



**E.I.D. - PARRY (INDIA) LIMITED**

**MEMORANDUM OF ASSOCIATION  
AND  
ARTICLES OF ASSOCIATION**

**Registered Office :**

“Dare House”, Parrys Corner, Chennai - 600 001.

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**ANNEXURE - I**

**LIST OF RESOLUTIONS PASSED AT THE GENERAL MEETINGS HAVING AN IMPACT  
ON MOA/AOA**

<b>S.No.</b>	<b>DATE OF THE RESOLUTION</b>	<b>PAGE No.</b>
1.	12.12.1975	88
2.	22.01.1976	89
3.	01.03.1976	90
4.	26.05.1976	91
5.	29.06.1979	92
6.	21.09.1983	94
7.	12.11.1986	95
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20.	05.08.2020	112

**ANNEXURES TO THE MEMORANDUM OF ASSOCIATION**

**ANNEXURE-II**

**HIGH COURT ORDERS SANCTIONING SCHEMES OF ARRANGEMENTS**

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Form I. R.



## CERTIFICATE OF INCORPORATION

No. 6989 of 19 75.

I hereby certify that E. I. D. - PARRY (INDIA)

LIMITED

\*

\*

\*

\*

\*

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

Given under my hand at M A D R A S

this Twentysecond day of September  
Thirtyfirst Bhadra

One thousand nine hundred and seventyfive.

One thousand eight hundred and ninetyseven. (Saka)



(A. G. SIRSI)  
Registrar of Companies.  
TAMILNADU

J. S. C. I.





## Certificate for Commencement of Business

Pursuant of section 149 (3) of the Companies Act, 1956

I hereby certify that the B.I.D

PARRY (INDIA) LIMITED.

X X

X

X

X

X

X

which was incorporated under the Companies Act, 1956, on  
the Twentysecond day of September 1975  
Thirtyfirst Bhadra 1897 (Saka)  
and which has this day filed a duly verified declaration in this prescribed  
form that the conditions of section 149 (1) (a) to (d)/149 (2) (a) to (c)  
of the said Act, have been complied with is entitled to commence  
business.

Given under my hand at

M A D R A S

November.

this Twentieth

day of

Kartika

Twentyninth

One thousand nine hundred and seventyfive  
One thousand eight hundred and ninetyseven (Saka)

(A.G. SIRSI)

Registrar of Companies.



# **MEMORANDUM OF ASSOCIATION**



**THE COMPANIES ACT, 1956**

**PUBLIC COMPANY LIMITED BY SHARES**

**MEMORANDUM OF ASSOCIATION**

**OF**

**E.I.D.-PARRY (INDIA) LIMITED**

- I. The name of the Company is “E.I.D.-Parry (India) Limited”.
- II. The Registered Office of the Company will be situated in the State of Tamil Nadu
- III. (A) The main objects which will be pursued by the company on its incorporation are:-

(1) To acquire, take over and amalgamate as a going concern the undertaking of E.I.D.- Parry Limited (a company incorporated in England having its registered office at Airwork House, 34, Piccadilly, London W.I, with its head office at Dare House, Parry’s Corner, Madras- 600001) on the basis of the order made by the Government of India under Section 23(2) of the Monopolies And Restrictive Trade Practices Act, 1969, dated 7<sup>th</sup> June, 1975, a copy of which is set out in the Schedule hereunder written, or any modification thereof and to take all such steps to carry the same into effect as may be deemed necessary or expedient.

**Acquisition of  
E.I.D.-Parry Ltd. as a  
going concern**

(2) To acquire, carry on and transact the trades and businesses of planters, agriculturists, agrobiologists, agronomists, horticulturists, distillers, refinery operators, analysts, general merchants and importers, manufacturers, and processors of and dealers in sugar, sweets, condiments, pickles, seeds, animal feeds, wine and spirits, and any produce or manufacture which can conveniently be carried on in conjunction with any of the matters aforesaid, or in or upon any of the premises of the Company, or may directly or indirectly enhance the value of or render profitable any of the Company’s property and rights.

**Business as planters,  
agriculturalists,  
manufacturers of  
sugar, condiments, etc.**

(2A) (i) To purchase, manufacture, produce, boil, refine, prepare, brew, import, export, buy, sell and generally to deal in all varieties of sugar, sugar candy, jaggery, khandsari sugar, sugar beat, sugar cane, molasses, syrups, alcohol, spirits and all products and by-products thereof such as confectionery, glucose, bagasse, bagasse boards, bagasse dry fodder block, mulching sheet, paper, paper pulp, butyl alcohol, acetone, carbon-di-oxide, hydrogen, potash, cane wax, fertilizers, cattle feed and food products.

***Use of Sugar by-  
products for various  
purposes***

(ii) To manufacture, trade, buy, sell, exploit or deal in all by-products and products of whatever nature derived from the process of manufacture of sugar and from the by-products thereof including to carry on the business of lignin, cellulose and hemicellulose, bio gas, omega 3 fatty acids, sanitary wears, growing mediums and hydroponics, bio plastic, windows, doors, heels and holds, furniture, bricks, packaging solutions as well as environmentally friendly and smart disposable tableware.

(iii) To manufacture, produce, refine, purchase, sell, prepare, import, export and generally to deal in all kind of alcohol, spirits and liquor whether for human consumption or use in any manner or for

industrial use or as fuel or otherwise including ethanol, rectified spirit, citric acid, vinegar, acetic acid, ethyl acetate, acetaldehyde, carbonic acid, sanitizer, disinfectants, yeast sludge, gas, dry ice and to acquire, erect, construct, establish operate and maintain distilleries and other works.

(iv) To purchase sugarcane, sorghum, sugar beet, sago, palmyra juice and other crops and raw materials used in the manufacture of sugar and its products and by-products and for other businesses and to cultivate whether by itself or through others by contract or otherwise various crops and to engage in business of all activities pertaining thereto including, irrigation, pest control, harvesting, transportation, research and development from inception till the sale of the Products, if any, manufactured there from or otherwise.

(v) To carry on in India or elsewhere the business of generation, transmission, distribution of power and energy in any manner by acquisition or establishment, operation and maintenance of Power Plants of all kinds, both conventional and nonconventional (including those based on bio-mass, bio-gas, co-generation, hydro etc.); wheeling and banking of power, purchase and sale of power and trading power, transmission and distribution infrastructure.

(3) To carry on the business as manufacturers, importers, exporters, agents, stockists, distributors, suppliers, refiners of, and dealers in, all kinds and forms of organic chemicals, heavy chemicals, graphite, carbon, petrochemicals, drugs, medicines, antibiotics, acids, alkalies, salts, cordials, fertilizers, insecticides, fungicides, weedicides, pesticides, detergents, pasting agents, solvents including industrial solvents, essences, pharmaceutical, medicinal, chemical and industrial preparations, mineral and other waters, natural and synthetic waxes, dyes, cosmetics, paints, pigments, oils, varnishes, resins and all products and by-products thereof, and to manufacture, process and deal in all or any other articles or things of a character similar or analogous to the foregoing or any of them or connected therewith, and to carry on all or any of the business of synthetists, compounders, analysts, chemists, druggists, analytical chemists, dry salters and refinery operators, makers of and dealers in proprietary articles of all kinds, and of electrical, chemical, photographic, surgical and scientific apparatus and materials.

**Manufacturers of and dealers in chemicals, drugs, medicines, insecticides, etc.**

(4) To carry on business as manufacturers of and dealers in plain and art stoneware, sanitaryware, earthenware, ceramicware, glazeware china, fireclay, caneware, drain and water pipes, bricks, tiles, tower packing materials, paving materials, terracotta, electrical and art pottery, glass colour and glaze and other like manufacturers.

(5) To carry on the trade or business of engineers of every description, founders, smiths, metal workers, machinists, and to buy, sell, manufacture, repair, convert, let on hire and deal in all kinds of machinery, equipments and implements, machine tools, engineering equipment and engines, whether propelled or operated by oil, steam, gas, electricity or any other means and in component parts, materials and articles of all types or descriptions which shall be capable of being used for the purposes of any business herein mentioned.

**Manufactures of machinery, tools, equipments, engines, etc.**

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| <p>(6) To buy, sell, barter, exchange, export or import or otherwise deal, as wholesalers, or retailers or both, and either as principals or agents, all kinds of goods, wares, merchandise, produce, articles and commodities.</p>  | <p><b>Exporters, Importers, Wholesalers, Retailers of Goods, wares, merchandise</b></p>                                     |
| <p>(7) To carry on business as agents (whether as selling agent, purchase agent or otherwise), secretaries, treasurers, registrars and share transfer agents of any company, association or other undertaking and without limiting the generality of the foregoing, to supply to, and provide, maintain and operate for the benefit of any person, company, trust, institution, association, society or other undertaking, services, facilities, conveniences and the like, whether accountancy, administrative, advisory, commercial, financial, legal, secretarial, personnel, insurance, technical or of any other nature; and to act as agents for air, shipping lines, and to do or render such other services as are incidental thereto.</p> | <p><b>Agent and other Services</b></p>  |
| <p>(8) To catch, purchase, acquire, possess or procure fishes of all varieties whether of freshwater or seawater and other sea foods or marine products and to preserve, smoke, prepare, cure, freeze, can, refine or bottle fish, seafoods, marine products, or any other substance, produce or articles wholly or partly made or prepared from fish, sea foods or marine products by any method.</p>   | <p><b>Processors, Procurers of fish, seafoods, marine products.</b></p>   |
| <p>(9) To purchase, take on lease or in exchange, construct, hire or otherwise acquire, and equip, use and operate trawlers, drifters, vessels, plants, equipments or articles for catching, processing, preserving, curing, freezing, canning, refining, packing, bottling and extracting fishes, seafoods and other marine products or any other foods and substances made of or from all or any of them.</p>  | <p><b>Purchasers, users, operators of trawlers, drifters, vessels, plants, etc., for fish, seafood, marine products</b></p> |
| <p>(10) To buy, sell, import, export, pack, can, process, preserve, trade and deal in and with, whether as wholesalers, retailers, principals, brokers, agents or otherwise, fish seafoods, or marine products or things, substances or articles made of or from all or any of them, meats, eggs, poultry products, vegetables, fruits, roots, canned, tinned or processed foods, protein foods, milk, cream, butter, cheese, bacons, sausages, beverages, cordials, tonics, restoratives and aerated or mineral waters, other food stuffs and consumable provisions for human or animal consumption.</p>  | <p><b>Buyers, sellers, exporters, importers of fish, seafoods, marine products and other food stuffs.</b></p>               |
| <p>(11) To construct, build, equip, own, and maintain and to carry on business as keepers of cold storages, storage chambers, ice-plants, godowns, warehouses, refrigerators, freezing houses and room coolers for storing fish, seafoods, marine products and processed fish, seafoods and marine products, meat, eggs, poultry products, protein foods, milk, cream, butter, cheese, bacons, sausages, fruits, roots, vegetables or other substances made from all or any of them and canned, tinned and Processed foods of every description and to act as transporters of foresaid foods, substances and products.</p>   | <p><b>Constructors, owners, users of cold storages, freezing houses, ice plants, warehouses, etc.,</b></p>                  |
| <p>(12) Subject to the provisions of the Companies Act, 1956, or any re-enactment thereof for the time being in force, to amalgamate or to enter into partnership or into any arrangement for sharing profits, union of interests, cooperation, joint-adventure or reciprocal concession with any person or</p>  | <p><b>Amalgamation and Partnership</b></p>  |

persons or body corporate or bodies corporate carrying on or engaged in, or about to carry on or engage in, or being authorised to carry on or engage in any business or transaction which the Company is authorised to carry on or engage in or which can be carried on in conjunction therewith or which is capable of being conducted so as directly or indirectly to benefit the Company.

(12A) To carry on all or any business of manufacturers, designers, consultants, experts, buyers, sellers, hirers, renters, assemblers, repairers, exporters, importers, distributors, agents and dealers of all electrical, mechanical, electromechanical and electronic components, equipment, subsystems, systems and materials required in industrial control applications, electronic circuits, entertainment electronic equipment, avionic equipment, industrial and commercial ferrites, various electronic components like resistors, capacitors, connectors, switches, magnetic tapes, floppy discs, semiconductor devices, integrated circuits, display devices, TV picture tubes, microwave components printed circuit boards, micro phones and any other electronic, electrical, mechanical and electro mechanical components.

(12B) (i) To carry on the business of Hire Purchase of movable properties of any kind, including Machinery, Plant, Motor Vehicles of all kinds.

(ii) To carry on the business of buying and selling, hiring and letting on hire, leasing and letting on lease of movable properties of all kinds, including Plant, Machinery, Cold Storage, Refrigerator, Airconditioning machinery and equipment, Internal Communicating system and equipment, Computer, Computer Programme, Software, Office equipment of all kinds, Security system, Tractor, Tiller, Thresher, Dryer and Motor Vehicles of all kinds.

(iii) To promote, aid, help, encourage and develop Hire Purchase business and protect the interests of persons, firms, associations and other bodies corporate engaged in Hire Purchase business.

(iv) To secure organised and concerted action, direct and indirect, on all matters connected with or having a bearing on the business of Hire purchase Financing.

(v) To undertake and carry on all operations and transactions in regard to business of the financing Hire Purchase Contracts relating to property or assets of any description, either fixed or movable, such as houses, lands, vehicles, Government bonds.

(13) (i) To carry on the business(es) of dealing in real estate, property development and without limiting to the generality of the above, to acquire by purchase, exchange, rent or otherwise deal either individually or through its subsidiaries or Special Purpose Vehicle (SPVs) formed directly or indirectly or as joint venture with any company/ firm / individual / consultant / public sector undertaking / government department / statutory bodies whether local or foreign in lands, buildings and hereditaments or any estate or interest therein and any rights over or connected with lands so situated and to turn the same to account in any way as may be deemed expedient and in

***Real Estate, Land Development***

particular by laying out, developing or assist in developing, preparing land for building and preparing building sites by planting, paving and drawing.

