

**MEMORANDUM  
OF  
ASSOCIATION  
AND  
ARTICLES  
OF  
ASSOCIATION**



**Apcotex Industries Limited**

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

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

**No. U 25100 MH 1986 PTCO 39199**

**In the matter APCOTEX LATTICES LIMITED**

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

**From APCOTEX LATTICES LIMITED**

**TO APCOTEX INDUSTRIES LIMITED**

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

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



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



फॉर्म नं० आई० आर०  
Form I. R.

निगमन का प्रमाण-पत्र

# CERTIFICATE OF INCORPORATION

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

मैं एतद्वारा प्रमाणित करता हूँ कि आज.....

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

I hereby certify that APCOTEX LATTICES PRIVATE  
LIMITED

Asst. Registrar of Companies  
Maharashtra, Bombay  
Maharashtra, Bombay

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

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

Given under my hand at BOMBAY this TWELFTH

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



(V. GOVINDAN)

कम्पनियों का रजिस्ट्रार

Registrar of Companies

**THE COMPANIES ACT, 2013**  
**COMPANY LIMITED BY SHARES**  
**(Incorporated under the Companies Act, 1956)**  
**MEMORANDUM OF ASSOCIATION**  
**OF**  
**APCOTEX INDUSTRIES LIMITED**

I. The name of the Company is **APCOTEX INDUSTRIES LIMITED**.

II. The Registered Office of the company is situated in the state of Maharashtra.

III. The object for which the Company is established are:-

**(A) THE MAIN OBJECTS OF THE COMPANY TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:-**

1. To carry on business as manufacturers and dealers in:-

- (a) Synthetic rubbers and elastomers, synthetic resins, plastics, lattices and formulations thereof including reclaimed rubber, rubber and plastic products.
- (b) Styrene, butadiene and similar monomers, ethylene, alcohol, petroleum fractions and chemical substances compounds, synthetics and substances, basic intermediate.
- (c) Plastic materials, styrene, polystyrene, vinyl chloride, polyvinyl chloride, polyethylene, polyoleifines, vinyl acetate and copolymers of one or more of the above products, acylics and polyesters, polycarbonates and polyether and epoxy resins and compositions, silicon resins and compositions, P-F, U-F and other thermo-settings resins and moulding compositions, nylons, Rilsan and similar thermoplastics and moulding compositions including prefabricated sections and shapes, cellulosic plastics and other thermosetting and thermoplastic materials (of synthetic or natural origin), rubber chemicals, plastic and resinous materials, elastomers, gums, glues and adhesive and sealant compositions, plasticizers, coating resins, solvents.

**(B) MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III (A):**

- 2. To carry on business as manufacturers of and dealers in compounds, adhesives, fillers, derivatives, intermediates and bye-products of all or any of the foregoing:
- 3. To carry on the business of manufacturers of and dealers in rubber and plastic tubes and tyres and films and moulded goods and in bottles, containers, tubes, wrapping materials, foams rubber and plastic products, transmission belts and conveyors, and similar industrial articles, pipes, tubes, hoses, rubber containers and rubber lines vessels, tanks, equipments, pipes and similar equipments, electric products, shoe products and parts thereof ethical rubber products and parts, toys, insulating materials and all other blown, moulded formed extruded calendered and dipped goods and articles.
- 4. To carry on business as manufacturers of and dealers in all kinds of equipments, machinery and accessories required to convert raw-materials into industrial and commercial products by-process



methods, including dipping, moulding, vacuum moulding, extrusion, calendaring, vulcanizing, foaming coating, film blending.

5. To carry on, operate technical service to provide development work on rubber and other products of the Company and their uses and applications, training of workers in operating equipments, manufacturing rubber products and to work out and provide for free use or resale or by licensing new or reformed technical know-how on rubber and plastics applications or new processes.
6. To establish, provide, maintain and conduct or otherwise subsidise research laboratories and experimental workshop for scientific and technical research and experiments and tests of all kinds and to promote studies and research both scientific and technical investigation and invention by providing, subsidizing, endowing or assisting laboratories, workshops, libraries, lectures, meeting and conferences and by providing the remunerations of scientific or technical professors or teachers and by providing for the award of exhibitions, scholarships, prizes, grants and bursaries to students or independent students or otherwise, and generally to encourage, promote and reward studies, researches investigation, experiment, tests and invention of any kind that may be considered likely to assist any of the business which the Company is authorized to carry on.
7. To enter into contracts with Government whether local, provincial or central or central in the Union of India or elsewhere in the world for the purchase and sale of goods, clothes, machinery, spare-parts, securities, shares, stock, debentures.
8. To promote, form and register, and aid in the promotion, formation and registration of any Company or Companies subsidiary or otherwise for the purchase of acquiring all or any of the property, rights and liabilities of this Company, or for any other purpose and to transfer to any such Company any property of the company, and to be interested in, or take, or otherwise acquire, hold, sell or otherwise dispose of shares, stock, debentures and other securities in or of any such company, or any other company for all or any of the objects mentioned in this memorandum, and to subsidise or otherwise assist any such company and to undertake the management and secretarial or other work, duties and business of any such company, on such terms as may be arranged.
9. To reclaim and to process rubber, latex and other products of natural rubber trees and to engage in business of rubber plantations within and outside India.
- 9A. To acquire and take over as a going concern by purchase or on lease and undertake to carry on the whole or any part of the business together with the goodwill and trade name, property rights and liabilities of any person or persons, firm or any company carrying on any business, any part of the purpose of which is authorized to carry on or processed of property suitable for the purpose of the company and to pay for the same by shares, debentures-stock, bonds, cash or otherwise as the Directors of the Company determine and to conduct and to carry on or liquidate and wind-up any such business.
- 9B. To amalgamate, enter into partnership or into any arrangement for sharing or dealing profits, union of interests, co-operation, joint venture, reciprocal concession or otherwise with any person, firm, co-operation of Government or company carrying or engaged in any business undertaking or transaction which the Company is authorized to carry on or engage in or any business undertaking or transaction which may seem capable of being carried on or conducted so as directly or indirectly to benefit to company and to lend money, to guarantee the contracts or otherwise assigned of any such person, firm or company; and to take or otherwise acquire and hold shares or securities of any such persons, firm or companies, to sell, hold, reissue wit or without guarantee or otherwise deal with the same.
- 9C. To sell, mortgage, lease, manage, develop, exchange, dispose of or to transfer the business, immovable or movable property; and undertaking of the Company or any part thereof or any part

of the property, rights and concessions of the company in such manner and upon such terms and conditions and for such consideration as the Directors of the Company, for the time being may think fit to accept and in particular for cash, shares, debentures, debenture-stock, bond, or securities of any other company having objects altogether or in any part similar to those of this company.

- 9D. To advance and/or lend monies, and generally to such persons, associations, trusts, corporation companies having dealing with the company.
- 9E. To give guarantee for the performance or discharge of any obligations, liabilities, duties or the payments of monies by any persons, firms and companies or Governments or states and to give indemnities of all kinds.
- 9F. To invest and deal with the monies of the company not immediately required in immovable properties, shares, stocks, bonds, debentures, obligations or other securities of any company or association or in Government securities or in current or deposit account with banks or on the mortgage of immovable properties of any tenure or on the pledge of movable property or in any other manner as may from time to time be determined by the Directors of the Company for the time being and from time to time sell or vary all such investments and to execute all assignments, transfers, receipts and documents and may be necessary in that behalf.
- 9G. To distribute any of the property of the Company among the members in special or kind in the event of winding up.
- 9H. To make and/or receive donations, gifts or income to or from such persons, institutions or Trusts and in such cases and whether of cash or any other assets as may be thought to benefit the Company or any other objects of the Company or otherwise expedient and also to remunerate any person or corporation introducing or assisting in any manner the business of the Company.
- 9I. To form, subscribe or contribute to or otherwise to assist, aid or guarantee money to public, charitable, benevolent, religious, scientific, national or other institutions, funds, objects or purpose and to any other institutions, funds, objects or purposes which is the opinion of the Board of Directors are likely to promote the interests or the business of the Company and/or to further its objects and/or to any other institutions, funds, objects or purposes whatsoever directly relating to the business of the Company.
- 9J. To place, to reserve or to distribute as bonus shares among the members or otherwise to apply as the Company may from time to time think fit, any money received by way of premium on shares or debentures issued at a premium by the Company and any money received in respect of forfeited shares and monies arising from the sale by the Company of forfeited shares, subject to section 78 of the Companies Act, 1956.
- 9K. To generate, develop, accumulate, produce, manufacture, purchase, process, transform, distribute, transmit, sale, supply and / or otherwise import, export, deal in any kind of power or electrical energy using coal, lignite, petroleum products or any other substances, wind energy, solar energy, wave energy, tidal energy, hydro energy, nuclear energy or any other form of energy and any other products or byproducts derived from any such business of energy and to set power plants, wind turbines, power stations, hydel power stations, solar energy systems or any other facility to generate power and to produce, buy, import, sale, treat, exchange, renovate, alter, modernize, install or otherwise deal in any type of machinery, equipment, implement, material, article and stores for generating, distributing, transmitting energy, including electricity and to deal with all persons including Companies, government and Semi-Government bodies for these purpose and to deal with all places including cities, towns, villages, districts, docks, markets, theatres, building, industries, offices or any other place(s) and to do all such acts, deeds and things including construction, laying down, establishing, fixing and to carry out all necessary activities for the aforesaid purpose.

