided into 80,00,000 (Eighty Lacs) Cumulative Redeemable Preference Shares of Rs. 100/- each and 8,00,00,000 (Eight Crores) equity shares of Rs. 10/- each.

The issued share capital of the Transferee Company is Rs. 37,69,17,800/- comprising of 8,00,000 (Eight Lacs) Cumulative Redeemable Preference Shares of Rs.100/- each amounting to Rs. 8,00,00,000/- and 2,96,91,780 (Two Crores Ninety Six Lacs Ninety One Thousand Seven Hundred Eighty) Equity Shares of Rs. 10/- each amounting to Rs. 29,69,17,800/-.

The subscribed and paid-up share capital of the Transferee Company is Rs. 37,66,16,330/- comprising of 8,00,000 (Eight Lacs) Cumulative Redeemable Preference Shares of Rs. 100/- each amounting to Rs. 8,00,00,000/- and 2,96,61,633 (Two Crores Ninety Six Lacs Sixty One Thousand Six Hundred Thirty Three) Equity Shares of Rs. 10/- each amounting to Rs. 29,66,16,330/-

## **PART II - THE SCHEME**

### **1. DATE WHEN THE SCHEME COMES INTO OPERATION**

1.1 Although the Scheme comes into operation from the Appointed Date it shall only become effective from the Effective Date.

### **2. TRANSFER OF UNDERTAKING**

2.1 With effect from the Appointed Date, the Undertaking shall, pursuant to the provisions contained in Section 394 and other applicable provisions of the Act, stand transferred to and vest in or be deemed to be transferred to and vest in the Transferee Company without any further act, deed, matter or thing (save as provided in Clause 2.2 of this Part) so as to become the property or liabilities of the Transferee Company but subject to all charges affecting the same Provided Always that the Scheme shall not operate to enlarge the security for any loan deposit or facility availed of by the Transferee Company and the Transferee Company shall not be obliged to create any further or additional security therefor after the Effective Date or otherwise.

2.2 All the movable assets of the Transferor Company shall be physically handed over by manual delivery to the Transferee Company to the end intent that the ownership property therein passes to the Transferee Company, on such handing over. The amounts lying with the Banks to the credit of the Transferor Company as of the Appointed Date shall also be transferred to the Transferee Company. Such delivery and transfer shall be on the date of the Orders of the High Court of Gujarat at Ahmedabad sanctioning the Scheme.

2.3 On and from the Appointed Date the balance appearing under the head "Miscellaneous Expenditure" (to the extent not written off or adjusted) in the books of the Transferor Company shall be debited by the Transferee Company to "Miscellaneous Expenditure Account" (to the extent not written off or adjusted) and the same shall thereafter be dealt with, in the same manner as they would have been had they been incurred by the Transferee Company.

2.4 On the Scheme of Amalgamation being sanctioned, any asset (other than Fixed Assets) of the Transferor Company may be revalued where necessary or deemed fit by the Transferee Company and subject to such revaluation all assets of the Transferor Company shall stand transferred to and vest in the Transferee Company at the same values at which they appear in the books of accounts of the Transferor Company.

2.5 The excess of the value of the net assets of the Transferor Company (which shall include the balance under the head of "Miscellaneous Expenditure" mentioned in Clause 2.3 above) as appearing in the books of accounts of the Transferor Company over the value of the shares of the Transferor Company as appearing in the books of accounts of the Transferee Company shall be accounted for and dealt with, in the books of the Transferee Company as follows:

- (i) An amount equal to the balance lying to the credit of the General Reserve in the books of accounts of the Transferor Company shall be credited by the Transferee Company to its General Reserve after adjusting for losses or gains, if any, arising on revaluation as mentioned in Clause 2.4 and shall constitute the Transferee Company's free reserve as effectively as if the same were created by the Transferee Company out of its own earned and distributable profits.
- (ii) An amount equal to the Investment allowance reserve lying in the books of account of the Transferor Company will be credited to the Investment allowance reserve in the books of accounts of the Transferee Company.
- (iii) An amount equal to the balance lying to the credit of "Profit & Loss Account" in the books of the account of the Transferor Company shall be credited by the Transferee Company to its Profit & Loss Account and shall constitute the Transferee Company's

free reserve as effectively as the same were created by the Transferee Company out of its own earned and distributable profits.