(ii) To carry on the business of contractors, builders, town planners, infrastructure developers, estate developers and engineers, land developers, land scapers, estate agents, immovable property dealers and to buy, acquire, purchase, hire or otherwise lands, buildings, civil works immovable property of any tenure or any interest in the same and to erect and construct, houses, flats, bungalows, kothis or civil work of every type on the land of the Company or any other land or immovable property whether belonging to the Company or not and to pull down, rebuild, enlarge, alter and other conveniences and to deal with and improve, property of the Company or any other immovable property in India or abroad.

(iii) To carry on the business of architects, consultants, civil engineers, builders and developers of land and undertake any residential, commercial or Industrial construction either independently or jointly in partnership, joint venture or on agency or sub contracts basis with or on behalf of any individual, firm, body corporate, association or society, Central or State Government or any local authority to work as developer of land and buildings for residential purposes.

14 (i) To produce, research and develop, manufacture, cultivate, purchase, deal, sell, import and export and contract for raw and processed, all kinds and varieties of pharmaceutical products, health products, herbal products, food supplements, dietary supplements, nutritional supplements, natural food, cosmetic colours, processed foods, food additives and food products from the herbal and medicinal plants, agricultural crops, fruits and vegetables, animal / aquaculture / poultry feed in India or anywhere in the world.

#### ***Nutraceutical Business***

(ii) To carry on the business as growers of all kinds of Algae and other produce of the soil or grown in water and to treat, cure, prepare, manipulate, blend, submit to any process of manufacture and render marketable such Algae, and other products and to sell, export either in a prepared, manufactured or raw state and either by wholesale or retail and generally to carry on in India the business of planters, curers, producers, manufactures, merchants and exporters of Algae and other products.

(iii) To carry on the business of growers, cultivators, manufacturers, buyers, sellers, importers, exporters of all varieties of plant based products, from soil or grown in water through the process of aquaculture, hydroponics, tissue culture, plant biotechnology and in any other manner either in their original form produced naturally or artificially through green house or any other methods or manipulated and by any process of manufacture, extraction, curing, powdering and mixing and also carry out research in any of the plant based products and processes.

(iv) To carry on the business of manufactures, producers, processors, extractors, importers, exporters, agents, buyers, sellers, stockists,

suppliers, distributors, wholesalers, retailers and dealers of all kinds of veterinary and human medicines, animal feeds, formulations, incenses, essential oils, resonoids, spices, oleoresins and cosmetics concentrates from organic, inorganic, herbal, bacterial, mycological, agricultural, horticultural, tissue culture, biochemical and genetic sources in solid, liquid, gaseous and semi solid forms and states.

- (v) To carry on the business as manufacturers, producers, processors, importers, exporters, agents, dealers, stockists and distributors for all kinds of medicines, equipment, apparatus, instruments, meters, gadgets, packaging equipments and machineries used in the manufacture and processing of all kinds of veterinary and human medicines, feed supplements, nutrients, basic and crude drugs, chemicals, enzymes, antibodies, antibiotics and pharmaceuticals, cosmetics and colours.
  - (vi) To carry on research and development work in the field of nutrients, food supplements, feeds, chemical formulations, liquid extracts from herbal, horticultural and agricultural, sources, crude drugs, basic drugs, enzymes, antibiotics, antibodies, antigens, research and development work in tissue culture, genetic engineering, biotechnology, immunology and other areas of medicines for animal and human consumption and treatments including cosmetics and natural colours.
  - (vii) To act as consultants in all its branches including contract research and application in the field of horticulture, bio-technology, plant-genetics, tissue culture, genetic engineering, plant breeding, micro propagation, seed multiplication, plant protection, agronomy and soil sections.
- 15 (i) To carry on the business of processing, farming, manufacturing, distributorship, agency, broker, factor, stockiest, importer, exporter, mix, pack, preserve, freeze, extract, refine and otherwise deal in all kinds of organic and inorganic processed foods, health foods, protein foods, food products, agro foods, fast foods, packed foods, poultry products, sea foods, milk foods, health and diet drinks, extruded foods, frozen foods, dehydrated foods, precooked foods, canned foods, preserved foods, bakery products and confectionery items. ***Manufacture, sale and marketing of all kinds of food products, other products.***
- (ii) To carry on the business of manufacturing and trading of all kinds of consumer products including but not limited to herbally treated sugar, salt, rice, wheat, all pulses including dal, fresh and packaged, sweets, juices, jams, ketchups, food supplements, substitutes, cereals, mixes, processed foods.
  - (iii) To carry on the business of manufacturing and trading of all kinds of siddha, ayurveda, naturopathy, herbal products, raw materials, including herbal medicines.
  - (iv) To research and develop new consumer products, pharmaceuticals, formulations for diabetic friendly products and for general health and wellness.

- (v) To manufacture, process, refine, buy, sell, deal, barter, import or export, whether as wholesalers or retailers or as principals or agents or brokers or otherwise, all kinds of personal care products beauty products, cosmetic products, cleansing compounds, baby care products, health care products, sanitary products, personal wash products, home care products etc., and such other products and substances whether herbal, medicated, antiseptic or not, ingredients, by-products or accessories thereof and other materials required for the process, manufacture and use of the aforesaid products.

**\*Clause 2A, 13, 14 and 15 were inserted vide Special Resolution passed at the Annual General Meeting held on Wednesday, August 5, 2020.**

(B) The objects incidental or ancillary to the attainment of the main objects of the Company are:

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| <p>(1) To acquire, build, construct, alter, maintain, enlarge, equip, pull down, remove or replace, and to work, manage and control any buildings, offices, factories, mills, shops, machinery, engines, roadways, tramways, railways, branches or sidings, bridges, reservoirs, watercourses, wharves, electric works and other works and conveniences which may seem calculated directly or indirectly to advance the main objects of the company, and to join with any other person or Company in doing any of these things.</p>  | <p><b>Construct and superintend buildings, offices, structures.</b></p> |
| <p>(2) To import and purchase any machinery, implements, materials, articles, and stores and to do all things for developing the resources of the estates and lands in such manner as the Company may think best.</p>  | <p><b>Import and purchase of machinery, development of lands.</b></p>   |
| <p>(3) To purchase, take on lease or tenancy or in exchange, hire, take options over or otherwise acquire for any estate or interest whatsoever and to hold, develop, plant, improve, work, cultivate, deal with and turn to account concession, grants, decrees, licences, privileges, claims, options, leases, property, real or personal, or rights or powers of any kind which may appear to be necessary or convenient for attaining the main objects of the Company and to purchase, charter, hire, build or otherwise acquire vehicles of any or every sort or description for use on or under land or water or in the air and to employ the same in the carriage of merchandise or passengers.</p> | <p><b>Purchase, lease, exchange</b></p>                                 |
| <p>(4) To acquire from any person, firm or body corporate or unincorporate, whether in India or elsewhere, technical information, knowhow, processes, engineering, manufacturing and operating data, plans, layouts and blue prints useful for the design, erection and operation of plant required for attaining the main objects of the Company and to acquire any grant or licence and other rights and benefits in connection therewith.</p>   | <p><b>Technical information and knowhow.</b></p>                        |
| <p>(5) To sell, exchange, mortgage, let on lease, royalty or tribute, grant, licenses, easements, options and other rights over and in any other manner deal with or dispose of the whole or any part of the undertaking, property, assets, rights and effects of the Company for such consideration as may be thought fit and in particular for stocks, shares, whether fully or partly paid up, or securities of any other body corporate.</p>   | <p><b>Disposal of undertaking and property of Company</b></p>           |

(6)	To pay for any rights or property acquired by the Company and to remunerate any person, firm or body corporate rendering services to the Company either by cash payment or by allotment to him or them of shares or securities of the Company as paid up in full or in part or otherwise.	<b>Payment for property and services</b>
(7)	To lend and advance money, either with or without security and give credit to such persons (including Government) and upon such terms and conditions as the Company may think fit.	<b>Advances, deposits and loans</b>
(8)	To undertake financial and commercial obligations, transactions and operations of all kinds.	<b>Financial and commercial obligations</b>
(9)	To guarantee the performance of any contract or obligations of and the payment of money unsecured or secured of, and interest on , any stock, shares or securities of any Company, corporation, firm or person in any case in which such guarantee may be considered likely directly or indirectly to further the main objects of the Company or the interests of its shareholders.	<b>Guarantee</b>
(10)	To invest any moneys of the Company in such investments as be thought proper and to hold, sell or otherwise deal with such investment.	<b>Investment</b>
(11)	To receive money on deposit or loan and borrow or raise money in such manner as the Company shall think fit, and in particular by the issue of debentures, or debenture-stock (perpetual or otherwise) and to secure the repayment of any money borrowed raised or owing by mortgage, charge or lien upon all or any of the property or assets of the Company (both present and future ) including its uncalled capital, and also by a similar mortgage, charge or lien to secure and guarantee, the performance by the Company or any other person or Company of any obligation undertaken by the Company or any other person or Company as the case may be.	<b>Borrowing</b>
(12)	To draw, make, accept, endorse, discount, negotiate, execute and issue bills of exchange, promissory notes, bills of lading, warrants, debentures and other negotiable or transferable instruments or securities. Payment for property and services Advances, deposits and loans Financial and commercial obligations Guarantee Investment Borrowing Negotiable instruments.	<b>Negotiable instruments</b>
(13)	To apply for, purchase or otherwise acquire and protect, prolong and renew in any part of the world, any patents, patent rights, brevets d'invention, trademarks, designs, licenses, protections, concessions and the like conferring any exclusive or non-exclusive or limited right to their use or any secret or other information as to any invention, process or privilege which may seem capable of being used for any of the purposes of the Company or the acquisition of which may seem calculated directly or indirectly to benefit the Company and to use, exercise, develop, or grant licences or privileges in respect of, or otherwise turn to account, the property, rights and information so acquired.	<b>Patents, etc.</b>

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| (14) | To spend money in experimenting on and testing and in improving or seeking to improve any patents, rights, inventions, discoveries, process or information of the Company or which the Company may acquire or propose to acquire.   | <b>Improvement of patents and other rights.</b>                                |
| (15) | To establish, provide maintain and conduct research and other laboratories, training colleges, schools and other institutions for the training, education and instruction of students and others who may desire to avail themselves of the same and to provide for the delivery and holding of lectures, demonstrations, exhibitions, classes, meetings and conferences in connection therewith.  | <b>Research laboratories, colleges and provision of lectures</b>               |
| (16) | To acquire and undertake all or any part of the business property and liabilities of any person or Company carrying on or proposing to carry on any business which this Company is authorised to carry on or possessed of property suitable for the purposes of the Company or which is capable of being conducted so as directly or indirectly to benefit the Company.   | <b>Acquire and undertake Business</b>  |
| (17) | To procure the registration or recognition of the Company in or under the laws of any place outside India and to open branches of the Company at any place whether in India or outside India.   | <b>Registration of Company outside India</b>                                   |
| (18) | To form, incorporate or promote any Company or Companies, whether in India or elsewhere, having amongst its or their objects the acquisition of all or any of the assets or control or development of the Company or any other object or objects which in the opinion of the Company could or might directly or indirectly assist the Company in the development of its properties or otherwise prove advantageous to the Company and to pay all of the costs and expenses incurred in connection with any such promotion or incorporation and to remunerate any person or Company in any manner it shall think fit for services rendered or to be rendered in obtaining subscriptions for or for guaranteeing the subscriptions of or placing of any shares in the capital of the Company or any bonds, debentures, obligations or securities of the Company.  | <b>Promotion</b>   |
| (19) | To enter into any arrangements and to take all necessary or proper steps with Governments or with other authorities supreme, national, local, municipal or otherwise of any place in which the Company may have interests and to carry on any negotiations or operations for the purpose of directly or indirectly carrying out the objects of the Company or effecting any modifications in the Constitution of the Company or furthering the interests of its members and to oppose any such steps taken by any other Company, firm or person which may be considered likely directly or indirectly, to prejudice the interests of the Company or its members and to promote or assist the promotion, whether directly or indirectly of any legislation which may appear to be in the interests of the Company and to oppose and resist, whether directly or indirectly, any legislation which may seem disadvantageous to the Company, and to obtain from any such Government authority or any company, any charters, contracts, decrees, rights, grants, loans, privileges or concessions which the Company may think it desirable to obtain and carry out, exercise and comply with any such arrangements, charters, decrees, rights, privileges or concessions. | <b>Government and other concessions and to promote and oppose legislation.</b> |

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| (20) | To adopt such means of making known the products of the Company as may seem expedient and in particular by advertising in the press by circulars, by purchase and exhibition of works of art or interest, by publication of books and periodicals and by granting prizes, rewards and donations.  | <b>Publicity</b>  |
| (21) | To undertake and execute any trust, the undertaking of which may seem to the Company desirable, and either gratuitously, or otherwise and vest any real or personal property, rights or interest acquired by or belonging to the Company in any person or Company on behalf of or for the benefit of the Company, and with or without any declared trust in favour of the Company.  | <b>Trusts</b>   |
| (22) | To apply the assets of the Company in any way in or towards the establishment, maintenance or extension of any association, institution or fund in any way connected with any particular trade or business or with trade or commerce generally and particularly with the trade, including any association, institution or fund for the protection of the interests of masters, owners and employers against loss by bad debts, strikes, combinations, fire, accidents or otherwise or for the benefit of any clerks, workmen or others at any time employed by the Company or any of its predecessors in business or their families or dependants and whether or not in common with other persons or classes of persons and in particular or friendly, co-operative and other societies, reading rooms, libraries, educational and charitable institutions, refectories, dining and recreation rooms, churches, chapels, schools and hospitals and to grant gratuities, pensions and allowances and to contribute to any funds raised by public or local subscriptions for any purpose whatsoever.                          | <b>Establishments of associations connected with Company or for benefit of employees of Company</b> |
| (23) | To aid, pecuniarily or otherwise, any association, body or movement having for an object, the solution, settlement, or surmounting of industrial or labour problems or troubles or the promotion of industry or trade.  | <b>Aid to Labour and other industrial association</b>   |
| (24) | Subject to the provisions of law for the time being in force to subscribe or guarantee money for any national, charitable, benevolent, public, general or useful object or for any exhibition.  | <b>Donations</b>  |
| (25) | To establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments to any persons who are or were at any time in the employment or service of the Company, or of any Company which is a subsidiary of the Company or is allied to or associated with the Company or with any such subsidiary Company, or who are or were at any time Directors or Officers of the Company or of any such other Company as aforesaid, and the wives, widows, families and dependants of any such persons, and also establish and subsidise and subscribe to any institutions, associations, club or funds considered to be for the benefits of or to advance the interests and well- being of the Company or of any such other Company as aforesaid, and make payments to or towards the insurance of any such person as aforesaid and do any of the matters aforesaid, either alone or in conjunction with any such other Company as aforesaid. | <b>Provident Institutions</b>   |