10. To carry on the business of manufacturers and producers of fats, plasticizers, extenders, fertilizers, manures, dips, sprays, vermifuges, fungicides medicines and remedies of all kind for agricultural, fruit-growing or other purposes or as remedies for men or animals and vegetable life and whether produced from vegetable or animal matter or by any chemical biological or synthetic process.
11. To carry on business of manufacturers of and dealers in natural and all kinds of synthetic fibre materials and converters of synthetic and natural fibres, including fibre glass into materials like cloth, tapes cord, ropes, twines.
12. To carry on business of waterproofers and manufacturers of India rubber, leather, imitation leather cloth, plastics, moulded ware, sheet, film and foils, oil cloth, linoleum, tarpaulins, hospital sheetings and surgical goods.
13. To purchase, take on lease or otherwise acquire any mining rights, mines and lands in India or elsewhere believed to contain metallic, or mineral, saline or chemical substances, kieselghur, fench chalk, china clay, bentonite and other clays, boryles, calcite and such other filler materials earths or other ingredients including coal, lignites, rockphosphate, brimstone, brine, bauxite, rare earths and to explore, work exercise, develop and turn to account the same.
14. To carry on business as commission agents for all kinds of cloth, yarn cotton, wool, silk, rayon, nylon, other synthetic fibres and textiles, and drugs, chemicals, foodgrains, seeds, pulses, oil seeds, sugar, provisions, oilman stores, oils stores, good articles and things whatsoever, and to do all kinds of commission agency business.
15. To carry on business as manufacturers and dealers in :-
  - (a) Alkalies, acids, tannins, essences, and photographic, sizing, chemical, petrochemical, industrial and other preparations and articles of any nature and whatsoever, waxes natural and synthetic, industrial solvents and pasting agents, extenders, rubber chemicals including vulcanisers, antioxidants, accelerators, reinforcing agents, silica compounds, softners, blowing agents, and special chemical substances, cements, pigments, plasticizers, dyestuffs and intermediates;
  - (b) Chemicals, including basic chemicals, organic and inorganic chemicals and fertilizers, plant growth activators and regulators and articles and compounds, ingredients and products;
  - (c) All kinds of chemical machineries, plants and equipment including chemical vessels, regulators, autoclaves, driers, pulverisers, centrifuges, filtration equipments (of all kinds and description) glass-lined vessels and components and parts, fittings, equipments and accessories thereof;
  - (d) Oxygen, nitrogen, hydrogen, hydrocarbon gases, including ethylene and acetylene, propylene, butanes and pesticides, fungicides colouring materials, pigments and lakes, dyes, toners, perfumes, and flavouring chemical surface active agents, tanning agent, marine chemicals, synthetic fibres, fertilizers and all types of industrial chemicals, acids, alkalies, harmones, trace elements.
16. To carry on the business of manufacturers of and dealers in chemical products, importers, exporters and manufacturers of and dealers in heavy chemicals, alkalies, acids, drugs, tanins, essences, and pharmaceutical, photographic, sizing, medicinal, chemical, petrochemical industrial and other preparations and articles, waxes natural and synthetic, industrial solvent and casting agents, extenders, rubber chemicals including vulcanisers, antioxidants, accelerators, reinforcing agents, carbon black silica, compounds, softners, blowing agents and special chemical substance, cements, oils, paints, plasticizers, and extenders, pigments and varnishes, compound, drug, dyestuffs, organic or mineral intermediates, makers of and dealers

in proprietary articles and of electrical, mechanical, photographic, surgical and scientific apparatus and materials.

- 17. To carry on and engage in the business of providing consultative and technical services in design, construction and engineering of chemical and chemical process plants and equipment, air and water conditioning and effluent treatment, handling of inflammable liquids and gases and materials, steam and high temperature services, project estimating and planning and servicing, prospecting, market survey, safety and fire fighting services and in manufacturer of and dealers in equipment, machinery, apparatus and special fitting thereof for the objects mentioned herein.
- 17A. To manufacture, buy, sell and carry on business or deal in all kinds of dyes, chemicals, colours, paints, pigments and/or any other articles.
- 17B. To act as selling and/or purchasing agents or brokers in general distributors, canvassers, indentors, consignors, carriers, hirers, consignees, agents or subagents of any other person, firm, corporation or company, contractors, muccadams, clearing and forwarding agents, transport agents for all kinds of articles and goods on such terms and conditions as the Directors of the Company may think fit and generally to undertake, transact, and execute all kinds of agency business and also trusts of all kinds.
- IV. The liability of the members is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.
- V. The Authorised Share Capital of the Company is Rs.31,61,00,000/- (Rupees Thirty One Crores Sixty One Lacs only) divided into 15,79,00,000 (Fifteen Crores Fifty Seventy Nine Lacs) Equity Shares of Rs.2/- (Rupees Two Only) each and 500/- (Five Hundred) Preference Shares of Rs.100/- (One Hundred) each and 1,25,000 (Fifty Thousand) Unclassified Shares of Rs. 2/- (Rupees Two) each.



**Notes :**

1. Sub clauses (9A) to (9J) and (17A) & (17B) were inserted pursuant to Special Resolution passed at the Extra Ordinary General Meeting of the Company held on 10<sup>th</sup> January 1990, and confirmed by the Company Law Board, Western Region Bench, Bombay, by their order dated 19.3.1991.
2. The old clause V(a) relating to Authorised Share Capital was substituted pursuant to the resolution passed at the Extra Ordinary General Meeting held on 23<sup>rd</sup> May, 1991, whereby Authorised Share Capital was increased from Rs. 5,00,000/- (Rupees Five Lacs only) to the present Rs. 1,03,00,000/- (Rupees one crore three lacs only).
3. The Authorised Share Capital of the Company has been raised to 3,03,00,000/- (Rupees Three Crore and Three Lacs only) pursuant to the resolution passed at the Annual General Meeting held on 12<sup>th</sup> July, 1991.
4. The old clause V(a) relating to Authorised Share Capital was substituted pursuant to the resolution passed at the Annual General Meeting held on 12<sup>th</sup> July, 1991, whereby authorized Share Capital was increased from Rs. 1,03,00,000/- (Rupees One Crore Three Lacs only) to the present Rs. 3,03,00,000/- (Rupees Three Crores and Three Lacs only).
5. The Authorised Share Capital of the Company has been raised to 7,00,00,000/- (Rupees Seven Crores only) pursuant to the resolution passed at the Annual General Meeting of the Company held on 23<sup>rd</sup> September, 1992.
6. The Authorised Share Capital of the Company has been raised to 15,00,00,000/- (Rupees Fifteen Crores only) pursuant to the resolution passed at the Annual General Meeting of the Company held on 24<sup>th</sup> July, 1995.
7. Sub clauses (9K) was inserted pursuant to Special Resolution passed by Postal Ballot conducted vide notice dated 15<sup>th</sup> October 2009.
8. One Equity shares of Rs.10/- each fully paid has been sub-divided into 2 Equity Shares of Rs.5/- each fully paid pursuant to the resolution passed at the Annual General Meeting of the Company held on 28<sup>th</sup> June 2013.
9. The Authorised Share Capital of the Company stand increased without any act, instrument or deed on the part of the company including payment of stamp duty and fees payable to Ministry of Corporate Affairs/Registrar of Companies upon the Scheme of Amalgamation of Apcotex Solutions India Private Limited becoming effective. The Scheme of Amalgamation was pronounced by Hon'ble High Court of Bombay on 27th October 2016 and certified copy of the order was filed with Ministry of Corporate Affairs/Registrar of Companies on 1st December 2016.
10. The Authorised Share Capital of the Company stand increased without any act, instrument or deed on the part of the company including payment of stamp duty and fees payable to Ministry of Corporate Affairs upon the Scheme of Amalgamation of Saldhar Investments and Trading Company Private Limited becoming effective. The Scheme of Amalgamation was pronounced by Hon'ble National Company Law Tribunal, Mumbai Bench on 1<sup>st</sup> February 2018 and certified copy of the order was filed with Ministry of Corporate Affairs on 13<sup>th</sup> February 2018.
11. One Equity shares of Rs.5/- each fully paid has been sub-divided into Equity Shares of Rs.2/- each fully paid pursuant to the resolution passed at the Annual General Meeting of the Company held on 4<sup>th</sup> June 2019.
12. The Memorandum of Association (MoA) of the Company has been altered in order to a line the existing clauses of MoA with The Companies Act, 2013 pursuant to the Special resolution passed by the shareholders in the Annual General Meeting held on 26<sup>th</sup> June 2025.

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

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

Dated: 17<sup>th</sup> February, 1986

**TABLE – F**  
**THE COMPANIES ACT, 2013**  
**COMPANY LIMITED BY SHARES**  
**(Incorporated under the Companies Act, 1956)**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**APCOTEX INDUSTRIES LIMITED**

**I. Interpretation (I) In these regulations**

- (a) “the Act” means the Companies Act, 2013, or any statutory modification or re-enactment thereof for the time-being in force.
- (b) “the seal” means the common seal of the company.
- (c) “The Company” or “this Company” means 'APCOTEX INDUSTRIES LIMITED'.
- (d) “Auditors” means and includes those Persons appointed as such for the time being by the Company.
- (e) “Beneficial owner” shall mean beneficial owner as defined in clause (a) of subsection (1) of Section 2 of the Depositories act, 1996.
- (f) “Capital” means the share capital for the time-being raised or authorized to be raised for the purpose of the Company.
- (g) “Depositories Act, 1996” shall include any statutory modification or re-enactment thereof.
- (h) “Debenture” includes debenture-stock.
- (i) ‘Depository’ shall mean a Depository as defined under clause (e) of subsection (1) of section 2 of the Depositories Act, 1996.
- (j) “in writing” or “written” include printing, lithography and other modes of representing or reproducing words in a visible form.
- (k) ‘Member’ means the duly registered holder from time to time of the shares of the company and includes the subscribers of the Memorandum of the Company and the beneficial owner(s) as defined in clause (a) of subsection (1) of Section 2 of the Depository Act, 1996.
- (l) “Annual General Meeting” means a general meeting of the Members held in accordance with the provisions of Section 96 of the Act.
- (m) “Extraordinary General Meeting” means an extraordinary general meeting of the members duly called and constituted and any adjourned holding thereof.
- (n) “Office” means the registered office for the time-being of the Company.
- (o) “Paid-up” includes credited as paid-up.
- (p) “Persons” include corporations and firms as well as individuals
- (q) “Register of Members” means the Register of Members to be kept pursuant to the Act.
- (r) “The Registrar” means the Registrar of Companies of the State in which the office of the Company is for

the time-being situate.

- (s) "Share" means share in the share capital of the Company and includes stock except where a distinction between stock and shares is expressed or implied.
- (t) Ordinary Resolution" and "Special Resolution" shall have meanings assigned thereto by Section 114 of the Act.

(2) Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.

### *Share capital and variation of rights*

**II. 1.** 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 Directors 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.

2. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,

(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 twenty rupees for each certificate after the first.