- (iv) An amount equal to the balance lying to the credit of the Debenture Redemption Reserve in the books of accounts of the Transferor Company shall be credited by the Transferee Company to its Debenture Redemption Reserve.
- (v) The balance shall be debited by the Transferee Company to the balance lying to the credit of its Capital Reserve Account.

Notwithstanding the above the Board of Directors of the Transferee Company in consultation with the Auditors, is authorised to account any of these balances in any manner whatsoever as may be deemed fit.

2.6 With effect from the Appointed Date all the debts, liabilities, duties and obligations of the Transferor Company shall, pursuant to the Orders of the High Court of Gujarat at Ahmedabad under Section 394 and other applicable provisions of the Act and without any further act or deed be also transferred or deemed to be transferred to and vest in and be assumed by the Transferee Company, so as to become as from the Appointed Date the debts, liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company.

2.7 On the Scheme being effective the Transferor Company be dissolved without winding up.

### **3. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS**

3.1 Subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature to which the Transferor Company is a party subsisting or having effect immediately before or after the Effective Date shall remain in full force and effect against or in favour of the Transferee Company and shall be binding on and be enforceable against the Transferee Company as fully and effectually as if it had at all material times been a party thereto.

### **4. LEGAL PROCEEDINGS**

4.1 If any suit, appeal or other proceedings of whatever nature (hereinafter referred to as "the Proceedings") by or against the Transferor Company is pending on or after the Appointed Date, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Undertaking or of anything contained in the Scheme but the Proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against the Transferor Company as if the Scheme had not been made.

### **5. EMPLOYEES OF THE TRANSFEROR COMPANY**

5.1 All permanent employees of the Transferor Company immediately preceding the Effective Date shall become the permanent employees of the Transferee Company on and from the Effective Date on the basis that :

- (a) their services shall be deemed to have been continuous and not have been interrupted by reason of the transfer of the Undertaking;
- (b) the terms and conditions of service applicable to such employees after such transfer shall not in any way be less favourable than those applicable to them immediately preceding the said transfer;
- (c) as far as the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund created or existing for the benefit of such permanent employees of the Transferor Company is concerned, on and from the Effective Date, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever in relation to the obligation to make contributions to such Funds in accordance with the provisions of such Funds and according to the terms provided in the respective Trust Deeds. It is the aim and intent that all the rights, duties, powers and obligations of the Transferor Company in relation to such Funds shall become those of the Transferee Company. It is clarified that the services of such permanent employees of the Transferor Company will be treated as having been continuous and not interrupted for the purposes of such Funds.

**6. CONDUCT OF BUSINESS BY THE TRANSFEROR COMPANY AND THE TRANSFeree COMPANY UNTIL THE EFFECTIVE DATE**

6.1 With effect from the Appointed Date and upto including the Effective Date, the Transferor Company Shall :

- (a) carry on and be deemed to carry on all its business and activities and stand possessed of its properties and assets for and on account of and in trust for the Transferee Company and all the profits accruing to the Transferor Company or losses arising or incurred by it shall for all purposes be treated as the profits or losses of the Transferee Company, as the case may be;
- (b) carry on the business with reasonable diligence and shall not without the prior written consent of the Transferee company alienate, charge or otherwise deal with or dispose of the Undertaking or any part thereof except in the ordinary course of its business;
- (c) not vary the terms and conditions of service of its permanent employees except in the ordinary course of its business.
- (d) not, without the prior written consent of the Transferee Company, undertake any new business or a substantial expansion of its existing business.
- (e) The Transferee Company shall also 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 (including without limitation under the Industries (Development & Regulation) Act, 1957, Monopolies and Restrictive Trade Practices Act, 1969 Transfer of Property act, 1882, Indian Contract Act, 1872, Foreign Exchange Regulation Act, 1973 etc.) for such consents, approvals and sanctions which the Transferee Company, may require.