- (26) Subject to the provisions of any law for the time being in force, to distribute among the members in specie any property of the Company, or any proceeds of sale or disposal of any property of the Company. **Distribution in specie**
- (27) To do all such other things as may be deemed incidental or conducive to the attainment of the main objects of the Company, or any of them. **To do all things incidental**
- (C) The other objects for which the Company is established are:
- (1) To carry on the business of manufacturers, producers, processors, importers, exporters, buyers, sellers of and dealers in nylons, polyester, acrylics, rayon, silk, artificial silk, linen, cotton, wool, jute, and any other fibre or fibrous materials, whether synthetic, artificial, or natural, and yarns, cords and fibres made of all or any of the aforesaid substances, allied products, by-products and substitutes for all or any of them and to treat and utilize any waste arising from any such manufacture, production or process whether carried on by the Company or otherwise. **Manufacturers of nylons, polyester, silk, cotton, wool, etc. and yarns made of all or any of them**
- (2) To carry on the business of manufacturers, producers, processors, importers, exporters, buyers, sellers of and dealers in all kinds of fabrics and textiles as are or may be prepared or processed from nylon, polyester, acrylics, rayon, silk, artificial silk, linen, cotton, wool, jute and any other synthetic, artificial and natural fibres including fibre glass into materials like cloth, tapes, ropes, yarns, cords, twines and such other articles as may be conveniently produced or manufactured. **Manufacturers of and dealers in fabrics**
- (3) To carry on business of manufacturers, importers, exporters, buyers, sellers of and dealers in plastic, polythene, alkathene, natural and synthetic rubber, moulded goods, foams, rubber and plastic products insulating materials and all other blown, moulded, formed, extruded and dipped goods, and in all kinds of cellulose and other cellulose derivatives, products and by-products and articles.
- (3)(A) To carry on the business of manufacturers, importers, exporters, buyers, sellers, agents of and dealers in plastics, polymers, polyethylenes, polyesters, polyamides, rubbers, foams, chemicals, metals etc. These products could be blown, extruded, oriented, formed, knitted, dipped, laminated, woven, moulded, stitched, bonded, heat set etc. Also derivatives, by-products, related products made of these or similar material, and to provide consultancy and other services related to above.
- (3)(B) To carry on the business of manufacturers, consultants, importers, contractors, exporters, buyers, sellers, agents of and dealers in all products related to construction of roads, airports, runways, highways, expressways, flyovers, embankments, rail tracks, slope stabilization, erosion control, waste management landfills, reservoirs and other civil engineering construction activities.
- (4) To carry on the business of electricians, electrical engineers, and manufacturers of all kinds of electrical machinery and electrical apparatus, and to manufacture, sell, supply and deal in accumulator lamps, meters, engines, scientific instruments, dynamos, batteries, telephonic or telegraphic apparatus of any kind. **Business as electrical engineers, manufacturers of, lamps, meters, instruments, etc.**

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| <p>(5) To carry on the business of manufacturers of and dealers in all kinds and classes of paper, boards, cardboards, mill boards, corrugated boards including corrugated fluting media, and articles made from paper or pulp, plastics and other materials natural or synthetic, and materials used in the manufacture or treatment of paper and all varieties of boards, and in particular to manufacture and deal in writing paper, printing paper, speciality paper, newsprint paper, absorbent paper, wrapping paper, tissue paper, gummed paper, blotting paper, filter paper, art paper, bank or bond paper, drawing paper, kraft paper, envelope paper, tracing paper, waterproof paper, waxed paper, wall and ceiling papers, carbon paper and photographic paper.</p> | <p><b>Business as manufacturers of papers, boards, etc.</b></p>  |
| <p>(6) To carry on the business of manufacturers of and dealers in paper pulp, wood pulp, straw pulp, bamboo pulp, soda pulp, mechanical pulp, sulphite pulp, semi-chemical pulp and fibrous pulps of all description, whether processed from any fibrous or other raw material natural or synthetic, including grass, wood, bamboo, straw rags, cotton silk, wool, jute, hemp, flax, and to manufacture and deal in all such fibres, fibrous substances (natural or synthetic) or things which may furnish materials for manufacture of paper and all varieties of boards and to buy, sell and deal in any articles which can be manufactures out of paper, boards of all varieties and pulp.</p>   | <p><b>Manufacturers and dealers in pulps and other materials</b></p>   |
| <p>(7) To acquire concessions or licences granted or hereafter to be granted, for mining or digging for and working coal and other minerals, and for searching for and extracting coal, petroleum and other mineral oils, and all liquid and solid hydrocarbons, and for felling and exporting or using timber and to do all things proper and necessary for effectually working and turning into account all or any of those concessions or licences or to sell, lease or grant licenses to work under, or otherwise deal with, all or any of those concessions or licenses.</p>  | <p><b>Mining or digging for coal and other minerals, petroleum and mineral oils.</b></p> <p><b>Manufactures of plastics and rubber goods, etc.</b></p> |

And it is hereby declared that:

- (a) the word “Company” in this Clause, except where used in reference to this Company, shall be deemed to include any partnership or other body of person, whether corporate or unincorporate, and whether domiciled in India or elsewhere;
- (b) the marginal notes hereto are for convenience of reference only and shall not be deemed to affect the construction of this Clause or any Sub-clauses thereto; and
- (c) nothing contained in this Clause shall be deemed to empower the Company to carry on the business of banking within the meaning of the Banking Regulation Act, 1949.
- (8) To carry on the business of setting up and operating facilities for generation / co-generation / distribution of all forms of energy including electric power.

(IV) The liability of the members is limited.

(V) *“The Authorised Share Capital of the company is Rs. 4,37,50,00,000/- (Rupees Four Hundred and Thirty Seven Crores Fifty Lakhs Only) divided into*

*(i) 2,34,40,00,000 Equity Shares of Re. 1/- each and*

*(ii) 2,03,10,000 - Redeemable Preference Shares of Rs. 100/- each*

with the rights, privileges and conditions attaching thereto as are provided by the Regulations of the Company for the time being, with power to increase and reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential rights, privilege or conditions as may be determined by or in accordance with the regulations of the company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the company.”

***(By virtue of National Company Law Tribunal, Chennai order dated April 21, 2017 sanctioning the Scheme of Amalgamation of Parrys Sugar Industries Limited with the Company)***

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

Names, Signature, Occupations, Addresses, and Father's names of Subscribers	Number of Equity Shares taken by each Subscriber	Signature, Occupation, Address and Father's Name of Witness
1. (Sd.) Mr. Rangaswamy Venkataswamy Naidu, S/o. Mr. Rangaswamy Naidu, Industrialist, Kamala Nilayam, Avanashi Road, Peelamedu, Coimbatore-64 1 004.	One	<b>Witness to Signatures of Subscribers No. 1 to 7</b> (Sd.) Mr. Mohajit Mookerjee, S/o. Mr. Sarat Chandra Mookerjee, Company Executive, 2-C, Boat Club III Avenue, Madras - 600 028.
2. (Sd.) Mr. John Kunnenkeril John, S/o. Mr. K. John, Company Director, "Zareen", 1-A/l, Spur Tank Road, Madras-600 031.	One	
3 (Sd.) Mr. Jehangir Kaikhushru Clubwala, S/o.- Mr. Kaikhushru M. Clubwala, Company Director, "Ardgowan", Chamier's Road, Madras-600 028.	One	
4. (Sd.) Mr. Barendra Prasad Ray, S/o. Mr. Barada Prasad Ray, Solicitor, 2A, Dhanada Ghose Street, Hatkhola, Calcutta-700 005.	One	
5. (Sd.) Mr. Ramasundara Naga Ratnam, S/o. Mr. U. S. Ramasundaram, Company Executive, 1, Boat Club Road, Madras-600 028,	One	
6. (Sd.) Mr. Kuthur Venkataraman Ramakrishnan, S/o. Mr. K. R. Venkataraman, Company Executive, 3, Boat Club Road, Madras-600 028.	One	
7. (Sd.) Mr. T. S. Chintamani, S/o. Mr. T.S.V. Chary, Company Executive, C-185, Royapettah High Road, Madras-600014.	One	
Total :	Seven	

Dated the 15th day of September, 1975.

## **ARTICLES OF ASSOCIATION**



# ARTICLES OF ASSOCIATION OF E.I.D.- PARRY (INDIA) LIMITED

## 1. Constitution

The Regulations contained in the Table marked 'F' in Schedule I to the Companies Act, 2013 shall apply to the Company, except to the extent they are in conflict with the Articles set out hereunder.

Table 'F' excluded

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

Company to be governed by these Articles

## 2. Definitions and Interpretation: In these Articles —

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

"The Act"

2.2. "Articles" or Regulations shall mean the Articles of Association of the Company as now framed or as altered from time to time.

"Articles"

2.3. "Beneficial Owner" shall mean the beneficial owner as defined in Clause (a) of Sub-Section (1) of Section 2 of the Depositories Act, 1996 as amended from time to time.

"Beneficial Owner"

2.4. "Board of Directors" or "Board" means the collective body of the Directors of the Company.

"Board of Directors" or  
"Board"

2.5. "Body Corporate" or 'Corporation' includes a Company incorporated outside India but does not include,

"Body Corporate or  
Corporation"

(1) a Cooperative Society registered under any law relating to Co-operative Societies,

(2) any other body corporate (not being a Company as defined in the Act) which the Central Government may by notification in the Official Gazette specify in that behalf.

2.6. "Chairman" means Chairman of the Board from time to time.

"Chairman"

"Committee"	2.7. "Committee" means a Committee of Directors constituted by the Board.
"The Company or This Company"	2.8. "The Company" or "This Company" means E.I.D.- Parry (India) Limited
"Depository"	2.9. "Depository" shall mean a Depository as defined under Clause (e) of sub-section (1) of Section (2) of the Depositories Act, 1996.
"Depositories Act"	2.10. "Depositories Act, 1996" means and shall include any statutory modification or re-enactment thereof and shall include all Rules and regulations made thereunder.
"Director"	2.11. "Director" means a Director appointed to the Board.
"Dividend"	2.12. "Dividend" includes any interim dividend.
"Document"	2.13. "Document" includes summons, notice, requisition, order, declaration, form and register, whether issued, sent or kept in pursuance of the Act or under any other law for the time being in force or otherwise, maintained on paper or in electronic form.
"Executor" or "Administrator"	2.14. "Executor" or "Administrator" means a person who has obtained probate or Letter of Administration, as the case may be, from a competent Court, and shall also include the holder of a Succession certificate authorising the holder thereof to negotiate or transfer the share or shares of the deceased members, and shall also include the holder of a certificate granted by the Administrator-General of any State in India.
"Independent Director"	2.15. "Independent Director" in relation to the Company, means a Director other than a Managing Director or a Whole-time Director or a Nominee Director appointed to the Board subject to fulfilment of the criteria as prescribed under Section 149(6) of the Act and Listing Regulations.
"In writing"	2.16. "In writing" means and includes printing, typewriting and any other usual substitutes for writing in electronic mode or otherwise.
"Key Managerial Personnel"	2.17. "Key Managerial Personnel" means— <ul style="list-style-type: none"> <li>(i) the Chief Executive Officer or the Managing Director or the Manager;</li> <li>(ii) the Company Secretary;</li> <li>(iii) the Whole-time Director;</li> <li>(iv) the Chief Financial Officer; and</li> <li>(v) such other officer as may be prescribed by the Act or the Rules;</li> </ul>

2.18. "Listing Regulations" shall mean SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.	"Listing Regulations"
2.19. "Member" means every person whose name is entered in the Register of Members from time to time, as the holder of the shares of the Company and includes every person holding shares of the Company and whose name is entered as a beneficial owner in the records of a Depository.	"Member"
2.20. "Memorandum" means the Memorandum of Association of the Company (as amended from time to time).	"Memorandum"
2.21. "Month" shall mean a calendar month.	"Month"
2.22. "Managing Director" means a Director who, by virtue of these Articles or an agreement with the Company or a resolution passed in its General Meeting, or by its Board of Directors, is entrusted with substantial powers of management of the affairs of the Company and includes a Director occupying the position of Managing Director, by whatever name called.	"Managing Director"
2.23. "Manager" means an individual who, subject to the superintendence, control and direction of the Board of Directors, has the management of the whole, or substantially the whole, of the affairs of the Company, and includes a Director or any other person occupying the position of a Manager, by whatever name called, whether under a contract of service or not;	"Manager"
2.24. "Office" means the registered office for the time being of the Company.	"Office"
2.25. "Paid-up" shall include credited as fully paid-up.	"Paid-up"
2.26. "Person" shall include individuals, bodies corporate (wherever incorporated), unincorporated associations and partnerships, (including limited partnerships) wherever formed or organised.	"Person"
2.27. "These presents" or "Articles" or "Regulations" shall mean these Articles of Association as now framed or altered from time to time and shall include the Memorandum where the context so requires.	"These presents or Articles or Regulations"
2.28. "The Register of Members" means the Register of Members to be maintained pursuant to Section 88 of the Act.	"The Register of Members"
2.29. "Rules" means any rule made pursuant to section 469 of the Act or such other provisions pursuant to which the Central Government is empowered to make Rules, and shall include such Rules as may be amended from time to time.	"Rules"
2.30. "Seal" means the common seal of the Company.	"Seal"

“SEBI”	2.31. “SEBI” means the Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992.
“Share”	2.32. “Share” means a share in the share capital of the Company and includes stock.
“Shareholders”	2.33. “Shareholders” means persons who holds shares of the Company from time to time.
“Special Resolution”	2.34. “Special Resolution” means special resolution as stated in Section 114 of the Act.
“Tribunal”	2.35. “Tribunal” means the National Company Law Tribunal constituted under Section 408 of the Act.
“Vice Chairman”	2.36. “Vice Chairman” means the Vice Chairman of the Board from time to time.
“Whole-time Director”	2.37. “Whole-time Director” includes a Director in whole time employment of the Company.
“Number”	2.38. Words importing the singular shall include the plural and plural shall include the singular
“Gender”	2.39. Words importing the masculine gender shall include the feminine gender and vice versa.
Expressions in the Articles to bear the same meaning as in the Act	<p>2.40. Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or the Rules or any statutory modification thereof in force at the date at which these Regulations become binding on the Company. In case any word is not defined in these Articles, such words or expressions shall bear the meaning as defined in the Act or the Rules as amended from time to time. In case any word or expression is not defined in the Act but defined in the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or the Securities and Exchange Board of India Act, 1992 (15 of 1992) or the Depositories Act, 1996 (22 of 1996) such words shall have the meaning respectively assigned to it in those Acts as amended from time to time. In case any word or expression is not defined in any of the above acts such words or expressions shall have the meaning respectively assigned to it in General Clauses Act, 1897 as amended from time to time.</p> <p>2.41. Statutes or Regulations specifically referred to in these Articles shall include any statutory modifications made thereof from time to time.</p>
Marginal notes	2.42. The marginal notes hereto are inserted for convenience and shall not affect the construction hereof and in these presents,

unless there be something in the subject or context inconsistent therewith.