(ii) Every certificate shall specify the shares to which it relates and the amount paid-up thereon and shall be signed by two directors or by a director and the company secretary, wherever the company has appointed a company secretary:

Provided that in case the company has a common seal it shall be affixed in the presence of the persons required to sign the certificate.

(iii) 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.

3. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.

(ii) The provisions of Articles (2) and (3) shall *mutatis mutandis* apply to debentures of the company.

4. Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
5. (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, 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 that section and rules made thereunder.
- (ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made

under sub-section (6) of section 40.

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

6. (i) 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 section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.  
  
(ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
7. 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.
8. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.
9. The Company may, from time to time, increase its capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of the Act, any share of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the general meeting resolving upon the creation thereof, shall direct, and if no direction be given, as the Directors shall determine, and in particular, such shares may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the Company, and with a right of voting at general meeting of the Company in conformity with Section 47 of the Act, whenever the Capital of the Company has been increased under the provisions of Section 61 of the Act.
10. Subject to the provisions of Section 55 of the Act, the Company shall have the power to issue Preference Shares which are or at the option of the Company are liable to be redeemed and the resolution authoring such issue shall prescribe the manner, terms and conditions of redemption.
11. The Company may (subject to the provisions of Section 66 of the Act) from time to time by Special Resolution, reduce its capital and any Capital Redemption Reserve Account or Premium Account in any manner for the time being authorized by law, and in particular capital may be paid off on the footing that it may be called upon again or otherwise. This article is not to derogate from any power the Company would have had if it were omitted.
12. Whenever the capital, by reason of the issue of Preference Shares or otherwise, is divided into classes of shares all or any of the rights and privileges attached to each class may subject to the provisions of Section 48 of the Act be modified, commuted, affected or abrogated, or dealt with by Agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified in writing by holders of at least three-fourths in nominal value of the issued shares of the class or is confirmed by a Special Resolution passed at a separate general meeting of the holders of shares of that class.
13. Subject to the provisions of Section 40 of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) from any shares in or debentures of the Company, or procuring, or agreeing to procure, subscriptions (whether absolute or conditionally) for any shares in or debentures of the Company, but so that the commission shall not exceed, in the case of debentures of the Company, but so that the commission shall not exceed, in the case of shares, five percent of the price at which the shares are issued, and in the case of

debentures, two and half percent of the price at which the debentures are issued.

14. The Company may pay such sum for brokerage as may be lawful and reasonable.
15. Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the Company made for the first time after its formation whichever is earlier it is proposed to increase the subscribed capital of the Company by allotment of further shares, whether out of unused share capital or out of increased share capital then such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on those shares at the date. Such offer shall be made by notice specifying the number of shares offered and limited to a time not being less than fifteen days from the date of offer within which the offer, if not accepted, will be deemed to have declined. After the expiry of time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may disposed of them in such manner as they think most beneficial to the Company
16. Notwithstanding anything contained in preceding clause 15, the Company may—  
by a special resolution; or  
  
where no such resolution is passed, if the votes cast (whether on a show of hands, or on a poll, as the case may be) in favour of the proposal contained in the resolution moved in that general meeting (including the casting vote, if any, of the Chairman) by members who, being entitled so to do vote in person, or where proxies are allowed, by proxy, exceed the votes, if any cast against the proposal by members so entitled and voting and the Central Government is satisfied on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company, offer further shares to any person or persons and such persons may or may not include the person who at the date of the offer, are the holders of the equity shares of the Company.
17. Subject to the provisions of these Articles and the Act, the shares (including any shares forming part of any increased capital of the Company) shall be under the control of the Directors, who may allot or otherwise dispose off the same to such person in such proportion on such terms and conditions and at such times as the Directors think fit and subject to sanction of the Company in General Meeting with full power, to give any person the option to call for or be allotted shares of any class of the Company either (subject to the provisions of Sections 52,53 and 54 of the Act) at a premium or at par or at discount and such option being exercisable for such time and for such consideration as the Directors think fit. The Board shall cause the returns to be filed as to allotment provided for in Section 39 of the Act.
18. Any two or more joint allottees of a share shall, for the purpose of this Article, be treated as a single member, and the certificate of any share, which may be the subject of ownership may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupees 20. The Company shall comply with the provisions of Section 46 and 56 of the Act.
19. A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography; but not by means of a rubber stamp provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.
20. No certificates of any share or shares shall be issued either in exchange for those which are sub-divided or consolidated or in replacement of those which are defaced torn or old, decrepit, worn out, or where the cages on the reverses for recording transfers have been fully utilized, unless the certificate in lieu of which it is issued is surrendered to the Company.
21. Notwithstanding anything contained in these Articles the Board of Directors and/or a Committee thereof may refuse any application for sub-division or consolidation of number of shares or of certificates for shares into domination of less than 25 Equity Shares except where such sub-division or consolidation is required



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

22. If any shares stands in the names of two or more persons, the person first named in the register shall, as regards receipts of dividends or bonus or service of notice and all or any other matter connected with the Company, except voting at meetings, and the transfer of the shares, be deemed the sole holder thereof but the joint-holder of a share shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of share and for all incidents thereof according to the Company's regulations.
23. Notwithstanding anything stated in any Articles a holder or joint holders of shares or debentures, may nominate, in accordance with the provisions of Section 72 of the Act, and in the manner prescribed thereunder, a person to whom all rights in the shares or debentures of the Company shall vest in the event of death of such holder(s). Any such nominations so made shall be dealt with by the Company in accordance with the provisions of Section 56 and 72 of the Act.

#### *Share Warrants*

24. The Company may, subject to the provisions of Section 42 and 62 of the Act, and the rules made thereunder, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, and any other applicable laws for the time being in force, issue warrants on a preferential basis or otherwise. Such warrants shall entitle the holder to apply for and be allotted equity shares of the Company at a future date in accordance with the terms of issue approved by the Board of Directors and, where applicable, the shareholders of the Company.
25. The exercise price or the pricing formula of the equity shares to be issued upon conversion shall be determined at the time of the issue of the warrants in accordance with applicable laws. The tenure of such warrants shall not exceed eighteen months from the date of their allotment. The holder shall be required to pay at least twenty-five percent of the consideration amount upfront at the time of allotment, and the balance shall be payable at the time of exercising the option to convert the warrant into equity shares.
26. In the event that the holder of the warrants fails to exercise the option to convert the warrants into equity shares within the period specified at the time of issue (not exceeding eighteen months from the date of allotment), the upfront amount paid at the time of allotment shall stand forfeited and retained by the Company. Upon exercise of the option and payment of the balance consideration, the Company shall allot the equity shares in accordance with the applicable provisions of the Companies Act, 2013 and SEBI Regulations.
27. A holder of warrants shall not be deemed to be a member of the Company until he is allotted equity shares pursuant to the exercise of the option attached to such warrants. The warrant holders shall have no right to vote or receive dividends or to any other rights of a member in respect of the warrants held by them until equity shares are allotted upon valid conversion of the warrants.
28. The Board of Directors shall have the authority to determine the terms and conditions of issue of such warrants including but not limited to the number of warrants, tenure, exercise price or formula, payment terms, and any other conditions for conversion. The Board may also frame policies for reissuance or cancellation in case of non-payment, non-conversion, or loss or destruction of warrant certificates, if issued in physical form.

#### *Lien*

29. (i) 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 single person, for all monies presently payable by him or his estate to the company:

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

(ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.

30. 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

(c) unless a sum in respect of which the lien exists is presently payable; or

(d) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

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

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

(iii) 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 in reference to the sale.

32. (i) 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.

(ii) 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.

#### ***Calls on shares***

33. (i) 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:

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

(ii) 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.

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

34. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.

35. Fourteen day's notice in writing of any call be given by the Company specifying the time and place of payment and the person or persons to whom such call shall be paid.

36. The Board may, from time to time at its discretion, extend the time fixed for the payment of any calls

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

38. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.
39. Any sum, which by the terms of issue of a share becomes payable on allotment or on any fixed date, whether on account of the nominal value of the share or by way of premium shall for the purpose of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such had become payable by virtue of a call duly made and notified.
40. On the trial of or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any moneys claimed to be due to the Company in respect of whose shares the money is sought to be recovered, appears entered on the Register of members as the holder, at or subsequently to the date at which the money is sought to be recovered is alleged to have become due on the shares in respect of which such money is sought to be recovered that the resolution making the call is duly recorded in the Minute Book and that notice of such call was duly given to the member or his representatives sued in pursuance of these Articles and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made nor that meeting at which any call was made was duly convened or constituted nor any other matters whatsoever but the proof of matter aforesaid shall be conclusive evidence of the debt.
41. The Board shall be at liberty to waive payment of any such interest wholly or in part.
- (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
- (ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
42. The Board —
- (i) 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
- (ii) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the member paying the sum in advance.

#### *Transfer of shares*

43. (i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.
- (ii) 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.
44. Subject to the provisions of Section 58 of the Act, and of Section 22A of the Securities Contract (Regulation) Act, 1956, the Board may, at its discretion, decline to register or acknowledgement any transfer of shares, whether fully paid or not (notwithstanding that the proposed transferee be already a member) but in such case it shall within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal to register such

transfer giving reasons for such refusal. Provided that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except a lien on shares.

45. Where an application is made for transfer of partly paid shares by the transferor alone, the Company shall not register the transfer unless the Company gives notice of the application to the transferee and the transferee gives no objection within fourteen days from the date of receipt of such notice.
46. No share shall in any circumstances be transferred to any infant, insolvent or person of unsound mind.
47. The Board may, subject to the right of appeal conferred by section 58 decline to register —  
the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or  
any transfer of shares on which the company has a lien.
48. The Board may decline to recognise any instrument of transfer unless —  
the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;  
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 the instrument of transfer is in respect of only one class of shares.
49. On giving not less than Seven days' previous Notice in accordance with Section 91 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.

#### *Transmission of shares*

50. (i) 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.  
  
(ii) Nothing in clause (i) 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.
51. (i) 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  
  
(ii) to be registered himself as holder of the share; or  
  
(iii) to make such transfer of the share as the deceased or insolvent member could have made.  
  
(iv) 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.
52. (i) 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.  
  
(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.  
  
(iii) 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.

53. 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.
54. There shall be paid to the Company, in respect of the transfer or transmission of any number of shares to the same party, such fee, if any, as the Directors may require.