**7. DIVIDENDS, PROFITS, BONUS/RIGHT SHARES**

7.1 Dividends may be declared or paid by the Transferor Company or the Transferee Company.

7.2 The Transferor Company shall not issue or allot after the Appointed Date any right shares, bonus shares or other shares out of its authorised or unissued share capital for the time being, without the consent of the Transferee Company.

**8. ISSUE AND ALLOTMENT OF SHARES BY THE TRANSFeree COMPANY**

8.1 The Transferee Company holds all the shares of the Transferor Company. Accordingly, the Scheme of Amalgamation involving the Transferor Company and the Transferee Company will be implemented on the basis that the Transferee Company shall not be required to allot any shares to any one. The value of the shares of the Transferor Company in the books of the Transferee Company shall be dealt with as explained in Clause 2.5.

**9. APPLICATIONS TO THE HIGH COURT OF GUJARAT, AT AHMEDABAD**

9.1 On the Scheme being approved by the requisite majority of shareholders, Secured Creditors and Unsecured Creditors of the Transferor Company and majority shareholders of the Transferee Company representing the required value, the Transferor Company and the Transferee Company shall, with all reasonable despatch, apply under Sections 391 and 394 of the Act to the High Court of Gujarat, at Ahmedabad, for sanctioning the Scheme and for such further order or orders thereunder as the High Court of Gujarat, at Ahmedabad, may deem fit for carrying the Scheme into effect and for dissolution of the Transferor Company without winding up.

**10. MODIFICATIONS OR AMENDMENT TO THE SCHEME**

10.1 The Transferor Company and the Transferee Company through their respective Board of Directors may in their full and absolute discretion assent to any modifications or amendments to the Scheme which the High Court of Gujarat at Ahmedabad, shareholders of the Transferor Company and/or Transferee Company and/or any other competent authority may deem fit to approve and may give such directions as they may consider necessary or desirable for settling any question, doubt or difficulty arising under the Scheme or in regard to its implementation or in any matter connected therewith (including any question, doubt or difficulty arising in connection with any deceased or insolvent shareholder of the Transferor Company or the

Transferee Company) and to do all acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect. In the event that any modification or amendment to the Scheme is unacceptable to the Transferor Company and/or the Transferee Company for any reason whatsoever the Transferor Company and/or Transferee Company shall be entitled to withdraw from the Scheme.

- 10.2 For the purpose of giving effect to the Scheme or to carry out any modification or amendment thereto, the Board of Directors of the Transferor Company and the Transferee Company or any Committee thereof is authorised to give such directions and/or to take such steps as may be necessary or desirable including any directions for settling any question, doubt or difficulty whatsoever that may arise.

### **PART III - GENERAL**

#### **1. SCHEME CONDITIONAL ON APPROVAL / SANCTIONS**

1.1 The Scheme is conditional on and subject to :

- (a) the Scheme of Amalgamation being sanctioned by the High Court of Gujarat at Ahmedabad, under Sections 391 and 394 of the Act and to the necessary Orders under Section 394 of the Act being obtained and a certified copy of the said Orders being filed with the Registrar  
of Companies, Gujarat by the Transferee Company and the Transferor company;
- (b) the sanction or approval of all persons or authorities concerned being obtained and granted in respect of any of the matters provided for or relating to the Scheme for which such sanction or approval is required;
- (c) the approval of the Scheme by the requisite majorities representing the required values of the shareholders, secured creditors and unsecured creditors of the Transferor Company and the shareholders of the Transferee company.

#### **2. WHEN SCHEME TO BECOME NULL AND VOID**

2.1 In the event of any of the sanctions or approvals referred to in Clause 1.1 of this Part not being obtained and/or the certified copies of the Orders referred to in Clause 1.1 (a) of this Part not being filed as aforesaid on or before 31st March, 1999 or within such further period or periods as may be agreed upon between the Transferor Company by its Board of Directors and the Transferee Company by its Board of Directors or the Transferor Company and/or the Transferee company withdrawing from the Scheme pursuant to Clause 10.1 of Part II of the Scheme, the Scheme shall become null and void and in such event no rights or liabilities whatsoever shall accrue to or be incurred inter se between the Transferor Company and the Transferee Company. Each party shall, in such event, bear its respective costs, charges and expenses in connection with the Scheme.