### 3. Share capital and variation of rights

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| 3.1. The Authorized Capital of the Company shall be as per Clause V of its Memorandum of Association.   | Capital Clause                                 |
| 3.2. Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium, at par or any other manner and at such time as they may from time to time think fit.  | Shares under control of Board                  |
| 3.3. Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered or to be rendered to the Company in the acquisition and / or conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be.  | Board may allot shares otherwise than for cash |
| 3.4. The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws:<br>(a) Equity share capital:<br>i. with voting rights; and / or<br>ii. with differential rights as to dividend, voting or otherwise in accordance with the Rules; and<br>(b) Preference share capital.  | Kinds of Share Capital                         |
| 3.5. The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to -<br>(a) persons who, on the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or<br>(b) employees under any scheme / plan of employees' stock option subject to approval of shareholders by a special resolution; or<br>(c) any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above subject to approval of shareholders by a special resolution. | Further issue of equity share capital          |

Mode of further issue of shares	3.6. A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of rights issue, preferential offer or private placement or any other mode, subject to and in accordance with the Act and the Rules.
Power to issue redeemable preference shares	3.7. Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act. Such preference shares shall be redeemable in accordance with the Act and the Rules made thereunder.
Issue of further shares not to affect rights of existing members	3.8. 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.
Variation of members' rights	3.9. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing, of 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 or in such other manner as may be prescribed by the Act and the Rules.
Power to pay commission in connection with securities issued	3.10. The Company may exercise the powers to pay commission to any person for subscription of securities issued, conferred by section 40(6) of the Act read with Rules made thereunder, provided that the rate percent or the amount of the commission paid or agreed to be paid shall be in accordance with the provisions of the Act and the Rules and shall be disclosed in the manner required therein.
Rate of commission in accordance with Rules	3.11. The rate or amount of the commission shall not exceed the rate or amount prescribed in Rules made under section 40(6) of the Act.
Mode of payment of commission	3.12. 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.
Issue of certificate	3.13. Every person whose name is entered as a member in the Register of Members shall be entitled to receive within 60 days after allotment or within 30 days from the date of receipt by the

Company of the application for the registration of transfer or transmission or split within such other period as the conditions of issue shall provide -

- (a) one certificate for all his shares without payment of any charges; or
- (b) several certificates, each for one or more of his shares, upon payment of fee of twenty rupees for each certificate after the first.

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| 3.14. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.  | Certificate to bear seal   |
| 3.15. An application signed by or on behalf of the applicant for shares in the Company, followed by an allotment of any shares therein, shall be acceptance of shares within the meaning of these Articles and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purpose of these Articles be a member.   | Acceptance of shares   |
| 3.16. 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.   | One certificate for shares held jointly                            |
| 3.17. Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its existing shares, debentures and other securities, rematerialise its existing shares, debentures and other securities held in a Depository and/or offer further shares, debentures and other securities in dematerialized form pursuant to Depositories Act, 1996 and Rules framed there under.<br><br>Notwithstanding anything contained elsewhere in these Articles, where any shares/other securities of the Company are either issued or held in dematerialised form, the rights and obligations of all parties concerned and all matters connected therewith or incidental thereto, shall be governed by the provisions of the Depositories Act, 1996 and/or by the provisions of any other applicable law in force from time to time. | Company entitled to Dematerialize its Securities                   |
| 3.18. A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialised form with a Depository. Where a person opts to hold any share with the Depository, the Company shall intimate such Depository the details of allotment of the share to enable the Depository to enter in its records the name of such person as the beneficial owner.   | Option to receive share certificate or hold shares with Depository |

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

3.19. 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 deems adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article may be issued on payment of twenty rupees for each certificate or such amount as may be fixed by the Board.

Splitting and consolidation of share certificates

3.20. Any person (whether the registered holder of the shares or not) being in possession of any shares certificates for the time being may surrender the said share certificate or certificates to the Company and apply to the Company for the issue of two or more fresh share certificates comprising the same shares, bearing the same distinctive numbers comprised in the said certificate and in such separate lots as he may desire in lieu of such share certificate so surrendered or for the consolidation of the shares comprised in such surrendered certificates into one certificate and the Board shall issue one or more such certificates as the case may be in the name of the person or persons in whose name the original certificate or certificates stood and the new certificate so issued upon payment of fee of twenty rupees for each certificate shall be delivered to the person who surrendered the original certificate or to his order.

Where any shares under the powers in that behalf therein contained are sold by the Board and the certificate thereof has not been delivered up to the Company the former holder of the said shares, the Board may issue a new certificate for such shares distinguishing it in such manner as they think fit from the certificate not so delivered up.

Company not to recognise shares held in trust by any person

3.21. 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.

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

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

#### 4. Alteration of capital

4.1. Subject to the provisions of the Act, the Company may -

Power to alter share capital

- (a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;
- (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- (d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced shares shall be the same as it was in the case of the shares from which the reduced share is derived; The resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division one or more of such shares shall have some preference or special advantage as regards the dividend, capital or otherwise over or as compared with the others.
- (e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act.

4.2. Where shares are converted into stock, the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit.

Shares converted into stock

Provided that the Board may, from time to time, fix the minimum amount of stock transferable and restrict or forbid the transfer of fractions of that minimum, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose;

4.3. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages

Right of stockholders

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; such of these Articles of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder”/“member” shall include “stock” and “stock-holder” respectively.

Reduction of capital

- 4.4. The Company may reduce in any manner and in accordance with the provisions of the Act and the Rules —
- (a) its share capital; and/or
  - (b) any capital redemption reserve account; and/or
  - (c) any securities premium account; and/or
  - (d) any other Reserve as may be available.

## 5. Calls on shares

Board may make calls

- 5.1. The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.

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.

Notice of call

- 5.2. Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.

Board may extend time for payment

- 5.3. The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances, but no members shall be entitled to such extension save as a matter of grace and favour.

Revocation or postponement of call

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

Call to take effect from date of resolution

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

Liability of joint holders of shares

- 5.6. The joint holders of a share shall be jointly and severally liable to pay all calls or instalments due in respect thereof.

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| <p>5.7. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof (the “due date”), the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment at such rate as may be determined by the Board.</p>   | <p>When interest on call or instalment payable</p>         |
| <p>5.8. The Board shall be at liberty to waive payment of any such interest wholly or in part.</p>  | <p>Board may waive interest</p>                            |
| <p>5.9. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.</p>   | <p>Sums deemed to be calls</p>                             |
| <p>5.10. In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.</p>  | <p>Effect of non-payment of sums</p>                       |
| <p>5.11. The Board -</p> <ul style="list-style-type: none"> <li>(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and</li> <li>(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such as may be agreed upon between the Board and the member paying the sum in advance.</li> </ul> <p style="padding-left: 40px;">Nothing contained in this clause shall confer on the member (a) any right to participate in profits or dividends or (b) any voting rights in respect of the monies so paid by him until the same would, but for such payment, become presently payable by him.</p> | <p>Payment in anticipation of calls may carry interest</p> |
| <p>5.12. If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by instalment, then every such instalment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.</p>   | <p>Instalment on shares to be duly paid</p>                |
| <p>5.13. Where any calls for further share capital are made on shares, such calls shall be made on a uniform basis on all shares falling under the same class.</p>  |  |

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

Deposit and calls, etc., to be a debt payable immediately

Partial payment not to preclude forfeiture

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

5.14. For the purposes of this Article, shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.

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

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

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

## 6. Lien

Company's lien on shares

6.1. The Company shall have a first and paramount lien:

- (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
- (b) on all shares (not being fully paid shares) standing registered in the name of a member, for all monies presently payable by him or his estate to the Company:

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

Lien to extend to dividends, etc.

6.2. 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.

Waiver of lien in case of registration

6.3. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien.

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

<p>6.4. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:</p> <p>Provided that no sale shall be made—</p> <p>a) unless a sum in respect of which the lien exists is presently payable; or</p> <p>b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled thereto by reason of his death or insolvency.</p> <p>Upon any such sale as aforesaid the certificates in respect of the shares sold shall stand cancelled and become null and void and of no effect and the Board shall be entitled to issue a new certificate or certificates in lieu thereof to the purchaser or purchasers concerned.</p>	<p>Enforcing lien by sale</p>
<p>6.5. To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.</p>	<p>Validity of sale</p>
<p>6.6. The purchaser shall be registered as the holder of the shares comprised in any such transfer.</p>	<p>Purchaser to be registered holder</p>
<p>6.7. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale.</p>	<p>Purchaser not affected</p>
<p>6.8. The proceeds of the sale after payment of the costs of such sale shall be received by the Company and applied towards payment of such part of the amount in respect of which the lien exists as is presently payable.</p>	<p>Application of proceeds of sale</p>
<p>6.9. 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.</p>	<p>Payment of residual money</p>
<p>6.10. In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.</p>	<p>Outsider's lien not to affect Company's lien</p>

## **7. Forfeiture of shares**

If call or instalment not paid notice must be given

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

Form of notice

7.2. The notice aforesaid shall:

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

In default of payment of shares to be forfeited

7.3. 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. Such forfeiture shall include all dividends declared or any other monies payable in respect of the forfeited shares and not actually paid before the forfeiture.

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

7.4. Neither the receipt by the Company for a portion of any money which may from time to time be due from any member in respect of his shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided.

Entry of forfeiture in Register of Members

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

Effect of forfeiture

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

7.7. A forfeited share shall be deemed to be the property of the Company and may be sold or re-allotted or otherwise disposed of in such manner as the Board thinks fit.	Sale of forfeited shares
7.8. At any time before a sale, re-allotment or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.	Cancellation of forfeiture
7.9. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay, and shall pay, to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.	Members still liable to pay money owing at the time of forfeiture
7.10. All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realisation. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part.	Member still liable to pay money owing at time of forfeiture and interest
7.11. 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.	Cessation of liability
7.12. 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 and that declaration and the receipt of the Company for the consideration, if any, given for the shares on the sale or disposition thereof, shall constitute a good title to the share.	Declaration of forfeiture
7.13. The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.	Title of purchaser and transferee of forfeited shares
7.14. The transferee shall thereupon be registered as the holder of the share.	Transferee to be registered as holder
7.15. The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.	Transferee not affected
7.16. Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary,	Validity of sale

	<p>appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the shares sold and after his name has been entered in the Register in respect of such shares the validity of the sale shall not be impeached by any person.</p>
Cancellation of share certificate in respect of forfeited shares	<p>7.17. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.</p>
Surrender of shares	<p>7.18. The Board may, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.</p>
Sums deemed to be calls	<p>7.19. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.</p>
Provisions as to forfeiture of shares to apply <i>mutatis mutandis</i> to debentures, etc.	<p>7.20. The provisions of these Articles relating to forfeiture of shares shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.</p>
<b>8. Transfer of shares</b>	
Instrument of transfer to be executed by transferor and transferee	<p>8.1. The instrument of transfer of any share in the Company shall be executed by <i>or</i> on behalf of both the transferor and transferee.</p> <p>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.</p>
Form of Transfer	<p>8.2. Subject to the provisions of these Articles, shares in the Company may be transferred by an instrument in writing in such form and by such procedure as from time to time may be prescribed by law.</p> <p>Nothing in this Article shall apply to a transfer of securities effected by the transferor and transferee both of whom are entered as beneficial owners in the records of a Depository.</p>
Application of Transfer	<p>8.3. An application for the registration of a transfer of the shares in the Company may be made either by the transferor or the transferee.</p>

Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.

For the purposes of this Article, above notice to the transferee shall be deemed to have been duly given if it is despatched by registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.

The Company shall not register a transfer of shares in the Company unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee along with requisite documents as prescribed by law or by the Company at its own discretion, has been delivered to the Company along with the certificate relating to the shares, or if no such certificate is in existence, along with the letter of allotment of securities. Provided that where, on an application in writing made to the Company by the transferee and bearing the stamp required for an instrument of transfer, it is provided to the satisfaction of the Board that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Board may think fit, provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law.

8.4. The Board may, subject to the right of appeal conferred by the Act decline to register -

Board may refuse to register transfer

- (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
- (b) any transfer of shares on which the Company has a lien.