#### *Forfeiture of shares*

55. If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.
56. The notice aforesaid shall —
- (i) 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
  - (ii) 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.
57. 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.
58. The Notice shall name a day (not being less than fourteen days from the date of service of the notice) and a place or places on and at which such call or instalment and such interest thereon at such rate not exceeding 10 per cent per annum as the Directors shall determine from the day on which such call or instalment ought to have been paid and expenses as aforesaid are to be paid. The notice shall also state that, in the event of the non-payment before the time and at the place appointed the shares in respect of which the call was made or instalment is payable, will be liable to be forfeited.
59. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
- (ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
60. (i) 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 to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.
- (ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
61. (i) 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;

(ii) The company may receive the consideration, if any, given for the share on any sale 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;

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

(iv) 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 or disposal of the share.

62. The provisions of these regulations 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.

#### *Alteration of capital*

63. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

64. Subject to the provisions of section 61, the company may, by ordinary resolution, —

- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
- (d) 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.

65. 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 regulations 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.

- (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 the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.

66. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,

- (a) its share capital;
- (b) any capital redemption reserve account; or



- (c) any share premium account.

### ***Capitalisation of profits***

67. (i) The company 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 (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in previous clause, 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 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);
  - (D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;
  - (E) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.
68. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall —
- (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and
  - (b) generally do all acts and things required to give effect thereto.
- (ii) The Board shall have ~~power~~
- (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
  - (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 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;
- (iii) any agreement made under such authority shall be effective and binding on such members.

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

69. Notwithstanding anything, contained in this article and subject to and in accordance with the provisions of Section 68, 69 and 70 of the Act, or corresponding provisions, rules, regulations and guidelines prescribed by the Government of India or Securities and Exchange Board of India or any other authority, for the time being in force, the Company may purchase its own shares.

### ***General meetings***

70. All general meetings other than annual general meeting shall be called extraordinary general meeting.
71. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.
- (ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.
72. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year. All General Meetings, other than Annual General Meeting shall be called "Extraordinary General Meeting". The Annual General Meeting of the Company shall be held with six months after the expiry of each financial year provided that not more than fifteen months shall lapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 96 of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called for a time during business hours, on a day that is not a public holiday, and shall be held at the Office of the Company or at some other place within the city in which the office of the Company is situated as the Board may determine and the Notices calling the Meeting shall specify it as the Annual General Meeting. The Company may in any one Annual General Meeting fix the time for its subsequent Annual General Meeting. Every member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor. At every Annual General Meeting of the Company, there shall be laid on the table the Director's Report and Audited Statement of Accounts, Auditor's Report (if not already incorporated in the Audited Statement of Accounts), the Proxy Register with proxies and the Register of Director's shareholdings which latter register shall remain open and accessible during the continuance of the Meeting. The Board shall cause to be prepared the Annual List of members, summary of the Share Capital, Balance Sheet and Profit and Loss Account and forward the same to the Registrar in accordance with Section 92 and 137 of the Act.
73. Upon the receipt of any such requisition, the Board shall forthwith call an Extraordinary General Meeting, and if they do not proceed within twenty-one days from the date of the requisition being deposited at the Office to cause a meeting to be called on a day not later than forty-five days from the date of deposit of the requisition, the requisitionists, or such of their number as represent either a majority in value of paid-up share capital held by them or not less than one-tenth of such of the paid-up share capital of the Company as it referred to in Section 100 of the Act, whichever is less may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.
74. The Company may, and shall in respect of such items of business as may be prescribed, conduct the voting of members through postal ballot or electronic means in accordance with Section 110 of the Act read with the Companies (Management and Administration) Rules, 2014 and other applicable provisions, as may be amended from time to time.

#### ***Proceedings at general meetings***

75. (i) 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.
- (ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.
76. The Chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
77. 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.

78. 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 choose one of their members to be Chairperson of the meeting.

#### *Adjournment of meeting*

79. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
- (ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (iii) 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.
- (iv) Save as aforesaid, and as provided in section 103 of 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*

80. 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.
81. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
82. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
- (ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
83. 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.
84. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
85. 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.
86. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
- (ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.
87. Subject to the provisions of these Articles and without prejudice to any special privileges or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the Company, every member, not disqualified by the last preceding Article shall be entitled to be present and speak and vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll the voting right of every member present in person or by proxy shall be in proportion to his share of the paid-up-equity share capital of the Company. Provided, however, if any preference shareholder be present at any meeting of the Company, save as provided in Section 47 (2) of the Act, he shall have a right to vote only on resolution placed before the meeting which directly affects the

right attached to his preference shares.

### ***Proxy***

88. 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, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
89. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
90. 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***

91. The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them.
92. (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.
- (ii) 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.
93. The Board may pay all expenses incurred in getting up and registering the company.
94. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.
95. 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.
96. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
97. (i) Subject to the provisions of section 149, 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.
- (ii) 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.

98. Whenever Directors enter into a contract with any Government Central, State or Local, any bank or financial institution or any person or persons (hereinafter referred to as "the appointer") for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or for underwriting or entering into any other arrangement whatsoever, the Directors shall have, subject to the provisions of Section 152 and 161 of the Act, the power to agree that such appointer shall have the right to appoint or nominate by a notice in writing addressed to the Company one or more Directors on the Board for such period and upon such conditions as may be mentioned in the agreement and that such Director or Directors may not be liable to retire by rotation nor be required to hold any qualification shares.
99. The Board may appoint an alternate Director who is recommended for such appointment by a director (hereinafter called the "Original Director") to act for him during his absence for a period of not less than three months from India. Every such alternate Director shall (subject to his giving to the Company address in India or elsewhere of such Alternate Director at which notice may be reserved on him) be entitled to notice of meeting of Directors and attend and vote as a Director and be counted for the purpose of a quorum and generally at such meetings to have and exercise all the powers and duties and authorities of the original Directors. The Board may at any time upon request in writing of the Original Director revoke the appointment of an Alternate Director and appoint another person recommended by the Original Director in his place. The alternate Director appointed under this Article shall vacate office as and when the Original Director returns to India. If the term of office of the Original Director is determined before he so returns to India, any provision in the Act or in these Articles for the automatic reappointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.
100. Subject to the provisions of Section 152 and 161, the Board shall have power at any time and from time to time to appoint any other qualified person to be an additional Director, but so that the total number of qualified person to be an additional Director, but so that the total number of Directors shall not at any time exceed the maximum fixed under the Provisions of these Articles Any such additional Directors shall hold office only up to the date of the next Annual General Meeting.
101. Subject to the provisions of Section 152, 161 and 169, the Board shall have power at any time and from time to time to appoint any other qualified person to be a Director to fill a casual vacancy. Any person appointed shall hold office only upto the date which the Director in whose place he is appointed would have held office if it had not been vacated by him.
102. A Director or his relative, a firm in which such Director or relative is a partner, or any other partner in such firm or a private company of which the Director is a member or director may enter into any contract or services, or for underwriting the subscription of any shares in, or debentures of the Company provided that the sanction of the Board is obtained before or within three months of the date on which the contract is entered into in accordance with Section 188(3) of the Act.
103. The Company shall comply with the applicable provisions of the Act, Rules framed thereunder and other relevant provisions of Law in respect of related party transactions and the Directors shall comply with the disclosure of interest provisions under the Act.
104. A Director of the Company who is in any way – whether directly or indirectly – concerned or interested in a contract or arrangement, or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 184 & 188 of the Act, provided that it shall not be necessary for a Director to disclose his concern or interest in any contract or arrangement entered into or to be entered into with any other company where any of the Directors of the Company or two or more of them together holds or hold not more than two percent of the paid-up share capital in any such other company.
105. The Company shall keep a Register in accordance with Section 189 and shall within the time enter herein such of the particulars as may be relevant having regard to the application thereto of Section 188 or Section 184 of the Act as the case may be. The Register aforesaid shall also specify, in relation to each Director of the Company the names of the bodies, corporate and firms of which notice has been given by him under

Article 127. The Register shall be kept at the office of the Company and shall be open inspection at such office, and extracts may be taken therefrom and copies thereof may be required by any member of the Company to the same extent, in the same manner, and on payment of the same fee as in the case of Register of Members of the Company and the provisions of Section 94 of the Act shall apply accordingly.

106. Subject to Section 152 of the Act, at every Annual General Meeting of the Company, one third of such of the Directors for the time being as are liable to retire or if their number is not three or a multiple of three, the number nearest to one-third shall retire from office. The Debenture Directors, if any shall not be counted in determining the rotation of retirement or the number of Directors to retire. The Company at the General Meeting at which a Director retires in manner aforesaid may fill up the vacated office by electing a person thereto.
107. Subject to Section 149 of the Act, the Company may by Ordinary Resolution from time to time, increase or reduce the number of Director, and may (subject to the provisions of Section 169 of the Act) remove any Director before the expiration of his period of office and appoint another qualified person in his stead. The person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.

### *Proceedings of the Board*

108. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.  
(ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
109. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.  
(ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
110. 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.
111. The meeting and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meeting and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.
112. No Resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation unless the Resolution has been circulated in draft, together with the necessary papers if any to all the Directors or to all the members of the Committee, then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be), and so all other Directors or members of the Committee at their usual address in India and has been approved by such of the Directors or members of the Committee as are then in India, or by a majority of such of them, as are entitled to vote on the Resolution.
113. All acts done by any meeting of Board or by a Committee of the Board, or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as if every such person had been duly appointed and was qualified to be a Director and had not vacated his office or his appointment had not been terminated: provided that nothing



in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

- 114.** The Board may exercise all such powers of the Company and do all such acts and things as are not by the Act, or any other Act or by the Memorandum or by the Articles of the Company required to be exercised by the Company in General Meeting, subject nevertheless to these Articles, to the provisions of the Act, or any other Act and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made. Provided that the Board shall not, except with the consent of the Company in General Meeting accorded by a Special resolution:

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

(b) remit or give time for the repayment of, any debt due by a Director;

(c) invest otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertakings as is referred to in clause (a) or of any premises or properties used for any such undertaking and without which it cannot be carried on only with difficulty or only after a considerable time;

(d) borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose. Provided further that the powers specified in Section 179 & 180 of the Act shall subject to these Articles be exercised only at meeting of the Board unless the same be delegated to the extent therein stated, or

(e) contribute to charitable and other trusts not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year exceed twenty-five thousand rupees or five percent of its average net profits as determined in accordance with the provisions of the Section 198 of the Act during the three financial years immediately preceding, whichever is greater.