#### **3. COST AND EXPENSES**

3.1 Subject to Clause 2.1 of this Part, all costs, charges and expenses including stamp duty and registration fees of or in respect of any deed, document, instrument or orders of the High Court of Gujarat at Ahmedabad, in relation to or in connection with negotiations leading upto the Scheme and of carrying out and implementing the terms and provisions of the Scheme shall be borne and paid wholly by the Transferee Company.

Dated this 29th Day of December, 1998.

Witness K. G. Balakrishnan Esquire, the Chief Justice at Ahmedabad aforesaid this 29th day of December One Thousand Nine Hundred Ninety Eight.

By the order of the Court  
Sd/-  
(D. B. Dholakia)  
Joint Registrar  
this 30th day of December 1998

Order drawn by :  
Sd/-  
(Swati Saurabh Soparkar)  
Advocate



Sealer  
Sd/-  
(D. B. Patel)  
This 30th day of December 1998

True Copy  
Sd/-  
For Deputy Registrar  
this 31st day of December 1998



**IN THE HIGH COURT OF GUJARAT AT AHMEDABAD**  
**(ORIGINAL JURISDICTION)**  
**COMPANY PETITION NO. 277 OF 1998**  
connected with  
**COMPANY APPLICATION NO. 378 OF 1998**

In the matter of :  
Atul Limited  
a Company registered under the Companies  
Act, 1956 and having its registered office at  
Ashoka Chambers, Rasala Marg, Mithakhali  
Cross Road, Ellisbridge, Ahmedabad - 380006  
in the state of Gujarat.

Atul Limited  
a Company registered under the Companies  
Act, 1956 and having its registered office at  
Ashoka Chambers, Rasala Marg, Mithakhali  
Cross Road, Ellisbridge, Ahmedabad - 380006  
in the state of Gujarat..... Petitioner

**BEFORE HONORABLE MR. JUSTICE H. L. GOKHALE**

Date : 29th December, 1998

**Order On Petition**

The above petition coming on for hearing on 29th December 1998 upon reading the said petition, the order dated 10-11-1998 in the Company Application No. 378 of 1998 whereby the petitioner was directed to convene separate meetings of the Equity and Preference shareholders of the above Company for the purpose of considering, and if thought fit, approving, with or without modification the compromise or arrangement proposed to be made between the said Company and its shareholders in the matter of Amalgamation of Cibatul Limited with the petitioner Company and annexed to the affidavit of Shri T. R. Gopi Kannan filed on the 6-11-1998 and The Indian Express' English Daily dated 16-11-1998 and 'Jansatta' Gujarati Daily dated 16-11-1998 containing each the advertisement of the said notice convening the said meetings directed to be held by the said order dated 16-11-1998, the affidavit of Shri Arvind Narottam Lalbhai filed on 18-11-1998 showing the publication and despatch of the notices convening the said meeting, the reports dated 9-12-1998 filed by Shri Sunil S. Lalbhai, the chairman of the said meeting dated 9-12-1998 as to the result of the said meeting, and upon hearing Shri Saurabh N. Soparkar, Advocate for the petitioner Company and Shri Jayant Patel, Additional Central Government Standing Counsel appearing for the Central Government and it appearing from the reports that the proposed compromise or arrangement has been approved by the predominant majority of the shareholders of the Company.

This Court doth hereby sanction the compromise or arrangement set forth in para 10 of the petition herein and in the Schedule hereto and doth hereby declare the same to be binding on the shareholders of the above named company and also on the above named company.

And this Court doth further order that parties to the compromise or arrangement or other persons interested shall be at liberty to apply to this Court for any directions that may be necessary in regard to the working of the compromise or arrangement, and.