Subject to the provisions of the Act and the provisions of these Articles, or any statutory modification thereof for the time being in force, the Board may, at their own absolute and uncontrolled discretion, and without assigning any reason, decline to register or acknowledge any transfer of shares and, in particular, may so decline such transfer in cases mentioned hereinabove and such refusal shall not be affected by the fact that the proposed transferee is already a member. The registration of a transfer shall be conclusive evidence of the approval of the transfer by the Board.

Fee for Transfer/ Transmission of shares	8.5. No fee shall be charged by the Company for transfer of shares or transmission of shares or for registration of any Powers of Attorney, Probates, Letter of Administration or similar documents except in respect of issue of fresh Share Certificates in lieu of surrendered certificates for consolidation, splitting or otherwise.
Board may decline to recognise instrument of transfer	<p>8.6. In case of shares held in physical form, the Board may decline to recognise any instrument of transfer unless -</p> <ul style="list-style-type: none"> <li>(a) the instrument of transfer is duly executed and is in the form as prescribed in the Rules made under the Act;</li> <li>(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and</li> <li>(c) the instrument of transfer is in respect of only one class of shares.</li> </ul>
Notice of refusal to be given to transferor and transferee	8.7. If the Company refuses to register the transfer of any share or of any share right therein, the Company shall within one month from the date on which the instrument of transfer was lodged with the Company send notice of refusal to the transferee and transferor or to the person giving information of the transmission, as the case may be, and thereupon the provision of Section 56 of the Act or any statutory modification thereof for the time being in force shall apply.
Transfer by legal representative	8.8. A transfer of a share in the Company of a deceased member thereof made by his legal representative shall, although the legal representative is not himself a member, be as valid as if he had been a member at the time of the execution of the instrument of transfer.
Custody of Transfer	8.9. The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Board may decline to register shall on demand be returned to the persons depositing the same. The Board may cause to be destroyed all transfer deeds lying with the Company for a period as prescribed under the Act.
Transfer of shares when suspended	<p>8.10. On giving of previous notice of at least seven days or such lesser period in accordance with the Act and Rules made thereunder or the Listing Regulations, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:</p> <p>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.</p>

8.11. The Company shall maintain "Register of Members" in physical or electronic form and shall enter the particulars of every transfer or transmission of any shares and all other particulars of share as required by the Act in such register.

Register of Members

8.12. The Board of Directors may close the register of members or the register of debenture holders or the register of other security holders for any period or periods not exceeding in the aggregate forty-five days in each year, but not exceeding thirty days at any one time, subject to giving of previous notice of at least seven days or such period as may be specified by SEBI by an advertisement in one vernacular newspaper in the principle vernacular language of the district and having wide circulation in the place where the registered office of the Company is situated, and at least one in English language in an English newspaper circulating in that district and having wide circulation in the place where the registered office of the Company is situated and publish the notice on the website of the Company or in such other manner as may be required by the Act, Rules or Regulations in force.

Closure of Register of Members

8.13. The Company shall incur no liability or responsibility whether in consequence of their registering or giving effect to any transfer of shares made or purporting to be made, by any apparent legal owner thereof (as shown or appearing in the register of members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right or title or interest or notice prohibiting registration of such transfer and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in the book of the Company; but the Company shall nevertheless be at liberty to have regard and attend to any such notice and give effect thereto, if the Board shall think fit.

Company's right to register transfer to apparent legal owner

8.14. The provisions of these Articles relating to maintenance of register of members and transfer of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company.

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

## 9. Transmission of shares

9.1. On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees (nominated as per section 72 of the Act) or legal representatives

Title to shares on death of a member

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.

The executors or administrators of a deceased member or a holder of a Succession Certificate shall be the only person whom the Company will be bound to recognise as having any title to the shares registered in the name of such member and the Company shall not be bound to recognise such executors or administrators unless such executors or administrators shall have first obtained Probate of will or Letters of Administration as the case may be from a duly Constituted Court in India or Succession Certificate as may be applicable in terms of Indian Succession Act, 1925 and in absence of which, on production of such other documents as the Company may require subject to the provisions of the Act, Rules and regulations in this regard.

Provided that if the member is a member of a Joint Hindu family, the Board on being satisfied to that effect and on being satisfied that the shares standing in his name in fact belong to the joint family may recognize the survivors or the Karta thereof as having title to the shares registered in the name of such member after production of such documents as may be prescribed under the Act or Rules or regulations in force and at the discretion of the Board.

Notwithstanding anything contained hereinabove, in the event of any holder(s) of shares of the Company making any nomination as per section 72 of the Act, such nominee shall subject to and in accordance with the provisions of the Act, be recognised by the Company as having title to those shares in the event of death of the original holder.

Estate of deceased  
member liable

9.2. Nothing in clause (1) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

Death or insolvency of a  
member

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

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

Board's right unaffected

9.4. 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.

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| 9.5. The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.   | Indemnity to the Company   |
| 9.6. 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.   | Right to election of holder of share   |
| 9.7. If the person aforesaid shall elect to transfer the share, he shall testify his election by duly executing a transfer deed / securities transfer form in respect of the share (s).   | Manner of testifying election  |
| 9.8. 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.   | Limitations applicable to Notice   |
| 9.9. 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:<br><br>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. | Claimant to be entitled to same advantage  |
| 9.10. The provisions of these Articles relating to transmission by operation of law shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.  | Provisions as to transmission to apply <i>mutatis mutandis</i> to debentures, etc. |

## 10. Joint Holders

- |   |                            |
|---|----------------------------|
| 10.1. Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles. | Joint-holders              |
| 10.2. The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or instalments and other payments which ought to be made in respect of such share.  | Liability of Joint holders |

Death of one or more joint-holders	10.3. On the death of any one or more of such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Board may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.
Receipt of one joint holder sufficient	10.4. Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share.
Delivery of certificate and giving of notice to first named holder	10.5. Only the person whose name stands first in the register of members as one of the joint-holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders.
Vote of joint holders	10.6. Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this sub clause be deemed joint-holders.
Provisions as to joint holders as to shares to apply <i>mutatis mutandis</i> to debentures, etc.	10.7. The provisions of these Articles relating to joint holders of shares shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company registered in joint names.

## 11. Buy-back of shares

Buy-back of shares	Notwithstanding anything contained in these Articles but subject to applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.
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## 12. General meetings

Annual General Meeting	12.1. The Company shall, in addition to any other meetings, hold a General Meeting (herein called as "Annual General Meeting") in accordance with the provisions herein specified and under the Act.
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<p>12.2. The Annual General Meeting of the Company other than the first Annual General Meeting shall be held within six months from the date of closing of the financial year;</p> <p>Provided however that if the Registrar of Companies or any other statutory authority as prescribed by the Act, for any special reason, extends the time within which any Annual General Meeting shall be held by a further period not exceeding three months, then the Annual General Meeting may be held within additional time as fixed by the Registrar or such other authority.</p> <p>Except in cases where the Registrar has given an extension of time as aforesaid for holding any Annual General Meeting, not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next.</p>	<p>Due date for holding an Annual General Meeting</p>
<p>12.3. Subject to the provisions of the Act, every Annual General Meeting shall be called during business hours, that is, between 9 a.m. and 6 p.m. on any day not being a National Holiday.</p> <p>The meeting shall be held either at the registered office of the Company or at some other place within the city where the registered office is situated as the Board may decide.</p>	<p>Date, place and time of convening an Annual General Meeting</p>
<p>12.4. All General Meetings other than an Annual General Meeting shall be called Extraordinary General Meeting.</p>	<p>Extraordinary General Meeting</p>
<p>12.5. The Board may, whenever it thinks fit, call an Extraordinary General Meeting.</p>	<p>Powers of Board to call Extraordinary General Meeting</p>
<p>12.6.</p> <p>12.6.1. The Board of Directors shall, at the requisition made by such number of members and in such manner prescribed under the Act call an Extraordinary General Meeting of the Company. Such requisition from the members shall be provided in writing or electronic mode at least clear 21 days prior to the proposed date of such Extraordinary General Meeting.</p> <p>12.6.2. The requisition shall set out the matters for the consideration of which the meeting is to be called and shall be signed by the requisitionists and shall be deposited at the registered office of the Company or sent to the Company by registered post addressed to the registered Office of the Company.</p> <p>12.6.3. The requisition may consist of several documents in like forms each signed by one or more requisitionists.</p>	<p>Calling of Extraordinary General Meeting on requisition</p>

- 12.6.4. Where two or more distinct matters are specified in the requisition, the provisions of sub-clause (1) above shall apply separately in regard to each such matter; and the requisition shall accordingly be valid only in respect of those matters in regard to which the condition specified in that sub-clause is fulfilled.
- 12.6.5. If the Board of Directors do not, within twenty-one days from the date of the receipt of a valid requisition in regard to any matters, proceed duly to call a meeting for the consideration of those matters on a day not later than forty-five days from the date of the receipt of the requisition, the meeting may be called by the requisitionists themselves within a period of three months from the date of the requisition.
- 12.6.6. A meeting called under sub-clause (5) above by the requisitionists shall be called and held in the same manner in which the meeting is called and held by the Board.
- 12.6.7. Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to call a meeting shall be reimbursed to the requisitionists by the Company and any sum so repaid shall be deducted from any fee or other remuneration under Section 197 of the Act payable to such of the Directors who were in default in calling the meeting.

Place of convening  
Extraordinary General  
Meeting

- 12.7. A meeting called by the requisitionists shall be held either at the registered office of the Company or at some other place within the city in which the registered office of the Company is situated. All other Extraordinary General Meetings called shall be held at any place within India.

Powers of the Tribunal  
to convene General  
Meeting

- 12.8. The Tribunal may subject to the provisions of Section 97 and 98 of the Act and the Rules, convene a meeting of members of the Company.

### **13. Proceedings at General Meetings**

Notice of General  
meeting

- 13.1. A General Meeting of the Company may be called by giving not less than clear 21 days' notice either in writing or through electronic mode in such manner as prescribed by the Act and the Rules.

Provided that a General Meeting may be called after giving shorter notice if consent thereto is given in writing or through electronic mode by not less than 95% of the members entitled to vote at such meeting.

Provided that where any members of the Company are entitled to vote only on one or more resolution(s) to be moved at the meeting and not on the others, those members shall be taken into account of the purpose of this sub-clause in respect of the former resolution(s) but not in respect of the latter.

The notice of every meeting of the Company shall be given to—

- (a) every member of the Company, legal representative of any deceased member or the assignee of an insolvent member;
- (b) the auditor or auditors of the Company; and
- (c) every Director of the Company.

13.2. The notice of a General Meeting shall specify the place, date, day and the hour of the meeting and shall contain a statement of the business to be transacted at such meeting. The notice shall also specify whether the meeting called is an Annual General Meeting or Extraordinary General Meeting.

Contents of notice

13.3.

Ordinary and Special business

- (a) in the case of an Annual General Meeting, all business to be transacted thereat shall be deemed special, other than—
  - (i) the consideration of financial statements and the reports of the Board of Directors and auditors;
  - (ii) the declaration of any dividend;
  - (iii) the appointment of directors in the place of those retiring;
  - (iv) the appointment of, and the fixing of the remuneration of, the auditors;
- (b) in the case of any other meeting, all business shall be deemed to be special.

13.4. Any accidental omission to give notice (of any meeting to or the non-receipt of any such notice) by any of the members or any other person entitled to receive such notice shall not invalidate the proceedings of or any resolution passed at such meeting.

Waiver of notice

13.5. No business shall be transacted at any General Meeting unless a quorum of members is present at the time when the meeting commenced business.

Quorum at General meeting

The quorum shall be:

- (a) Five members personally present if the number of members as on the date of the meeting is not more than one thousand;

- (b) Fifteen members personally present if the number of members as on the date of the meeting is more than one thousand but up to five thousand;
- (c) Thirty members personally present if the number of members as on the date of the meeting exceeds five thousand;

Or such other number as may be prescribed under the Act from time to time.

Proceedings when  
quorum not present

- 13.6. If within half an hour from the time appointed for holding the meeting, the requisite quorum is not present, then the meeting, if called upon the requisition of members, shall stand cancelled and in any other case it shall stand adjourned to the same day in the next week at the same time and place, or to such other date and such other time and place as the Board may by notice decide by providing the requisite notice of the meeting as prescribed under Section 103 of the Act.

If at the adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting, then the members present shall be the quorum.

Chairman of the  
meetings

- 13.7. The Chairman of the Board shall if willing preside as the Chairman at every General Meeting of the Company.

Directors to elect a  
Chairman

- 13.8. If there is no such Chairman, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as Chairman of the meeting, the Vice-Chairman, if any, shall preside over such General Meeting. If the Vice-Chairman is not present within fifteen minutes after the time appointed for holding such meeting or being present he is unwilling to act as Chairman, then the Directors present shall elect one amongst them to be Chairman of the meeting.

Members to elect a  
Chairman

- 13.9. If at any meeting no Director is willing to act as Chairman or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall, by show of hands unless a poll or electronic voting is demanded, choose one amongst them to be Chairman of the meeting.

Business confined to  
election of Chairman  
whilst chair vacant  
Matters to be decided at  
a General Meeting

- 13.10. No business shall be discussed or transacted at any General Meeting except election of Chairman whilst the chair is vacant.
- 13.11. At any General Meeting, a resolution put to the vote at the meeting shall be decided by voting through electronic means (remote e-voting and e-voting at the meeting venue) or such other mode as may be prescribed and applicable to the Company pursuant to the provisions of the Act & Rules referred therein and Listing Regulations.