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

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

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

(b) To pay and charge to the capital account of the company any commission, brokerage or interest lawfully payable thereon under the provisions of section 40 of the Act.

(c) subject to section 179 & 188 of the act to purchase or otherwise acquire for the company any property, rights or privileges which the company is authorized to acquire at or for such price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition to accept such title as the directors may believe or may be advised to be reasonably satisfactory.

- d) At their discretion and subject to provision of the Act to pay for any property , rights, or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures, mortgages or other securities of the Company, and any such shares may be issued either as fully paid or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, mortgages or other securities may be either specially charged upon all or any part of the property of the Company and its uncalled capital or not so charged.
- (e) To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled.
- (f) To accept from any member, as far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed.
- (g) To appoint any person to accept and hold in trust for the Company any property belonging to the Company, in which it is interested, or for any other purposes, and to execute and do all such deeds and things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees.
- (h) To institute, conduct, defend, compound, or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due and or any claim or demands by or against the Company and to refer any differences to arbitration, and observe and perform any awards made thereon.
- (i) To act on behalf of the Company in all matters relating to bankruptcy and insolvency.
- (j) To make and give receipts, releases, and other discharges for moneys payable to the Company and for the claims and demands of the Company.
- (k) To execute in the name and on behalf of the company in favour of any director or other person who may incur or be about to incur any personal liability whether as principal or surety, for he benefit, of the Company, such mortgages of the company's property (present and future as they think fit, and any such mortgage may contain a power of sale and such other power, provisions, covenants and agreements as shall be agreed upon.
- (l) To determine from time to time who shall be entitled to sign on the Company's behalf bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give them necessary authority for such purpose.
- (m) To distribute by way of bonus amongst the staff of the Company a share or shares in the profits of the Company and to give to any officer or other persons employed by the Company a commission on the profits of any particular business or transaction and to charge such bonus or commission as part of the working expenses of the Company.
- (n) To provide for welfare of Director or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or any connection of such persons, by building or contributing to the building of houses, dwelling, or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments or by creating, and by providing or subscribing or contributing to provident fund and other associations, institutions, funds, trusts and by providing or subscribing or contributing to wards places of instruction and recreation, hospital and dispensaries, medical and other attendance and other assistance as the Board shall think fit, and to subscribe or contribute or otherwise to assist or to guarantee to charitable, benevolent, religious, scientific, nationals or institutions or objects which shall have any moral or other claim to support or aid by the Company either by reason of locality of operation, or of public and general utility or otherwise.
- (o) Before recommending any dividend, to set aside out of the profits of the Company and for such other purposes including the purposes referred to in the preceding clause), as the Board may, in their absolute

discretion, think conducive to the Company and subject to Section 179 of the Act; invest the several sums so set aside for so much thereof as required to be invested, upon such investments (other than shares of the Company as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company in such manner and for such purposes as the Board in their absolute discretion, think conducive to the interest of the Company notwithstanding that the matters to which the Board apply or upon they expend the same, or any part thereof may be matters to or upon which the capital monies of the Company might rightly be applied or expended, and to divide the Reserve Fund into such special funds as the Board may think fit with full power to transfer the whole or any portion of a Reserve Fund or Division of a Reserve Fund and with full power to employ the assets constituting all or any of the above funds, including the Depreciation fund, in the business of the Company or in the purchase or repayment of Debenture or debenture stock and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however to the Board at their discretion to allow to the credit of such funds interest at such rate as the Board may think proper, not exceeding nine percent per annum.

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

(q) To comply with the requirements of any local law which in their opinion shall be in the interests of the Company necessary or expedient to comply with.

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

(s) Subject to Section 179 of the Act, from time to time and at any time to delegate to any persons so appointed any of the powers authorities and discretions for the time being vested in the Board, other than their power to make calls or to make loans or borrow moneys, and to authorize the Members for the time being of any such local Board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subjects to such conditions as the Board may think fit, and the Board may at any time remove any person so appointed, and may annual or vary any such delegation.

(t) At any time and from time to time by power of Attorney under the seal of the Company, to appoint any person or persons to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in/or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits, authorized by the Board the power to make loans and borrow moneys) and for such period subject to such conditions as the Board may from time to time think fit; and any such appointment may (if the Board think fit) be made in favour of the members or any of the members of any local Board, established as aforesaid or in favour of any Company, or the shareholders, Directors, nominees, or managers of any Company or firms or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such power of Attorney may contain such Powers for the protection or convenience of the persons dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers authorities and discretion for time being vested in them.

(u) Subject to Section 188 of the Act, for or in relation to any of the matter aforesaid or otherwise for the

purpose of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company.

(v) From time to time to make, vary and repeal by-laws for the regulation of the business of the Company its officers and servants.

117. (i) The Board may elect the Chairperson of its meetings and determine the period for which he is to hold office.
- (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.
118. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.
- (ii) 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.
119. (i) A committee may elect a Chairperson of its meetings.
- (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
120. (i) A committee may meet and adjourn as it thinks fit.
- (ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
121. 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, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
122. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all 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.
123. Subject to the provision of Section 179 & 180 of the Act the Board may, from time to time at its discretion by a resolution passed at a meeting of the Board accept deposits from members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum of money for the purpose of the Company. Provided however, where the money to be borrowed together with the moneys already borrowed (apart from temporary loan obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board shall not borrow such moneys without the consent of the Company in General Meeting.
124. Subject to the provisions of these Articles the payment or repayment of money borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Special Resolution shall prescribe including by the issue of debentures or debenture-stock of the Company, charged upon all or any part of the property of the Company (both present and future), including its uncalled capital for the time being and debentures, debenture-stock and other securities may be made assignable from any equities the Company and the person to whom the same may be issued.

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

***Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer***

126. Subject to the provisions of the Act, —
- (i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
  - (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
127. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

***The Seal***

128. (i) The Board shall provide for the safe custody of the seal.
- (ii) 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 two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and 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 Reserve***

129. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
130. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.
131. (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing 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.
- (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
132. (i) 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.
- (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes

of this regulation as paid on the share.

(iii) 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.

133. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.
134. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid 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.  
(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. 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.
135. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
136. No dividend shall bear interest against the company.
137. The profits of the Company, subject to any special rights relating thereto created or authorized to be created by these Articles and subject to the provisions of these Articles, shall be divisible among the members, in proportion to the amount of capital paid up credited as paid up on the shares held by them respectively.
138. The Company in General Meeting may declare dividend to be paid to members according to their respective rights, but no dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a smaller dividend.
139. No dividend shall be declared or paid otherwise than out of profits of the financial year arrived at after providing for depreciation in accordance with the provisions of Section 205 of the Act or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both provided that:
  - (a) If the Company has not provided for depreciation for any previous financial year or years it shall, before declaring or paying a dividend for any financial year or out of the profits of any other previous financial years;
  - (b) If the Company has incurred any loss in any previous financial year or years the amount of the loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the dividend is proposed to be declared or paid or against the profits of the Company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with provisions of sub-section (2) of Section 123 of the Act or against both.
140. The Board may from time to time, pay to the Members such interim dividend as in their judgment the position of the Company justifies.
141. Where Capital is paid up in advance of calls such capital may carry interest but shall not in respect thereof confer a right to dividend or participate in profits.



142. 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(s) is/are issued on terms providing that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.
143. The Board may retain the dividends payable upon shares in respect of which any person is, under provisions of these Articles entitled to become a Member or which any person under these Articles is entitled to transfer, until such person shall become a member, in respect of such shares or shall duly transfer the same.
144. Any one of several persons who are registered as the joint-holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends or bonus or other moneys payable in respect of such shares.
145. No member shall be entitled to receive payment of any interest or dividend in respect of his share or shares whilst any moneys may be due or owing from him to the Company in respect of such share or shares or otherwise howsoever, either alone or jointly with any other person or persons, and the Board may deduct from the interest or dividend payable to any member all sums of moneys so due from him to the Company.
146. No members to receive dividend whilst indebted to the Company and Company's right of reimbursement thereat.
147. A transfer of share shall not the right to any dividend declared thereon before the registration of the transfer. Transfer of shares must be registered.
148. Unless otherwise directed any dividend may be paid by cheque or warrant or by a pay slip or receipt having the force of a cheque or warrant sent through the post of the registered address of the member or person entitled or in case of joint-holders to that one of them first named in the Register in respect of the joint-holdings. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transmission, or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the forged signature of any pay slip or receipt or the fraudulent recovery of the dividend by any other means.
149. Where any instrument of shares has been delivered to the Company for registration and the transfer of such shares has not been registered by the Company, it shall;
  - (a) transfer the dividend in relation to such shares to the special account referred to in Section 124 of the Act, unless the Company is authorized by the registered holder of such shares in writing to pay such dividend to the transferee specified in such instrument of transfer; and
  - (b) keep in abeyance in relation to such shares any offer of rights shares under clause (a) of subsection (1) of Section 62 and any issue of fully paid up bonus shares in pursuance of sub-section (3) of Section 123 of the Act.
150. Right to Dividend, rights shares and bonus shares to be held in abeyance pending registration of transfer of shares.
151. No unclaimed dividend shall be forfeited and the same shall be dealt with in accordance with the provisions of Section 124, 125, and 126 or other provisions, if any, of the Act as may be applicable, from time to time.
152. Dividends unclaimed for one year after having been declared may be invested or otherwise used by the Board for the benefit of the Company until claimed. All dividends unclaimed no becoming barred by law may be forfeited by the Directors for the benefit of the Company. The Directors may remit the forfeiture

whenever they may think proper.