That the said company do file with the Registrar of the Companies a certified copy of this order within 30 days from this date, and.

This Court doth further order payment of Rs. 2,500/- in aggregate as the cost of this petition awardable to Shri Jayant Patel, Additional Central Government Standing Counsel appearing for the Central Government.

## SCHEDULE

Scheme of Compromise or Arrangement as sanctioned by the Court.

Dated this 29th Day of December 1998.

### SCHEME OF AMALGAMATION OF CIBATUL LIMITED WITH ATUL LIMITED UNDER SECTION 391 READ WITH SECTION 394 OF THE COMPANIES ACT, 1956. PART I - PRELIMINARY

#### 1. DEFINITIONS

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

- 1.1 "the Act" means the Companies Act, 1956 or any statutory modification or re-enactment thereof for the time being in force.
- 1.2 "the Appointed Date" means 1st April, 1998 or such other date as may be fixed by the Honorable High Court of Gujarat at Ahmedabad.
- 1.3 "the Effective Date" means the last of the dates on which the sanctions and approvals and the Orders sanctioning the Scheme referred to in Clause 1 of Part III of the Scheme is obtained.
- 1.4 "the Transferor company" means Cibatul Limited, a company incorporated under the Act and having its Registered Office at P.O.: Atul - 396 020. Dist. Valsad, Gujarat State.
- 1.5 "the Transferee Company" means Atul Limited, a company incorporated under the Act and having its Registered Office at Ashoka Chambers, Rasala Marg, Mithakhali Cross Roads, Ellisbridge, Ahmedabad 380 006.
- 1.6 "the Scheme" means this Scheme of Amalgamation
- 1.7 "Undertaking" means :
  - (a) all the assets and properties of the Transferor Company as on the Appointed Date;
  - (b) all the debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date :

and includes all the reserves, movable and immovable properties and assets of the Transferor Company including its leasehold rights, tenancy rights, industrial and other licences, permits, authorisations, quota rights, trade marks, patents and other industrial and intellectual property rights, import quotas telephones, telex, facsimile and other communication facilities and equipment, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals.

#### 2. SHARE CAPITAL :

- 2.1 The authorised and the issued, subscribed and paid up share capital of the Transferor Company is as follows :

The authorised share capital is Rs. 10,00,00,000/- (Rupees Ten Crores) divided into 1,00,00,000 (One Crore) equity shares of Rs. 10/- each.

The issued Subscribed and paid-up share capital is Rs. 6,00,00,000/- (Rupees Six Crores) divided into 60,00,000 (Sixty Lacs) equity shares of Rs. 10/- each.
  - 2.2 The authorised share capital of the Transferee Company is Rs. 160,00,00,000/- (Rupees One Hundred Sixty Crores) divided into 80,00,000 (Eighty Lacs) Cumulative Redeemable Preference Shares of Rs. 100/- each and 8,00,00,000 (Eight Crores) equity shares of Rs. 10/- each.
- The issued share capital of the Transferee Company is Rs. 37,69,17,800/- comprising of 8,00,000 (Eight Lacs) Cumulative Redeemable Preference Shares of Rs. 100/- each amounting to Rs. 8,00,00,000/- and 2,96,91,780 (Two Crores Ninety Six Lacs Ninety One Thousand Seven Hundred Eighty) Equity Shares of Rs. 10/- each amounting to Rs. 29,69,17,800/-.

The subscribed and paid-up share capital of the Transferee Company is Rs. 37,66,16,330/- comprising of 8,00,000 (Eight Lacs) Cumulative Redeemable Preference Shares of Rs. 100/- each amounting to Rs. 8,00,00,000/- and 2,96,61,633 (Two Crores Ninety Six Lacs Sixty One Thousand Six Hundred Thirty Three) Equity Shares of Rs. 10/- each amounting to Rs. 29,66,16,330/-

## **PART II - THE SCHEME**

### **1. DATE WHEN THE SCHEME COMES INTO OPERATION**

1.1 Although the Scheme comes into operation from the Appointed Date it shall only become effective from the Effective Date.