13.12. A declaration by the Chairman of the meeting of the passing of a resolution through poll or voting through electronic means and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact of passing of such resolution or otherwise, without proof of the number or proportion of the votes cast in favour of or against such resolution.	Evidence of passing a resolution
13.13. If a poll is duly demanded, it shall be taken in such a manner as the Chairman directs, and the result of the poll shall be deemed to be a decision of the meeting on the resolution on which the poll was demanded.	Poll
13.14. A poll demanded on the election of Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any question (other than the election of the Chairman or on a question of adjournment) shall be taken at such time, not being later than forty-eight hours from the time when the demand was made, as the Chairman of the meeting may direct. Subject to the provisions of the Act, the Chairman of the meeting shall have power to regulate the manner in which a poll shall be taken and the result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.	Time and manner of taking poll
13.15. A demand for a poll may be withdrawn at any time by the persons who made the demand.	Withdrawal of poll
13.16. Where a poll is to be taken or electronic voting facility is granted including for voting through postal ballot, the Chairman of the meeting shall appoint scrutiniser(s) to scrutinise the votes given on the poll/e-voting/voting on ballot paper and to report thereon to him. The manner in which the Chairman of the meeting shall get the poll/voting process scrutinised and report thereon shall be as per Companies (Management and Administration) Rules, 2014 and any amendment thereof.  The Chairman shall have power, at any time before the result of the poll/e-voting is declared, to remove a scrutiniser from office and to fill vacancies in the offices of scrutineers arising from such removal or from any other cause.	Scrutiniser at poll / e-voting
13.17. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.	Demand for poll not to prevent transaction of other business
13.18. On any business at any General Meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairman shall have a second or casting vote.	Casting vote of Chairman at General Meeting

Reports, Statements and Registers laid on the table	13.19. At every Annual General Meeting of the Company there shall be laid on the table the Directors' report and audited statement of accounts, Auditors' Report (if not already incorporated in the audited statement of accounts), the Proxy Register with proxies and such other Registers and documents as may be required under the Act or Rules or any other regulation in force applicable to the Company.
Minutes of General Meetings	13.20. The Company shall cause minutes of all proceedings of every General Meeting to be kept in accordance with the provisions of the Act. Any such minutes kept as aforesaid shall be evidence of the proceedings recorded therein.
Inspection of minute books of General Meeting	13.21. The books containing the minutes of the proceedings of any General Meeting of the Company or a resolution passed by postal ballot shall: <ul style="list-style-type: none"> <li>a) be kept at the registered office of the Company; and</li> <li>b) be open to inspection of any member without charge, during 11.00 a.m. to 1.00 p.m. on all working days other than Saturdays.</li> </ul>
Powers to arrange security at Meetings	13.22. The Chairman, and also any person(s) authorised by him or the Board, may take any action before the commencement of any General Meeting, or any meeting of a class of members of the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting, and the future orderly conduct of the meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision.

#### **14. Adjournment of meeting**

Chairman may adjourn the Meeting	14.1. The Chairman with the consent of any meeting at which a quorum is present (and if so directed by the meeting) adjourn the meeting from time to time and from place to place.
Business at adjourned meeting	14.2. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
Notice of adjourned meeting	14.3. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
	14.4. Save as aforesaid, and save as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

## 15. Voting rights

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| 15.1. Subject to any rights or restrictions for the time being attached to any class or classes of shares -<br><br>a) on a show of hands, every member present in person shall have one vote; and<br><br>b) on a poll or in e-voting, the voting rights of members (present in person or proxy) shall be in proportion to his share in the paid-up equity share capital of the Company.  | Entitlement to vote                                    |
| 15.2. A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.   | Voting through electronic means                        |
| 15.3. 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.  | Vote of joint holders                                  |
| 15.4. For this purpose, seniority shall be determined by the order in which the names stand in the Register of Members.  |  |
| 15.5. 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 (if permitted and applicable to the Company) or on a poll/e-voting, by his Committee or other legal guardian, and any such Committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his legal guardian. | Manner of voting by members of unsound mind and minors |
| 15.6. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.  | Business may proceed pending poll                      |
| 15.7. No member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of lien.   | Restriction on voting rights                           |

## 16. Proxy

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| 16.1. Any member entitled to attend and vote at a General Meeting shall be entitled to appoint another person (whether a member or not) as a proxy to attend and vote at the meeting on his behalf.<br><br>A proxy so appointed shall not have the right to speak at such meeting and shall not be entitled to vote except on a poll/e-voting.<br><br>A person appointed as a proxy shall act on behalf of such member or number of members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights or such number as may be prescribed. | Member may vote in person or otherwise |
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Instrument of Proxy	16.2. The instrument appointing a proxy in such form as prescribed in the Rules shall be in writing under the hand of appointer or his attorney duly authorised in writing, or if the appointer is a Company either under the common seal or under the hand of an Officer or attorney so authorised. Proxies together with the power of attorney or any other authorisation document, if any, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
Proxy to be valid notwithstanding death of the Principal	16.3. A vote cast 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:  Provided that no intimation in writing of such death, insanity, revocation of authority or shall have been received by the Company at its registered office before the commencement of the meeting or adjourned meeting at which the proxy is used.
Appointment of Proxy for an adjourned meeting	16.4. Member who has not appointed a Proxy to attend and vote on his behalf at a Meeting may appoint a Proxy for any adjourned Meeting, not later than forty-eight hours before the time of such adjourned Meeting
<b>17. Board of Directors</b>	
First Directors	17.1. The First Directors of the Company were: i. Mr.R.VENKATASWAMY NAIDU ii. Mr.JOHN K JOHN iii. Mr. J.K.CLUBWALA iv. Mr.P.HADFIELD and v. Mr.B.P.RAY
Number of Directors	17.2. Unless otherwise determined by the Company in General Meeting, the number of Directors shall not be less than 3 (three) and shall not be more than 15 (fifteen). The Company may in General Meeting appoint more than fifteen Directors after passing a special resolution.
Appointment of Additional Directors	17.3. Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an Additional Director, provided the number of the Directors and Additional Directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.

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| 17.4.  | An Additional Director shall hold office 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 subject to the provisions of the Act.   | Duration of office of Additional Director                       |
| 17.5.  | The Board may appoint an Alternate Director to act for a Director (hereinafter in this Article called “the Original Director”) during his absence for a period of not less than three months from India. No person shall be appointed as an Alternate Director for an Independent Director unless he is qualified to be appointed as an Independent Director under the provisions of the Act.  | Appointment of Alternate Director                               |
| 17.6.  | An Alternate Director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.  | Duration of office of Alternate Director                        |
| 17.7.  | If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring Directors in default of another appointment shall apply to the Original Director and not to the Alternate Director.  | Re-appointment provisions applicable to Original Director       |
| 17.8.  | Notwithstanding anything to the contrary contained in these Articles and pursuant to provisions of the Act and Rules made thereunder, the Board of Directors may from time to time appoint any such person as a “Nominee Director”. For the purpose of this clause, “Nominee Director” means a Director nominated by any institution in pursuance of the provisions of any law for the time being in force, or of any agreement, or appointed by any Government, or any other person to represent its interests. | Appointment of Nominee Director                                 |
| 17.9.  | If the office of any Director appointed by the Company in General Meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors subject to the provisions of the Act.   | Appointment of Director to fill a casual vacancy                |
| 17.10. | The Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated.   | Duration of office of Director appointed to fill casual vacancy |
| 17.11. | The Company shall have at least one Director who has stayed in India for a total period of not less than one hundred and eighty-two days in the previous calendar year.  | Resident Director   |
| 17.12. | The Company shall have such proportion of Independent Directors in the Board and be appointed in such manner as prescribed by the Act or Rules or the Listing Regulations in force.  | Appointment of Independent Directors                            |

The Independent Directors so appointed shall hold office for a term up to five consecutive years on the Board of the Company, but shall be eligible for re-appointment on passing of a special resolution by the Company.

Notwithstanding anything contained in the above mentioned provision of this clause, no Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after the expiration of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

The Company and Independent Directors shall abide by the provisions specified in Schedule IV.

Woman Director

17.13. The Company shall have a Woman Director on the Board as prescribed by the Act from time to time.

Sitting fees

17.14. The Directors other than those in receipt of any salary from the Company may be paid a sitting fee of such sum as the Board may decide subject to the maximum limits prescribed by the Act or Rules made thereunder from time to time, for every meeting of the Board of Directors or Committee thereof, attended by them.

The remuneration of the Directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

Remuneration of Directors

17.15. The remuneration payable to the Directors, including any Managing or Whole-time Director or Manager, if any, shall be determined in accordance with and subject to the provisions of the Act.

17.16. A Director who is neither in the whole time employment of the Company nor a Managing Director / wholetime director may be paid remuneration –

- (a) By way of a monthly, quarterly or annual payment subject to the applicable provisions of the Act; or
- (b) By way of commission if the Company by a special resolution authorises such payment.

The remuneration payable to Directors who are neither Managing Directors nor Whole-time Directors shall not exceed,—

- a) one per cent of the net profits of the Company, if there is a Managing or Whole-time Director or Manager;
- b) three percent of the net profits in any other case.

Provided further that the Company in General Meeting may, with the approval of the Central Government, authorise the payment of such remuneration at a rate exceeding one percent or, as the case may be, three percent of its net profits.

The aforesaid commission shall be paid among the non-Whole-time Directors in such manner and in such proportion as the Board may determine.

If any such Director holds office for a period less than one year during the financial year of the Company, then the said remuneration payable to him shall be computed proportionate to the period for which he has held office during the year.

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| <p>17.17. If any Director, being willing, be called upon to perform extra services, or special exertions or efforts for any of the purposes of the Company, the Board may arrange with such Director for such special remuneration for such extra services or special exertion or efforts either by a fixed sum or otherwise as may be determined by the Board and such remuneration may be in addition to his/her remuneration above provided subject to the limits prescribed under the Act.</p> | <p>Special Remuneration to Directors on Company's business or otherwise performing extra services</p> |
| <p>17.18. In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid travelling, hotel and other expenses incurred by them—</p> <p>(a) in attending and returning from meetings of the Board of Directors or any Committee thereof or General Meetings of the Company; or</p> <p>(b) in connection with the business of the Company.</p>   | <p>Travelling and other expenses</p>  |
| <p>17.19. 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.</p>   | <p>Execution of negotiable Instruments</p>  |
| <p>17.20. 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. In case of Directors participating through Electronic mode, the attendance register shall be deemed to have been signed by the Directors participating through Electronic mode, if their attendance is recorded by the Chairman or the Company Secretary in the Attendance Register and Minutes of the meeting.</p>                              | <p>Attendance</p>   |
| <p>17.21. Subject to the provisions of Section 164 of the Act, a person shall not be eligible for appointment as a Director, if –</p> <p>(a) he is of unsound mind and stands so declared by a competent court;</p> <p>(b) he is an undischarged insolvent;</p>  | <p>Disqualification for appointment of Director</p>   |

- (c) he has applied to be adjudicated as an insolvent and his application is pending;
- (d) he has been convicted by a court of any offence, whether involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence:

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

- (e) an order disqualifying him for appointment as a Director has been passed by a court or Tribunal and the order is in force;
- (f) he has not paid any calls in respect of any shares of the Company held by him, whether alone or jointly with others, and six months have elapsed from the last day fixed for the payment of the call;
- (g) he has been convicted of the offence dealing with related party transactions under section 188 at any time during the last preceding five years; or
- (h) he has not complied with sub-section (3) of section 152.

Notwithstanding anything contained in (d), (e), (g) aforesaid, the disqualifications referred to in those clauses shall not take effect—

- (i) for thirty days from the date of conviction or order of disqualification;
- (ii) where an appeal or petition is preferred within thirty days as aforesaid against the conviction resulting in sentence or order, until expiry of seven days from the date on which such appeal or petition is disposed off; or
- (iii) where any further appeal or petition is preferred against order or sentence within seven days, until such further appeal or petition is disposed off.

17.22. No person who is or has been a Director of a company which—

- (a) has not filed financial statements or annual returns for any continuous period of three financial years; or
- (b) has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continues for one year or more,

shall be eligible to be appointed / re-appointed as a Director for a period of five years from the date on which the said company fails to comply.

17.23. Subject to the provisions of Section 167 of the Act, the office of a Director shall become vacant if:

Vacation of office of Director

- (a) he incurs any of the disqualifications specified in section 164;
- (b) he absents himself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence of the Board;
- (c) he acts in contravention of the provisions of section 184 relating to entering into contracts or arrangements in which he is directly or indirectly interested;
- (d) he fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interested, in contravention of the provisions of section 184;
- (e) he becomes disqualified by an order of a court or the Tribunal;
- (f) he is convicted by a court of any offence, whether involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six months:

Provided that the office shall be vacated by the Director even if he has filed an appeal against the order of such court;

- (g) he is removed in pursuance of the provisions of this Act;
- (h) he, having been appointed a Director by virtue of his holding any office or other employment in the holding, subsidiary or associate Company, ceases to hold such office or other employment in that Company.

17.24. Subject to the provisions of Section 169 and other applicable provisions of the Act and these Articles, the Company may by an ordinary resolution remove any Director before the expiry of his period of office after giving him a reasonable opportunity of being heard.

Removal of Director

A Special notice pursuant to Section 115 of the Act shall be given of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed, at the meeting at which he is removed.

A vacancy created by the removal of a Director may, if he had been appointed by the Company in General Meeting or

by the Board, be filled by the appointment of another Director in his place at the meeting at which he is removed, provided special notice of the intended appointment has been given as mentioned hereinabove.

A Director so appointed shall hold office till the date up to which his predecessor would have held office if he had not been removed.

Directors may contract  
with Company

17.25. Subject to the provisions of the Act and, the Articles hereof and the observant and fulfilment thereof, Directors (including Managing Director/ wholetime director) shall not be disqualified by reason of their office as such from contracting with the Company either as vendor, purchaser, agent, broker or otherwise, nor shall any such contract, or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested, be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such Director holding that office, or of the fiduciary relation thereby established, provided that the nature of his interest is disclosed by him/her as provided in the Act.

Individual resolution  
for the appointment of  
Directors

17.26. At a General Meeting of the Company, a motion for appointment of two or more persons as Directors of the Company by a single resolution shall not be moved unless a proposal to move such a motion has first been agreed to at the meeting without any vote being given against it. A resolution moved in contravention of this Article and Section 162 of the Act shall be void whether or not objection was taken when it was moved.