153. No unpaid dividend shall bear interest as against the Company.
154. Any General Meeting declaring a dividend may on the recommendation of the Directors make a call on the members of such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him and so that the call may be made payable at the same time as the dividend; and the dividend may, if so arranged between the Company and the member, be set off against the calls.
155. The Company in General Meeting may by a special Resolution resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of the Reserve Account or Fund, or any Capital Redemption Reserve Account, or in the hands of the Company and available for dividend (or representing premium received on the issue of shares and standing to the credit of the shares premium Account) be capitalized and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalized value or sum or fund be applied on behalf of such shareholders in paying up in full either at par or at such premium as the Resolution may provide, any unissued shares or debentures or debenture-stock of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares or debentures or debenture-stock and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalized sum, provided that a Share Premium Account and a Capital Redemption Reserve Account may, for the purpose of this Article, only be applied in the paying of any unissued shares to be issued to members of the Company as fully paid bonus shares.
156. A General Meeting may resolve that any surplus moneys arising from the realization of any capital assets of the Company, or any investments representing the same, or any other undistributed profits of the Company not subject to charge for income tax be distributed among the members on the footing that they receive the same as capital.
157. For the purpose of giving effect to any Resolution under the preceding paragraphs of this Article, the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and in particular may issue fraction certificates and may fix the value for distribution of any specific assets, and may determine that such cash payments shall be made to any members upon the footing of the value so fixed or that fraction of less value than Rs.10/- may be disregarded in order to adjust the rights of all parties and may vest any such cash or the specific assets in trustees upon such trusts for the person entitled to the dividends or capitalized fund as may seem expedient to the Board. Where requisite, a proper contract shall be delivered to the Registrar for registration in accordance with Section 75 of the Act, and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or on capitalized fund, and such appointment shall be effective.

#### *Accounts*

158. (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.
- (ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

#### *Winding up*

159. Subject to the provisions of Chapter XX of the Act and rules made thereunder —
- (i) 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.

(ii) 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.

(iii) 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*

160. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

#### *Secrecy Clause*

161. Every Director, Manager, Auditor, Treasurer, Member of a Committee, servant, agent, accountant or other person employed in the business of the Company shall, if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Directors or by the law or by any person to whom such matter relate and except and so far as may be necessary in order to comply with any of the provisions in these presents contained.
162. No members shall be entitled to visit or inspect any works of the Company without the permission of the Directors or to require discovery of or any information respecting any details of the Company's trading, or any matter which is or may be in the nature of a trade secret, mystery of trade, process of any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be inexpedient in the interest of the Company to disclose.

#### **Notes :**

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

6. The old Article 2(a) has been substituted pursuant to the Special Resolution passed at the Annual General Meeting held on 23<sup>rd</sup> September, 1992.
7. The old Article 87 has been substituted pursuant to the Special Resolution passed at the Annual General Meeting held on 23<sup>rd</sup> September, 1992.
8. The old Article 146 has been substituted pursuant to the Special Resolution passed at the Annual General Meeting held on 23<sup>rd</sup> September, 1992.
9. The old Article 36 has been substituted pursuant to the Special Resolution passed at the Annual General Meeting held on 13<sup>th</sup> August, 1993.
10. The old Article 56 has been substituted pursuant to the Special Resolution passed at the Annual General Meeting held on 13<sup>th</sup> August, 1993.
11. The old Article 158 has been substituted pursuant to the Special Resolution passed at the Annual General Meeting held on 13<sup>th</sup> August, 1993.
12. The old Article 2(a) has been substituted pursuant to the Special Resolution passed at the Annual General Meeting held on 24<sup>th</sup> July, 1995.
13. The old Article 31 has been substituted pursuant to the Special Resolution passed at the Annual General Meeting held on 23<sup>rd</sup> September, 1996.
14. Article 1(a) was amended pursuant to the Special Resolution passed at the eleventh Annual General Meeting held on 23<sup>rd</sup> August 1997, and new definitions for Beneficial owner, Depositories were added to the existing Article 1(a).
15. The definition of Member in Article 1(a) was amended pursuant to the Special Resolution passed at the Annual General Meeting held on 23<sup>rd</sup> August, 1997.
16. New Articles 2(c) has been inserted after the Article 2(b) pursuant to the Special Resolution passed at the Annual General Meeting held on 23<sup>rd</sup> August, 1997.
17. The old Article 11 of the Articles of Association was substituted pursuant to the Special Resolution passed at the Annual General Meeting held on 23<sup>rd</sup> August, 1997.
18. The old Article 12 of the Articles of Association was substituted pursuant to the Special Resolution passed at the Annual General Meeting held on 23<sup>rd</sup> August, 1997.
19. Article 19(a) was amended pursuant to the Special Resolution passed at the Annual General Meeting held on 23<sup>rd</sup> August, 1997.
20. The old Article 22 of the Articles of Association was substituted pursuant to the Special Resolution passed at the Annual General Meeting held on 23<sup>rd</sup> August, 1997.
21. The old Article 50 of the Articles of Association was substituted pursuant to the Special Resolution passed at the Annual General Meeting held on 23<sup>rd</sup> August, 1997.
22. New Article 50-A was inserted pursuant to the Special Resolution passed at the Annual General Meeting held on 23<sup>rd</sup> August, 1997.

- 23. The Old Article 40 of Article of Association was Substituted pursuant to the Special Resolution passed at Annual General Meeting held on 3<sup>rd</sup> September, 1998**
- 24. New Article 64A inserted pursuant to the Special resolution at the Annual General Meeting on 10<sup>th</sup> September, 1999.**
- 25. New Article 76A inserted pursuant to the Special Resolution passed at the Annual General Meeting held on 28<sup>th</sup> June 2013.**
- 26. One Equity shares of Rs.10/- each fully paid has been sub-divided into 2 equity Shares of Rs.5/- each fully paid pursuant to the resolution passed at the Annual General Meeting of the Company held on 28th June 2013**
- 27. The Authorised Share Capital of the Company stand increased without any act, instrument or deed on the part of the company including payment of stamp duty and fees payable to Ministry of Corporate Affairs / Registrar of Companies upon the Scheme of Amalgamation of Apcotex Solutions India Private Limited becoming effective. The Scheme of Amalgamation was pronounced by Hon'ble High Court of Bombay on 27th October 2016 and certified copy of the order was filed with Ministry of Corporate Affairs/Registrar of Companies on 1st December 2016.**
- 28. One Equity shares of Rs.5/- each fully paid has been sub-divided into equity Shares of Rs.2/- each fully paid pursuant to the resolution passed at the Annual General Meeting of the Company held on 4<sup>th</sup> June 2019.**
- 29. Adoption of new set of Articles of Association of the Company pursuant to the resolution passed at the Annual General Meeting of the Company held on 26<sup>th</sup> June 2025.**

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

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

**Dated: 17th February, 1986.**

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

In the matter of the companies act, 1956

And

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

And

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

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

Petitioners

Corem: D.R.Dhanuka J.  
Dated: 27<sup>th</sup> March 1991,

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

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

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

By the Court,

For Prothonotary & Senior Master.

ORDER sanctioning the Arrangement under sections 391 and 394 of the Companies Act, drawn on the application of M/S Kanga & Co. Advocates for the Petitioners having their office at Readymoney Mansion, 43, Readymoney Mansion, Near Nariman Road, Bombay 400 023.



## **SCHEDULE:**

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

## **PART I**

### **1. DEFINITION:**

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

The "Act" means the Companies Act, 1956.

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

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

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

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

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

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

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

**2. SHARE CAPITAL:**

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

**Authorised:**

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

**Issued Subscribed and Paid-up:**

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

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

**Authorised:**

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

**Issued, Subscribed and Paid-up:**

(i) 2510 Equity Shares of Rs.10/-each fully paid-up	Rs.25,100/-
(ii) 10-13.5% Non-cumulative Redeemable Preference Shares of Rs.100/-each Fully paid-up	Rs.1000
	Rs.26,100

**PART II**

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

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

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

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

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

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

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

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

(i) ASIAN PAINT'S LIABILITY;

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

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

(ii) ALL'S LIABILITY

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

and

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

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



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

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

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

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

### PART III

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

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



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

## **ANNEXURE 'A'**

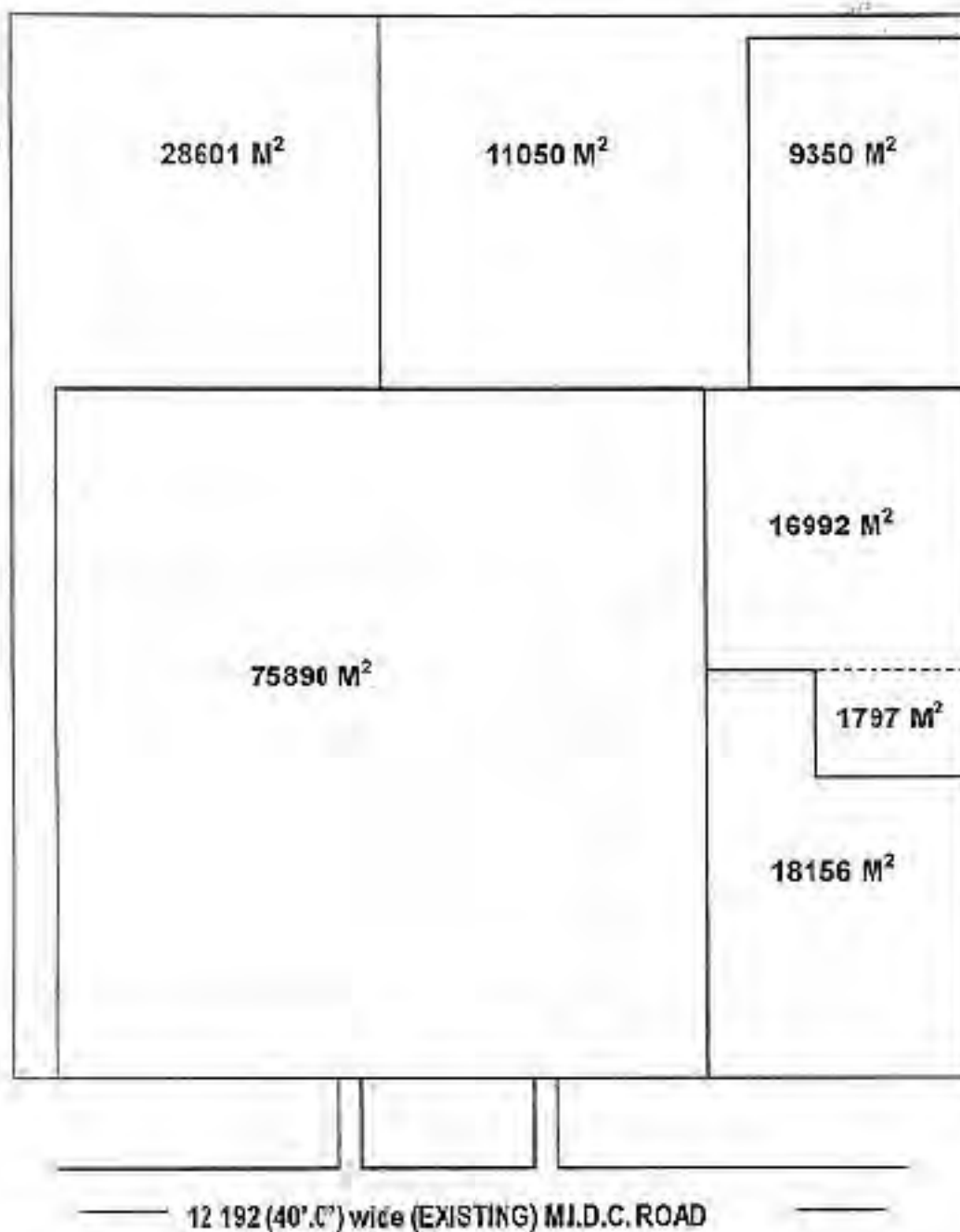
### **ASSETS OF APCOTEX DIVISION OF ASIAN PAINTS (INDIA) LIMITED TO BE VESTED IN APCOTEX LATTICES LIMITED**