### **2. TRANSFER OF UNDERTAKING**

2.1 With effect from the Appointed Date, the Undertaking shall, pursuant to the provisions contained in Section 394 and other applicable provisions of the Act, stand transferred to and vest in or be deemed to be transferred to and vest in the Transferee Company without any further act, deed, matter or thing (save as provided in Clause 2.2 of this Part) so as to become the property or liabilities of the Transferee Company but subject to all charges affecting the same Provided Always that the Scheme shall not operate to enlarge the security for any loan deposit or facility availed of by the Transferee Company and the Transferee Company shall not be obliged to create any further or additional security therefor after the Effective Date or otherwise.

2.2 All the movable assets of the Transferor Company shall be physically handed over by manual delivery to the Transferee Company to the end intent that the ownership property therein passes to the Transferee Company, on such handing over. The amounts lying with the Banks to the credit of the Transferor Company as of the Appointed Date shall also be transferred to the Transferee Company. Such delivery and transfer shall be on the date of the Orders of the High Court of Gujarat at Ahmedabad sanctioning the Scheme.

2.3 On and from the Appointed Date the balance appearing under the head "Miscellaneous Expenditure" (to the extent not written off or adjusted) in the books of the Transferor Company shall be debited by the Transferee Company to "Miscellaneous Expenditure Account" (to the extent not written off or adjusted) and the same shall thereafter be dealt with, in the same manner as they would have been had they been incurred by the Transferee Company.

2.4 On the Scheme of Amalgamation being sanctioned, any asset (other than Fixed Assets) of the Transferor Company may be revalued where necessary or deemed fit by the Transferee Company and subject to such revaluation all assets of the Transferor Company shall stand transferred to and vest in the Transferee Company at the same values at which they appear in the books of accounts of the Transferor Company.

2.5 The excess of the value of the net assets of the Transferor Company (which shall include the balance under the head of "Miscellaneous Expenditure" mentioned in Clause 2.3 above) as appearing in the books of accounts of the Transferor Company over the value of the shares of the Transferor Company as appearing in the books of accounts of the Transferee Company shall be accounted for and dealt with, in the books of the Transferee Company as follows:

- (i) An amount equal to the balance lying to the credit of the General Reserve in the books of accounts of the Transferor Company shall be credited by the Transferee Company to its General Reserve after adjusting for losses or gains, if any, arising on revaluation as mentioned in Clause 2.4 and shall constitute the Transferee Company's free reserve as effectively as if the same were created by the Transferee Company out of its own earned and distributable profits.
- (ii) An amount equal to the Investment allowance reserve lying in the books of account of the Transferor Company will be credited to the Investment allowance reserve in the books of accounts of the Transferee Company.
- (iii) An amount equal to the balance lying to the credit of "Profit & Loss Account" in the books of the account of the Transferor Company shall be credited by the Transferee

Company to its Profit & Loss Account and shall constitute the Transferee Company's free reserve as effectively as the same were created by the Transferee Company out of its own earned and distributable profits.

- (iv) An amount equal to the balance lying to the credit of the Debenture Redemption Reserve in the books of accounts of the Transferor Company shall be credited by the Transferee Company to its Debenture Redemption Reserve.
- (v) The balance shall be debited by the Transferee Company to the balance lying to the credit of its Capital Reserve Account.

Notwithstanding the above the Board of Directors of the Transferee Company in consultation with the Auditors, is authorised to account any of these balances in any manner whatsoever as may be deemed fit.

2.6 With effect from the Appointed Date all the debts, liabilities, duties and obligations of the Transferor Company shall, pursuant to the Orders of the High Court of Gujarat at Ahmedabad under Section 394 and other applicable provisions of the Act and without any further act or deed be also transferred or deemed to be transferred to and vest in and be assumed by the Transferee Company, so as to become as from the Appointed Date the debts, liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company.

2.7 On the Scheme being effective the Transferor Company be dissolved without winding up.

### **3. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS**

3.1 Subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature to which the Transferor Company is a party subsisting or having effect immediately before or after the Effective Date shall remain in full force and effect against or in favour of the Transferee Company and shall be binding on and be enforceable against the Transferee Company as fully and effectually as if it had at all material times been a party thereto.