Retirement and Rotation  
of Directors

17.27. Not less than two-third of the total number of Directors of the Company shall be persons whose period of office is liable to determination by retirement of directors by rotation.

At every Annual General Meeting of the Company one- third of such of the Directors for the time being as are liable to retire by rotation or if their number is neither three nor a multiple of three, then the number nearest to one-third shall retire by rotation. The Managing Director(s), Whole-time Director(s) and Independent Director(s) shall not, while they continue to hold that office, be subject to retirement by rotation except to the extent necessary to comply with the provisions of the Act. For the purpose of this Article, 'total number of Directors' shall not include Independent Directors of the Company whether appointed under this Act or any other law for the time being in force.

Ascertainment of  
Directors retiring by  
rotation

17.28. Subject to the provisions of the Act, the Directors to retire by rotation under the foregoing Article at every Annual General Meeting shall be those who have been longest in office since

their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot.

- 17.29. At any meeting at which an election of Directors ought to take place, if the vacancy of the retiring Director is not filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a holiday, at the same time and place.

Retiring Directors to remain in office till successors appointed

If at the adjourned meeting, the vacancy of the retiring Director is not filled up and that the meeting has also not expressly resolved not to fill up the vacancy, the retiring Directors shall be deemed to have been re-appointed at the adjourned meeting subject to conditions prescribed under Section 152 of the Act.

The expression 'Retiring Director' means a Director retiring by rotation.

- 17.30. Subject to the provisions of the Act, a retiring Director shall be eligible for re-appointment and the Company at the Annual General Meeting at which a Director retires in manner aforesaid may fill up the vacated office by electing a person thereto.

Retiring Director eligible for re-appointment

- 17.31. Subject to the provisions of the Act, any person who is not a retiring Director shall be eligible for appointment to the office of Director at any General Meeting, if he, or some member intending to propose him as a Director has, not less than fourteen days before the meeting, left at the registered office of the Company, a notice in writing under his hand signifying his candidate for the office as a Director or, as the case may be, the intention of such member to propose him as a candidate for that office, as the case may be along with a deposit as prescribed by the Act which shall be refunded to such person or, as the case may be, to the member, if the person proposed gets elected as a Director or gets more than twenty-five per cent of total valid votes cast on such resolution.

Notice of Candidature for office of Director

Every person (other than a Director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under Section 160 signifying his candidature for the office of a Director) proposed as a candidate for the office of a Director shall sign and file with the Company, his consent in writing to act as a Director, if appointed.

- 17.32. 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

Directors to act only on certain business when number falls below minimum

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.

## **18. Powers of Board**

General powers of the Company vested in Board

18.1. The business of the Company shall be managed by the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by these Articles or otherwise authorized to exercise by the statute or otherwise directed or required to be exercised or done by the Company in General Meeting but subject nevertheless to the provisions of the Act and other laws and of the Memorandum of Association and these Articles.

Powers to be exercised by the Board only at the meeting

18.2. Without derogating the powers vested with the Board under these Articles, the Board shall exercise the powers stated in Section 179(3) of the Act and the Rules referred therein only by means of resolutions passed at the meeting of the Board.

Provided further that the Board may, by a resolution passed at a meeting, delegate to any Committee of Directors, the Managing Director/ wholtime director, the Manager or any other principal officer of the Company or in the case of a branch office of the Company, the principal officer of the branch office, certain powers as laid out in (d) to (f) of Section 179(3) of the Act and such other powers which may be delegated as prescribed by the Act subject to the conditions laid thereunder.

Consent of the Company necessary for exercise of certain powers

18.3. The Board of Directors shall not except with the consent of the Company at a General meeting exercise the powers specified in Section 180(1) of the Act.

Certain powers of the Board

18.4. Without prejudice to the powers conferred by these Articles and so as not in any way to limit or restrict these powers, but subject to the restrictions contained in the Clause 18.2 and 18.3 and subject to the provisions of the Act the Board's powers shall include power:

- (a) to pay and charge to the capital account of the Company any commission or interest lawfully payable thereout under the provisions of the Act and in these Articles.
- (b) to purchase or otherwise acquire for the Company any shares, securities or other property right or privileges which the Company is authorized to acquire at such price and generally on such terms and conditions as the Board may think fit.
- (c) at their discretion to pay for any property or rights acquired by or services rendered to the Company, either wholly

or partially in case, or in shares, bonds, debentures, debenture-stock or other securities of the Company, and any such shares may be issued either as fully paid-up or with such amount credited as paid-up thereon as may be agreed upon; and any such bonds debentures, debentures-stock or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.

- (d) to insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they think proper all or any part of the buildings, machinery and goods, stores, produce and other movable property of the Company either separately or on jointly also to insure all or any portion of the goods produce machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.
- (e) to open accounts with any bank or bankers or with any permitted person and to pay money into and draw money from any such account from time to time as the Board may think fit.
- (f) To secure the fulfilment of any contracts or engagements entered into by the Company, mortgage or charge of all or any of the property of the Company and its unpaid capital for the time being or in such other manner as they think fit.
- (g) To issue securities towards consideration other than cash including but not limited to as consideration or part of the consideration for any contract with or property acquired by the Company or in payment for services rendered to the Company, such conditions as to the transfer thereof as they think fit.
- (h) To accept from any member on such terms and conditions as shall be agreed a surrender of his shares or stock, or any part thereof, so far as may be permissible by law.
- (i) to appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company and property belonging to the Company or in which it is interested, or for any other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trust, and to provide for the remuneration of such trustee or trustees.

- (j) 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 or of any claims or demands by or against the Company.
- (k) To refer any claim or demand by or against the Company or any differences to arbitration and observe and perform any awards made thereon.
- (l) To act on behalf of the Company in all matters relating to bankrupts and insolvents.
- (m) To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company.
- (n) 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 the necessary authority for such purposes.
- (o) To invest and deal with any moneys of the Company not immediately required for the purposes thereof; upon such security (not being shares of this Company), or without security and in such manner as they may think fit, and from time to time to vary or realize such investments, provided that save as permitted by Section 187 of the Act, all investment shall be made and held in the Company's name.
- (p) 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 as surety for the benefit of the Company such mortgages of the Company's property (present and future) as they think fit, covenants, provisions and agreement as shall be agreed on.
- (q) to give to any Director, officer or other person employed by the Company an interest in any particular business or transaction either by way of commission on the gross expenditure thereon or otherwise or a share in the general profits of the Company, and such interest, commission or share of profits shall be treated as a part of the working expenses of the Company.

- (r) to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent religious, scientific, national, public, or any other institutions, objects or purposes, or for any exhibition.
- (s) before recommending any dividend to set aside out of the profits of the Company, such sums as they may think proper for depreciation, or to a Depreciation Fund, General Reserve, a Reserve Fund, Sinking Fund, Insurance Fund or any special or other fund or funds or account or accounts to meet contingencies, or to repay Redeemable Preference Shares, debentures or debenture stock and for special dividends, and for equalizing dividends, and for repairing, improving, extending and maintaining any part of the property of the Company, and/or for such other purposes, (including the purposes referred to in the last two preceding Sub-Clauses) as the Board may in their absolute discretion think conducive to the interests of the Company, and to invest the several sums so set aside or so much thereof as required to be invested upon such investments (subject to the restrictions imposed by the Act) as the Board 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 purpose as the Director (subject to such restrictions as aforesaid) in their absolute discretion think conducive to the interests of the Company notwithstanding that the matters to which the Board apply or upon which they extend the same or any part thereof may be matters to or upon which the capital moneys of the Company might rightly be applied or expended and to divide the Reserve, General Reserve, or the Reserve Fund into such special funds as the Board may think fit, and to employ the assets constituting all or any of the above funds or accounts, including the Depreciation Fund, in the business of the Company or in the purchase or repayment of Redeemable Preference Shares, debentures or debenture-stock and that without being bound to keep the same separate from the other assets, and without being bound to pay or allow to the credit of such fund interest at such rate as the Board may think proper.
- (t) to appoint and at their discretion remove or suspend such managers, secretaries, officers, clerks agents and employees 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 and

require security in such instances and for such amounts as they may think fit. And also without prejudice as aforesaid, from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India in such manner as they think fit shall be without prejudice to the general powers conferred by this Sub-Clause.

- (u) to comply with the requirements of any local law, which in their opinion shall in the interests of the Company be necessary or expedient to comply with.
- (v) from time to time and at any time to establish any Committees 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, or any managers, or agents, and to fix their remuneration.
- (w) subject to the provisions of Section 179 of the Act and these Articles and at any time to delegate to any such Local Board, or any member or members thereof or any managers so appointed any of the powers, authorities and discretions for the time being vested in the Board of Directors, and to authorise the Members for the time being of any such Committee, or any of them to fill up any vacancies therein and to act notwithstanding vacancies; and any such appointment or delegation under this Article may be made on such terms, and subject to such conditions as the Board of Directors may think fit, and the Board of Directors may at any time remove any person so appointed, and may annul or vary any such delegation.
- (x) generally subject to the provisions of the Act and these Articles to delegate the powers, authorities and discretions vested in the Directors to any person, firm, Company or fluctuating body of persons as aforesaid.
- (y) subject to the provisions of the Act and these Articles for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company, to enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.

Attorney of the Company

18.5. Subject to the provisions of Section 179 of the Act, the Board/ Committee may appoint at any time and from time to time by a power-of-attorney under the Company's Seal any person to be

the attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board in these Articles) and for such period and 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 firm or Company, or the members, Directors, nominees or Managers of any firm or Company or otherwise in favour of any body or persons, whether nominated directly or indirectly by the Board and any such power-of-attorney may contain such provision for the protection or convenience of persons dealing with such attorney as the Board may think fit.

- 18.6. The Board may authorize any such delegate or attorney as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.

Power to authorise sub-delegation

- 18.7. The Board shall duly comply with the provisions of the Act and in particular with the provision in regard to the registration of the particulars of mortgages and charges affecting the property of the Company or created by it, and to keep a Register of the Directors, and to send to the Registrar an annual list of members and a summary of particulars relating thereto, and notice of any consolidation or increase of share capital, and copies of special resolutions and a copy of the Register of Directors and notifications of any changes therein in the manner prescribed under the Act

Board's duty to comply with the provisions of the Act

## 19. **Borrowing Powers**

- 19.1. The Board of Directors may from time to time raise any money or any monies or sums of money for the purpose of the Company provided that the monies to be borrowed by the Company, together with the money already borrowed apart from temporary loans obtained from the Company's bankers in the ordinary course or business shall not without the sanction of the Company at a General Meeting 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 and in particular but subject to the provisions of Section 179 of the Act, the Board may from time to time at their discretion raise or borrow or secure the payment of any sum or sums of money for the purpose of the Company, by the issue of debentures perpetual or otherwise including debentures convertible into shares of this or any other Company or perpetual annuities and security of any such money so borrowed, raised, or received, mortgage, pledge or charge, the whole or any part of the property, assets, or revenue of the Company present or future, including its uncalled capital by special assignment or

Powers to borrow

otherwise or to transfer or convey the same absolutely or in trust and to give the lenders powers of sale of the property except uncalled capital and other powers as may be expedient and to purchase, redeem or pay off any securities.

Provided that every resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow as stated above shall specify the total amount up to which monies may be borrowed by the Board of Directors.

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|--------------------------------|---|
| Delegation of borrowing powers | 19.2. The Directors may by a resolution of a meeting of the Board delegate the above power to borrow money otherwise than on debentures to a Committee of Directors or the Managing Directors/ whole time Directors if any, within the limits prescribed.   |
| Mode                           | 19.3. Subject to the provisions of the Act, the Board may, from time to time, at their discretion, borrow monies in such mode as the Board may deem fit.  |
| Redemption Reserve             | 19.4. The Board, may, out of the profits of the Company available for payment of dividend, set aside such sums as prescribed by the Act and the Rules for the purpose of redemption of debentures which may be issued by the Company in such amounts at such premium in such manner and for such period as the Board may think expedient. |
| Assignment of Debenture        | 19.5. Such debentures, debenture-stock, bonds or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.  |
| Terms of Debenture issue       | 19.6. Without prejudice to the provisions of the above mentioned clause 1, 2 & 3, any such debentures, debenture-stock, bonds or other securities may be issued at a discount, premium or otherwise, and with any special privileges as to redemption, drawings, allotment of shares of the Company.                                      |

Provided that debentures, debenture-stock, bonds or other securities with the right to allotment or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.

Any trust deed for the securing of any debenture/ debenture-stock and/or any mortgage deed and/or other bond for securing payment of monies borrowed by or due by the Company and/or any contract or any agreement made by the Company with any person, firm, body corporate, Government or authority who may render or agree to render any financial assistance to the Company by way of loans advanced or by guaranteeing of any loan borrowed or other obligations of the Company or by subscription

to the share capital of the Company or provide assistance in any other manner, may provide for the appointment, from time to time, by any such mortgagee, lender, trustee or holders of debentures or contracting party as aforesaid, or one or more persons to be a Director or Directors of the Company. Such trust deed, mortgage deed, bond or contract may provide that the person appointing a Director as aforesaid may from time to time remove any Director so appointed by him and appoint any other person in his place and reviewed for filling up any casual vacancy created by such person vacating office as such Director. Such power shall determine and terminate on the discharge or repayment of the respective mortgage, loan or debt or debentures or on the termination of such contract and any person so appointed as Director under mortgage or bond or debenture trust deed or under such contract shall cease to hold office as such Director on the discharge of the same. Such appointment and provision in such document as aforesaid shall be valid and effective as if contained in these presents.

- 19.7. The Board shall cause a proper register to be kept, in accordance with the Act, or all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the Act in regard to the registration of mortgages and charges therein specified and otherwise.

Register of charges or mortgages

- 19.8. Where any uncalled capital of the Company is charged, all persons taking any subsequent charge there on shall take the same subject to such prior charge and shall not be entitled, by notice to the shareholders or otherwise to obtain priority over such prior charge.

Subsequent assignees of uncalled capital

- 19.9. If the Directors or any of them or any other persons, shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or other persons so becoming liable as aforesaid from any loss in respect of such liability.