#### **IMMOVABLE:**

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

#### **MOVABLE:**

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



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



## ANNEXURE 'B' PART I

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

- 20) 3 Nos. chemflo full bore ball valves in CW with 316 ball, fire safe design size 80mm.
- 21) 4 Nos. chemflo full bore ball valves in CS and 316 ball.
- 22) 1 No. chemflo centrifugal pump model 3 x 1-1/2-9 in CS type with accessories.
- 23) 1 No. coupling guard in A1.
- 24) Fire Hydrant system.
- 25) Excess flow valve for Butadiene storage tank and 1 "NPT S.S. Rotoguage complete with extension piece.
- 26) 1 No. SLM-Maneklal waering vacuum pump type NV 30 No. 14647 complete with std. accessories.
- 27) 310 KVA Diesel generator.
- 28) Alternator control panel.
- 29) Equipments for generator.
- 30) Foundation to Butadiene compressor.
- 31) Aluminium armoured cable.
- 32) Wiring of lighting, receptacles & ex-fans and black enameled steel conduits.
- 33) 15A/way 4 ways TPN lighting.
- 34) Tata make MS 'C' Class pipe-2".
- 35) Tata make MS as above and MS Washers.
- 36) Tata make MS 'C' class pipes.

#### **ANNEXURE 'B' PART – II**

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

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

#### **ANNEXURE 'B' PART-III**

Sr.No.	Description
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- 1) Agitator

#### **ANNEXURE 'B' PART-IV**

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

#### **ANNEXURE 'B' PART-V**

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

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



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

#### ANNEXURE 'B' PART-VI

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



- 6) 1520 Mtrs. of 4 Core x 1.5sq. mm. PVC armoured cable 156 Mtrs. of 4Core x 6 sq. mm. PVC armoured cable 250 Mtrs of 4 Core x 10 sq. mm. PVC armoured cable.
- 7) 37.50 Mtrs. of steel Tubes of size 1"
- 8) TATA make steel tubes of size 1-1/2" – 53.67 Mtrs. of B Class and 37.60 Mtrs. of C Class
- 9) 250 Mtrs. of Polycab make PVC armoured cable
- 10) 1 No. Reactor/condenser
- 11) 43 Nos. of Flourik lever operated fire safe full bore ball valves of Three different sizes
- 12) Flourik lever operated fire safe full bore ball valves (6 Nos) of different size, and 2 Nos. Gear operated full bore ball valves of diff. Size.
- 13) 120 Mtrs. of 4 Core x 50 mm PVC armoured cable
- 14) 117.61 Mtrs. of SS Pipes of different size and length
- 15) 862.84 Mtrs. of TATA make MS pipes of sizes ranging from 4/2" to 8" in different lengths
- 16) 639.40 Mtrs. of TATA make of MS pipes of sizes ranging from 1/2" to 3" in different lengths
- 17) 37.71 Mtrs. of TATA make MS pipes of size 3"
- 18) 50.17 Mtrs. of TATA make MS pipes of size 1-1/2"
- 19) Delstar Indl. Vacuum Cleaner Model Monovac II with accessories
- 20) 1 set of double mechanical seal
- 21) 156.13 Mtrs. of Zenith/GST make GI Pipes of size ranging from 2" to 3" in different lengths and 6 Nos. GI Union of 2" and 3 Nos. Elbow of size 2"
- 22) 820 Kgs. of Torsteel bar – 8mm
- 23) 345 Kgs. GI branded wire
- 24) 110 Nos. of MS slip on flanges of diff. Size
- 25) 2'-5"SS 316 pipe
- 26) 2 Nos Stub ends
- 27) 145 Pcs. Pcs. MS bends, reducers, tees etc.

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

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

#### ANNEXURE 'B' PART-VII

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

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

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

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

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

**ANNEXURE 'C'****STATEMENT OF DEBTS AND LIABILITIES OF THE APCOTEX DIVISION OF****ASIAN PAINTS (INDIA) LIMITED AS ON 31<sup>ST</sup> MARCH, 1990****TO BE VESTED IN ALL****(Rs. In lacs)****SECURED LOAN****15% Non-Convertible Debentures****35.00****14% Non-Convertible Debentures****65.00****110.00****UNSECURED LOAN****Inter-corporate Deposit****10.00****ESTIMATED CURRENT LIABILITIES AND  
PROVISIONS:****87.00**

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**217.00**

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

IN THE MATTER OF THE COMPANIES ACT, 1956

AND

IN THE MATTER OF SECTIONS 391 AND 394 OF THE COMPANIES

ACT, 1956

AND

IN THE MATTER OF APCOTEX LATTICES LIMITED

AND

IN THE MATTER OF THE SCHEME OF AMALGAMATION OF

APCOTEX SECURITIES LIMITED

WITH

APCOTEX LATTICES LIMITED

**APCOTEX LATTICES LIMITED**

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

.....Petitioner

Coram : S.U. Kamdar.J

Date : 1<sup>st</sup> April 2005

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



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



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

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

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

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

By the Court,

For Prothonotary & Senior Master,

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



## SCHEDULE

### SCHEME OF AMALGAMATION

Apcotex Securities Limited

...TRANSFEROR COMPANY

With

APCOTEX LATTICES LIMITED

...TRANSFeree COMPANY

#### PART 1. GENERAL

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

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

"Act" means the Companies Act, 1956

"Appointed Date" means the first day of April 2004

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

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

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

"Transferor Company" means Apcotex Securities Limited, a Company incorporated under the Companies Act, 1955 and having Registered office

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

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

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

## PART II – SHARE CAPITAL

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

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

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

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

	Rupees (In lacs)
Authorised	
1,49,70,000 Equity Shares of Rs.10/- each	1497.00
500 Preference Shares of Rs.100/- each	5.50
25,000 Unclassified Shares of Rs.10/- each	2.50
	1505.00
Issued, Subscribed and paid up*	
55,27,352 Equity Shares of Rs.10/- each	552.74
	552.74

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

### PART III – TRANSFER AND VESTING OF UNDERTAKING

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

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

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

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

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



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

#### **PART IV – CANCELLATION OF THE SHARE CERTIFICATES**

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

#### **PART V – GENERAL TERMS AND CONDITIONS**

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

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

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

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

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

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

<b>PROFIT AND LOSS ACCOUNT</b>			
<b>Income:</b>			
Sales and Operating Income	65,33.16	0	65,33.16
Other Income	56.92	5.36	53.29
<b>Total Income</b>	<b>65,90.08</b>	<b>5.36</b>	<b>65,91.45</b>
<b>Expenses:</b>			
Operating Expenses	61,90.68	0.93	61,91.60
Interest	9.15	0	8.36
Depreciation	3,77.06	0.76	3,77.65
Exceptional Items	0	0	0
<b>Total Expenses</b>	<b>65,76.89</b>	<b>1.71</b>	<b>65,77.81</b>
Profit before Tax	13.19	3.65	13.64
Less: Tax (including deferred tax)	0.98	0.43	0.55
Profit after Tax	14.17	3.22	14.19
<b>Earning per Share</b> (Equity Shares of Rs.10/-paid up) (in Rupees)	<b>0.26</b>	<b>0.18</b>	<b>0.26</b>

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

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

AND

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

AND

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

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

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

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

CORAM: A.K. Menon, J.

DATE: 27<sup>th</sup> October, 2016

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

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

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

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

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

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

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



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

**(A.K. Menon, J.)**

**CERTIFICATE**

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

Uploaded by: - Shankar Gawde, Stenographer

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

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

The purpose and rationale of this Scheme is as under:

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

The Scheme is divided into following parts:

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

## **PART A**

### **1. DEFINITIONS**

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

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

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

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

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

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

### 3. SHARE CAPITAL

- 3.1 The share capital of Apcotex Solutions as on 30<sup>th</sup> November, 2015 is as under:

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

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

- 3.2 The share capital of Apcotex as on 31<sup>st</sup> March, 2015 is as under:

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

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

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

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

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

## **PART B**

### **4 TRANSFER AND VESTING OF UNDERTAKING OF APCOTEX SOLUTIONS**

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

4.2 Without prejudice to the generality of the foregoing:

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

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

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



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

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

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

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

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

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

## **5 CONSIDERATION**

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

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

## **6 ACCOUNTING TREATMENT**

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

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

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

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

## **7 DISSOLUTION WITHOUT WINDING UP**

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

## **8 CONDUCT OF BUSINESSES UNTIL EFFECTIVE DATE**

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

- (a) Apcotex Solutions shall carry on and be deemed to have been carrying on its business and activities and shall stand possessed of and hold all of its properties and assets for and on account of and in trust for Apcotex. Apcotex Solutions hereby undertakes to hold the said assets and discharge liabilities with utmost prudence until the Effective Date.
- (b) Apcotex Solutions shall carry on its businesses and activities with reasonable diligence, business prudence and shall not without the prior written consent of Board of Directors of Apcotex, make any further issue of shares by way of rights or bonus or otherwise, alienate, charge, mortgage, encumber or otherwise deal with or dispose of its undertaking or any part thereof except in the ordinary course of business nor shall undertake any new business or a substantial expansion of its existing business, nor shall it create any new financial liabilities without the consent of Board of Directors of Apcotex except in the ordinary course of business.