### **4. LEGAL PROCEEDINGS**

4.1 If any suit, appeal or other proceedings of whatever nature (hereinafter referred to as "the Proceedings") by or against the Transferor Company is pending on or after the Appointed Date, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Undertaking or of anything contained in the Scheme but the Proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against the Transferor Company as if the Scheme had not been made.

### **5. EMPLOYEES OF THE TRANSFEROR COMPANY**

5.1 All permanent employees of the Transferor Company immediately preceding the Effective Date shall become the permanent employees of the Transferee Company on and from the Effective Date on the basis that :

- (a) their services shall be deemed to have been continuous and not have been interrupted by reason of the transfer of the Undertaking;
- (b) the terms and conditions of service applicable to such employees after such transfer shall not in any way be less favourable than those applicable to them immediately preceding the said transfer;
- (c) as far as the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund created or existing for the benefit of such permanent employees of the Transferor Company is concerned, on and from the Effective Date, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever in relation to the obligation to make contributions to such Funds in accordance with the provisions of such Funds and according to the terms provided in the respective Trust Deeds. It is the aim and intent that all the rights, duties, powers and obligations of the Transferor Company in relation to such Funds shall become those of the Transferee Company. It is clarified

that the services of such permanent employees of the Transferor Company will be treated as having been continuous and not interrupted for the purposes of such Funds.

**6. CONDUCT OF BUSINESS BY THE TRANSFEROR COMPANY AND THE TRANSFeree COMPANY UNTIL THE EFFECTIVE DATE**

6.1 With effect from the Appointed Date and upto including the Effective Date, the Transferor Company Shall :

- (a) carry on and be deemed to carry on all its business and activities and stand possessed of its properties and assets for and on account of and in trust for the Transferee Company and all the profits accruing to the Transferor Company or losses arising or incurred by it shall for all purposes be treated as the profits or losses of the Transferee Company, as the case may be;
- (b) carry on the business with reasonable diligence and shall not without the prior written consent of the Transferee company alienate, charge or otherwise deal with or dispose of the Undertaking or any part thereof except in the ordinary course of its business;
- (c) not vary the terms and conditions of service of its permanent employees except in the ordinary course of its business.
- (d) not, without the prior written consent of the Transferee Company, undertake any new business or a substantial expansion of its existing business.
- (e) The Transferee Company shall also 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 (including without limitation under the Industries (Development & Regulation) Act, 1957, Monopolies and Restrictive Trade Practices Act, 1969, Transfer of Property act, 1882, Indian Contract Act, 1872, Foreign Exchange Regulation Act, 1973 etc.) for such consents, approvals and sanctions which the Transferee Company, may require.

**7. DIVIDENDS, PROFITS, BONUS/RIGHT SHARES**

7.1 Dividends may be declared or paid by the Transferor Company or the Transferee Company.

7.2 The Transferor Company shall not issue or allot after the Appointed Date any right shares, bonus shares or other shares out of its authorised or unissued share capital for the time being, without the consent of the Transferee Company.

**8. ISSUE AND ALLOTMENT OF SHARES BY THE TRANSFeree COMPANY**

8.1 The Transferee Company holds all the shares of the Transferor Company. Accordingly, the Scheme of Amalgamation involving the Transferor Company and the Transferee Company will be implemented on the basis that the Transferee Company shall not be required to allot any shares to any one. The value of the shares of the Transferor Company in the books of the Transferee Company shall be dealt with as explained in Clause 2.5.

**9. APPLICATIONS TO THE HIGH COURT OF GUJARAT, AT AHMEDABAD**

9.1 On the Scheme being approved by the requisite majority of shareholders, Secured Creditors and Unsecured Creditors of the Transferor Company and majority shareholders of the Transferee Company representing the required value, the Transferor Company and the Transferee Company shall, with all reasonable despatch, apply under Sections 391 and 394 of the Act to the High Court of Gujarat, at Ahmedabad, for sanctioning the Scheme and for such further order or orders thereunder as the High Court of Gujarat, at Ahmedabad, may deem fit for carrying the Scheme into effect and for dissolution of the Transferor Company without winding up.