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

## **9 LEGAL PROCEEDINGS**

- 9.1 All legal proceedings, including arbitration proceedings, of whatsoever nature, by or against Apcotex Solutions pending and / or arising at or after the Appointed Date, as and from the Effective Date shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against Apcotex in the manner and to the same extent as would or might have been continued and enforced by or against Apcotex Solutions.
- 9.2 After the Appointed Date, if any proceedings are taken by or against Apcotex Solutions the same shall be defended by and at the cost of Apcotex.
- 9.3 Apcotex undertakes to have all legal or other proceedings initiated by or against Apcotex Solutions referred to in clause 9.1 above

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

## **10 CONTRACTS, DEEDS AND OTHER INSTRUMENTS**

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

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

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

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

## **11 TAXES**

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



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

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

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

## **12 TREATMENT OF STAFF AND EMPLOYEES**

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

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

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

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

### **13      SAVING OF CONCLUDED TRANSACTIONS**

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

## **PART C – GENERAL TERMS & CONDITIONS**

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

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

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

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

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

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

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

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

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

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

## **15 APPLICATION TO THE HIGH COURT**

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

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

## **16 MODIFICATION / AMENDMENT TO THE SCHEME**

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

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

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

## **17 CONDITIONALITY OF THE SCHEME**

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

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

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

17.2 The requisite sanctions and approvals of any Government Authority including Stock Exchange and Securities and Exchange Board of India, as may be required by law, in respect of the Scheme being obtained; and

17.3 The sanction of this Scheme by the High Court and copies of the order of the High Court sanctioning the Scheme being filed with the Registrar of Companies, Maharashtra.

#### **18 EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS**

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

#### **19 COSTS, CHARGES & EXPENSES**

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

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BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,  
MUMBAI BENCH

CSP NO 1086 OF 2017  
AND  
CSP NO 1085 OF 2017

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

**APCOTEX INDUSTRIES LIMITED**  
...Transferee /Petitioner Company

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

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

Order delivered on 1<sup>st</sup> February, 2018

Coram:

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

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

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

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

Mr. Manjesh Jadhav, Assistant Registrar of Companies, Mumbai

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

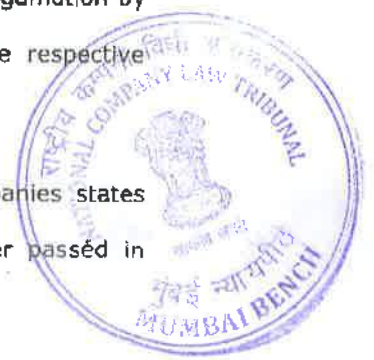
**Per: B.S.V. Prakash Kumar, Member (J)**

**ORDER**

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



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



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

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



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

*(f) ROC, Mumbai has reported in his Report that the Transferee Company does not contain objectives of the Transferor Company to continue business of the Transferor Company. The Transferee Company may be directed to make compliance of Section 12 of the Companies Act, 2013 and rules made thereunder by filing requisite e-forms paying requisite fees with the Office of the Registrar of Companies, Mumbai in respect of alteration of objects of the said Company, after approval of the Scheme by the Hon'ble NCLT;*

*(g) ROC, Mumbai has reported that the Transferor Company has not filed its Financial Statements for the year 2016-17. In this regard, the Petitioners must ensure filing of its Audited Financial Statements for the Financial year 2016-17 with Registrar of Companies, Mumbai under Section 137 of the Companies Act, 2013 in the prescribed e-form and payment of fees, before filing of order for merger, if any with the said ROC.*

*(h) In accordance to proviso to Section 232(3) of the Companies Act, 2013, the Company may be directed to file a Certificate from the Company's Auditors to the effect that the Accounting Treatment as proposed in the Scheme is in conformity with the Accounting Standards as prescribed under Section 133 of the Companies Act, 2013.*

9. As far as the observation of the Regional Director, Western Region, Mumbai, as stated in paragraph IV (a) of his report is concerned, the Petitioner Companies submits that the Appointed Date shall be 31<sup>st</sup> March, 2017.

10. As far as the observation of the Regional Director, Western Region, Mumbai, as stated in paragraph IV (b) of his report are concerned, Transferee Company through their Counsel undertakes that in addition to compliance of AS-14 (IND AS-103), the Transferee Company shall pass such Accounting Entries which are necessary in connection with the Scheme to comply with other applicable Accounting Standards such as AS-5 (IND AS-8) etc., to the extent applicable.

11. As far as the observation of the Regional Director, Western Region, Mumbai, as stated in paragraph IV (c) of the report is concerned, the Transferee Company through its Counsel undertakes that it shall comply with all the applicable rules, regulation, to the extent applicable, for merging the Reserves of the Transferor Company created as per Reserve Bank of India Act, 1934, with the General Reserves of the Transferee Company.



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





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

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

Sd/-

V. Nallasenapathy, Member (T)

Date:- 1.02.2018

Sd/-

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



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



Deputy Director  
National Company Law Tribunal, Mumbai Bench

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

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

**I. OBJECT OF THE SCHEME**

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

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

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

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





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

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

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

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

## II. PARTS OF THE SCHEME

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

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



## PART A

### DEFINITIONS AND SHARE CAPITAL

#### 1. DEFINITIONS

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

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



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

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

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

## 2. DATE OF TAKING EFFECT AND OPERATIVE DATE

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



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

### 3. SHARE CAPITAL

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

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

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

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





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

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

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

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



## **PART B**

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

#### **4. TRANSFER AND VESTING OF UNDERTAKING OF SALDHAR**

- 4.1 With effect from the Appointed Date and upon the Scheme becoming effective, the entire business and undertakings including all its properties and assets (whether movable or immovable, tangible or intangible, present or future or contingent of whatsoever nature) of Saldhar shall, under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, and pursuant to the orders of the Tribunal, sanctioning the Scheme shall without any further act, deed, matter or thing, stand transferred to and vested in and/or deemed to be transferred to and vested in Apcotex so as to become the properties and liabilities of Apcotex free from all encumbrances, but subject to subsisting charges and pledges, if any.
- 4.2 With effect from the Appointed Date, the whole of the undertaking of Saldhar as a going concern, including its business, all secured and unsecured debts, liabilities, duties and obligations and all the assets, properties, rights, titles and benefits, whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but without being limited to land and building (whether owned, leased, licensed), all fixed and movable plant and machinery, vehicles, fixed assets, work in progress, current assets, reserves, provisions, funds, licenses, registrations, copyrights, brands, trade and service names, patents, trademarks and other rights and licenses in respect thereof, applications for copyrights, patents, trademarks, leases, licenses, tenancy rights, premise, hire purchase and lease arrangements, lending arrangements, joint venture agreements, benefits of security arrangements, computers, office equipment, telephones, telexes, facsimile connections, communication facilities, equipment and installations and utilities, electricity, water and other service connections, benefits of agreements, contracts and arrangements, powers, authorities, permits, quotas, entitlements, allotments, approvals, consents, privileges, liberties, advantages, easements and all rights, title, interest, goodwill, benefit and advantage, deposits, advances, receivables, funds, cash, bank balances,



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

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





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

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





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

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

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



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

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



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

## 5. TAXATION MATTERS

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

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

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





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

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

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

## **7. LEGAL PROCEEDINGS**

- 7.1 All legal proceedings of whatsoever nature by or against Saldhar pending and/ or arising on or after the Appointed Date and relating to Saldhar shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against Apcotex in the manner and to the same extent as would or might have been continued and enforced by or against Saldhar if this Scheme had not been made.



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

## 8. STAFF & EMPLOYEES

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

## 9. CONSIDERATION

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

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

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



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





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

#### **10. LISTING OF NEW EQUITY SHARES OF APCOTEX**

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

#### **11. REDUCTION OF SHARE CAPITAL**

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

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

#### **12. ACCOUNTING TREATMENT ON MERGER OF SALDHAR INTO APCOTEX**

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

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

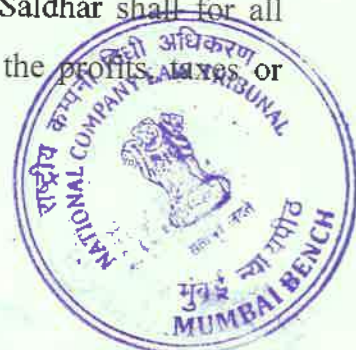


- 12.3 The reserves of Saldhar (other than reserves created as per the Reserve Bank of India Act) will be taken over and merged in the books of Apcotex at the same value and nomenclature as appearing in the books of Saldhar. The Reserves created in the books of Saldhar as per the Reserve Bank of India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

### **13. CONDUCT OF BUSINESS UNTIL THE SCHEME BECOMES EFFECTIVE**

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

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





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

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

#### 14. SAVING OF CONCLUDED TRANSACTIONS

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



**15. DISSOLUTION OF SALDHAR**

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



## PART C

### GENERAL TERMS AND CONDITIONS

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

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

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

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

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

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

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



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

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





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

## **18. APPLICATION**

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

## **19. MODIFICATIONS/AMENDMENTS TO THE SCHEME**

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

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

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

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



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

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

## **20. CONDITIONALITY OF THE SCHEME**

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

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

## **21. EFFECT OF NON-RECEIPT OF APPROVALS**



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

## **22. INDEMNITY BY SHAREHOLDERS OF SALDHAR**

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

## **23. COSTS, CHARGES AND EXPENSES**

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

## **24. DIFFERENCES**

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



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

Certified True Copy

Date of Application 01.02.2018

Number of Pages 25

Fee Paid Rs. 125

Applicant called for collection copy on 09.02.2018

Copy prepared on 09.02.2018

Copy Issued on 09.02.2018



Deputy Director

National Company Law Tribunal, Mumbai Bench





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

In the matter of the Companies Act, 2013

And

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

And

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



**Apcotex Industries Limited**

.....**Petitioner Company**

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

M/S HEMANT SETHI & CO  
Advocates for the Petitioner,  
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Behind Amar Cinema,  
Chembur Mumbai - 400 071