**10. MODIFICATION OR AMENDMENT TO THE SCHEME**

10.1 The Transferor Company and the Transferee Company through their respective Board of Directors may in their full and absolute discretion assent to any modifications or amendments to the Scheme which the High Court of Gujarat at Ahmedabad, shareholders of the Transferor Company and/or Transferee Company and/or any other competent authority may deem fit to approve and may give such directions as they may consider necessary or desirable for settling any

question, doubt or difficulty arising under the Scheme or in regard to its implementation or in any matter connected therewith (including any question, doubt or difficulty arising in connection with any deceased or insolvent shareholder of the Transferor Company or the Transferee Company) and to do all acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect. In the event that any modification or amendment to the Scheme is unacceptable to the Transferor Company and/or the Transferee Company for any reason whatsoever the Transferor Company and/or Transferee Company shall be entitled to withdraw from the Scheme.

- 10.2 For the purpose of giving effect to the Scheme or to carry out any modification or amendment thereto, the Board of Director of the Transferor Company and the Transferee Company or any Committee thereof is authorised to give such directions and/or to take such steps as may be necessary or desirable including any directions for settling any question, doubt or difficulty whatsoever that may arise.

### **PART III - GENERAL**

#### **1. SCHEME CONDITIONAL ON APPROVAL / SANCTIONS**

1.1 The Scheme is conditional on and subject to :

- (a) the Scheme of Amalgamation being sanctioned by the High Court of Gujarat at Ahmedabad, under Sections 391 and 394 of the Act and to the necessary Orders under Section 394 of the Act being obtained and a certified copy of the said Orders being filed with the Registrar of Companies, Gujarat by the Transferee Company and the Transferor company;
- (b) the sanction or approval of all persons or authorities concerned being obtained and granted in respect of any of the matters provided for or relating to the Scheme for which such sanction or approval is required;
- (c) the approval of the Scheme by the requisite majorities representing the required values of the shareholders, secured creditors and unsecured creditors of the Transferor Company and the shareholders of the Transferee company.

#### **2. WHEN SCHEME TO BECOME NULL AND VOID**

2.1 In the event of any of the sanctions or approvals referred to in Clause 1.1 of this Part not being obtained and/or the certified copies of the Orders referred to in Clause 1.1 (a) of this Part not being filed as aforesaid on or before 31st March, 1999 or within such further period or periods as may be agreed upon between the Transferor Company by its Board of Directors and the Transferee Company by its Board of Directors or the Transferor Company and/or the Transferee company withdrawing from the Scheme pursuant to Clause 10.1 of Part II of the Scheme, the Scheme shall become null and void and in such event no rights or liabilities whatsoever shall accrue to or be incurred inter se between the Transferor Company and the Transferee Company. Each party shall, in such event, bear its respective costs, charges and expenses in connection with the Scheme.

#### **3. COST AND EXPENSES**

3.1 Subject to Clause 2.1 of this Part, all costs, charges and expenses including stamp duty and registration fees of or in respect of any deed, document, instrument or orders of the High Court of Gujarat at Ahmedabad, in relation to or in connection with negotiations leading upto the Scheme and of carrying out and implementing the terms and provisions of the Scheme shall be borne and paid wholly by the Transferee Company.

Dated this 29th Day of December, 1998.

Witness K. G. Balakrishnan Esquire, the Chief Justice at Ahmedabad aforesaid this 29th day of December One Thousand Nine Hundred Ninety Eight.

By the order of the Court  
Sd/-  
(D. B. Dholakia)  
Joint Registrar  
this 30th day of December 1998

Order drawn by :  
Sd/-  
(Swati Saurabh Soparkar)  
Advocate

Sealer  
Sd/-  
(D. B. Patel)  
This 30th day of December 1998



True Copy  
Sd/-  
For Deputy Registrar  
this 31st day of December 1998