Charge in favour of Directors for indemnity

## **20. Proceedings of the Board**

- 20.1. The Board of Directors may meet for the conduct of business from time to time and shall so meet at least once in every three months and at least four such meetings shall be held in every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board and may adjourn and otherwise regulate its meetings, as it deems fit.

When meeting to be convened

Who may summon Board meeting	20.2. Any Director may, at any time summon a meeting of the Board, and Secretary or any person authorised by the Board in this behalf, on the requisition of a Director, shall convene a meeting of the Board in consultation with the Chairman or in his absence, the Managing Director or in his absence, the Whole-time Director.
Notice of Board meeting	<p>20.3. A meeting of the Board shall be called by giving not less than seven days' notice in writing to every Director at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means.</p> <p>Provided that a meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that at least one Independent Director shall be present at the meeting. In case of absence of Independent Directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the Directors and shall be final only on ratification thereof by at least one Independent Director.</p>
Participation at Board meetings	20.4. The participation of Directors in a meeting of the Board may be either in person or through video conferencing or audio visual means, as may be prescribed by the Rules or permitted under law.
Quorum for Board meetings	<p>20.5. The quorum for a Board meeting shall be one-third of its total strength or two Directors, whichever is higher, and the participation of the Directors by video conferencing or by other audio visual means shall also be counted for the purposes of quorum as provided in the Act.</p> <p>Where at any time the number of interested Directors as specified under Section 184 of the Act is equal to or exceeds two-thirds of the total strength of the Board, the number of Directors who are not interested Directors and present at the meeting, being not less than two, shall be the quorum during such time.</p> <p>For the purpose of this clause, 'total strength' shall not include Directors whose places are vacant.</p>
Adjournment for want of quorum	20.6. Where a meeting of the Board could not be held for want of quorum, then the meeting shall automatically stand adjourned to the same day at the same time and place in the next week or if that day is a national holiday, till the next succeeding day, which is not a national holiday, at the same time and place.
Chairman and Vice-Chairman	20.7. The Directors may from time to time elect a Chairman and a Vice-Chairman of the Board.
Who to preside at the meetings of the Board	20.8. All the meetings of the Directors shall be presided over by the Chairman if present, but if at any meeting of Directors the

Chairman is not present at the time appointed for holding the same, the Vice-Chairman, if present shall preside and if he be not present at such time or is unwilling to act as a Chairman then the Directors shall choose one of the Directors then present to preside at the meeting.	
20.9. Save as otherwise expressly provided in the Act, a meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the Articles of the Company for the time being vested in or exercisable by the Directors generally and all matters arising at any meeting of the Board shall be decided by a majority of votes.	Matters at Board meeting how decided
20.10. In case of an equality of votes, the Chairman of the Board, if any, shall have a second or casting vote.	Casting vote of Chairman at Board meeting
20.11. The Board may delegate any of their powers to Committees (subject to the provisions of the Act) consisting of such number or numbers of their body as they think fit and they may from time to time revoke or discharge any such Committee either wholly or in part, and either as to persons or purposes.	Committees
20.12. The participation of Directors in a meeting of the Committee may be either in person or through video conferencing or audio visual means, as may be prescribed by the Rules or permitted under law.	Participation at Committee Meetings
20.13. A Committee may elect a Chairman of its meetings unless the Board, while constituting a Committee, has appointed a Chairman of such Committee.	Chairman of Committee
20.14. If no such Chairman is elected, or if at any meeting the Chairman 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 Chairman of the meeting.	Who to preside at meetings of Committee
20.15. A Committee may meet and adjourn as it thinks fit.	Committee to meet
20.16. Matters arising at any meeting of a Committee shall be determined by a majority of votes of the members present unless otherwise stated in the Act	Matters at Committee meeting how decided
20.17. In case of an equality of votes, the Chairman of the Committee shall have a second or casting vote.	Casting vote of Chairman at Committee meeting
20.18. 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	Acts of Board or Committee valid notwithstanding defect of appointment

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

Passing of resolution by circulation

20.19. Subject to the provisions of the Act, a resolution in writing, signed, whether manually or by electronic mode or approved electronically through e-mail or any other permitted mode, by a majority of the members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held.

Minutes of the proceedings of Board of Directors and Committees to be kept

20.20. The Board shall cause minutes of the meetings of the Board of Directors and of Committees of the Board to be duly entered in a book or books provided for the purpose in accordance with the relevant provisions of Section 118 of the Act. The minutes shall contain a fair and correct summary of the proceedings at the meeting including the following:

- (a) the names of the Directors present at the meetings of the Board of Directors or of any Committee of the Board;
- (b) in the case of each resolution passed at the meeting, the names of the Directors, if any, dissenting from or not concurring in the resolution.

All such minutes of the meetings of the Directors, or of any Committees shall be signed by the Chairman of such meeting or the Chairman of the next succeeding meeting and all the minutes purported to be so signed shall for all purposes whatsoever be prima facie evidence of the actual passing of the resolutions recorded.

The Chairman of the Meeting may exclude at his absolute discretion such of the matters as are or would reasonably be regarded as defamatory of any person, irrelevant, or immaterial to the proceedings or detrimental to the interests of the Company.

## **21. Managing Director**

Business to be carried on by the Managing Director

### **21.1**

- (a) Subject to the control and supervision of the Board of Directors, the business of the Company shall be carried on by one or more Managing Directors.

The Board may from time to time resolve to appoint one or more Managing Directors subject to the approval of the

shareholders provided that such appointments shall not be made for a term of more than five years at a time or such term as prescribed by the Act.

- (b) If a Managing Director ceases to hold office as Director he shall ipso facto and immediately cease to be a Managing Director.
- (c) In the event of any vacancy arising in the office of a Managing Director or if the Board resolve to increase the number of Managing Directors, the vacancy shall be filled by the Board of Directors and the Managing Directors so appointed shall hold the office for such period as the Board of Directors may fix.

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| 21.2 Where there is more than one Managing Director, the Board may, for the limited purpose of reference, designate any of them as Joint Managing Director or in any other manner as it may deem fit.  | More than one Managing Director       |
| 21.3 A Managing Director may, each of them, be paid for their respective services such remuneration (whether by way of salary, perquisites, commission or participation in profits, or otherwise or partly in one way and partly in another) as the Board with the approval of the members in General Meeting may determine.   | Remuneration of Managing Director     |
| 21.4 All powers and duties vested in the Managing Directors for the time being in accordance with the provisions of these presents or by a resolution of the Board of Directors may be exercised by any one of them.   | Powers to be exercised severally      |
| 21.5 The Managing Directors shall be entitled to charge and be paid for all actual expenses, if any, which they may incur for or in connection with the business of the Company. They shall be entitled to appoint part-time employees in connection with management of the affairs of the Company and shall be entitled to be paid by the Company for any remuneration that they may pay to such part-time employees.         | Expenses to be charged to the Company |
| 21.6 The Managing Directors, shall, subject to the supervision and control of the Board have power to do all acts and things which the Managing Directors shall think usual necessary or desirable in the management of the affairs of the Company.<br><br>Provided that the Managing Directors shall not exercise the power to<br><br>i. make calls on shareholders in respect of moneys unpaid on the shares of the Company; | Power of Managing Directors           |

- ii. borrow moneys or make loans except within the limits previously fixed by the Directors at a Board Meeting;
- iii. invest funds of the Company within the limits previously fixed by the Board at the meeting.
- iv. To perform such other acts, things, deeds, matters as may be required for carrying on the operations of the Company.

## **22. Whole-time Directors**

- 22.1. The Board of Directors may appoint one or more persons, as Whole-time Director(s) and may designate them as Executive Chairman, Executive Director, President, Chief Executive Officer or any other appropriate designation as the Board may deem fit.
- 22.2. The Whole-time Director(s) shall function subject to the supervision and control of the Board of Directors and exercise such powers as conferred on them by the Board.
- 22.3. A Whole-time Director may be paid such remuneration (whether by way of salary, perquisites, commission or participation in profits, or otherwise or partly in one way and partly in another) as the Board with the approval of the members in General Meeting may, subject to the provisions of Section 196, 197 of the Act and Rules referred therein, or any other law applicable for the time being in force in that behalf, determine.
- 22.4. The Whole-time Director(s) shall not be liable to retire by rotation, so long as they hold such office.

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

Chief Executive Officer,  
Company Secretary,  
Manager and Chief  
Financial Officer etc.

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

Designated Directors

- 23.1. Subject to the provisions of the Act,—

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

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

- 23.3. The Board of Directors shall have power, from time to time and at any time, to appoint any person who is in the employment of the Company as “Special” or “Executive” Director on such terms and conditions as to remuneration and otherwise as the Board may deem fit and at the discretion to remove or suspend such

person from the said office. Any person so appointed shall not be a Director of the Company for any of the purposes of the Act, nor shall he have any of the powers of, or be subject to any of the duties of a Director.

The use of the word "Director" in the said designation shall not be construed as constituting such person a Director of the Company for any of the purposes of the Act.

Subject as aforesaid, every person appointed as "Special" or "Executive" Director shall exercise such powers and discharge such duties as the Board of Directors may from time to time determine.

#### **24. Dividends and Reserve**

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| 24.1. The Company in General Meeting may subject to Section 123 of the Act declare dividends to be paid to members, but no dividend so declared shall exceed the amount recommended by the Board.  | Company in General Meeting may declare dividends |
| 24.2. Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit.  | Interim dividends                                |
| 24.3. Dividend shall be declared or paid by a Company for any financial year   | Declaration of Dividend                          |
| (a) out of the profits of the Company for that year arrived at after providing for depreciation in accordance with the provisions of this 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 the provisions of that sub-section and remaining undistributed, or out of both; or |  |
| (b) out of money provided by the Central Government or a State Government for the payment of dividend by the Company in pursuance of a guarantee given by that Government.   |  |

Where, owing to inadequacy or absence of profits in any financial year, if the Company proposes to declare dividend out of the accumulated profits earned by it in its previous years and transferred to the reserves, such declaration of dividend shall be made subject to the fulfilment of the conditions as prescribed in the Rules.

No dividend shall be declared or paid by a Company from its reserves other than free reserves.

Setting aside sums for reserve	24.4. The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.
Carry forward of profits	24.5. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
Proportion of Dividend	24.6. 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 up on the shares. No amount paid or credited as paid on a share in advance of calls shall be treated for the purpose of this Article as paid on the share.
Dividends to be apportioned	24.7. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
No member to receive dividend whilst indebted to the Company and Company's right to reimbursement therefrom	24.8. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.
Retention of dividends	24.9. The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.
Dividend how remitted	24.10. Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post or such other manner as may be directed by the applicable laws, 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.  Every dividend shall be paid or the warrant or instrument thereof shall be despatched within the time provided in the Act except in the following cases namely:-

<ul style="list-style-type: none"> <li>- Where the dividend could not be paid by reason of operation of any law;</li> <li>- Where a shareholder has given directions to the Company regarding the payment of dividend and those directions cannot be complied with and the same has been communicated to the shareholder;</li> <li>- Where there is a dispute regarding the right of the dividend;</li> <li>- Where the dividend has been lawfully adjusted by the Company against any sum due to it from the shareholder; or</li> <li>- Where, for any other purpose, the failure to pay the dividend or to post the warrant within the period under this section was not due to any default on the part of the Company.</li> </ul>	
<p>24.11. Every such cheque or warrant, if paid in physical form, shall be made payable to the order of the person to whom it is sent.</p>	<p>Instrument of payment</p>
<p>24.12. Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.</p> <p>Further, in case of joint holders, dividend paid to the first holder shall be an effective discharge.</p>	<p>Discharge to Company</p>
<p>24.13. No dividend shall bear interest against the Company.</p>	<p>No interest on dividends</p>
<p>24.14. The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.</p>	<p>Waiver of dividends</p>
<p>24.15. Notice of any dividend that may have been declared shall be given in manner hereinafter mentioned to the persons entitled to the shares therein mentioned. No unclaimed or unpaid dividends shall be forfeited by the Board.</p> <p>The Board shall comply with applicable provisions of the Act in respect of any unclaimed or unpaid dividend including transfer</p>	<p>Unclaimed or Unpaid Dividend</p>

of such dividends (and shares thereto) thereto to the Investor Education and Protection Fund in the manner as may be prescribed from time to time.

## **25. Capitalisation of profits**

### **Capitalisation**

25.1. The Company by resolution, as prescribed under the Act, in General Meeting may, upon the recommendation of the Board, resolve —

- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
- (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

25.2. A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;

25.3. The Board shall give effect to the resolution passed by the Company in pursuance of this Article.

### **Powers of the Board for capitalisation**

25.4. Whenever such a resolution as aforesaid shall have been passed, the Board shall -

- a) make all appropriations and applications of the amounts resolved to be capitalised thereby, and all allotments and issues of fully paid shares or other securities, if any; and
- b) generally do all acts and things required to give effect thereto.

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

25.5. The Board shall have power—

- a) to make such provisions, by the issue of fractional certificates/coupons or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions; and
- b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or other securities to which they may be entitled upon such capitalisation, or as

the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares.

- 25.6. Any agreement made under such authority shall be effective and binding on such members.

Agreement binding on members

## 26. Accounts

- 26.1. The Company shall keep at its registered office proper books of account and other relevant books and papers and financial statements for every financial year which give a true and fair view of the state of its affairs, including that of its branch office(s), if any.

Books of accounts to be kept

The Board of Directors may decide to keep all or any of the books of account aforesaid and other relevant papers at such other place in India as it may decide subject to the provisions of Section 128 of the Act and the Rules referred therein.

- 26.2. The books of account and books and papers of the Company, or any of them, shall be open to the inspection by any Director during business hours in accordance with the applicable provisions of the Act and the Rules.

Inspection by Directors

- 26.3. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions and regulations the accounts and books of the Company or any of them shall be open to the inspection of members not being Directors, and 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 authorized by the Board or by the Company in General Meeting.

Inspection by members

- 26.4. The books of account of every Company relating to a period of not less than eight financial years immediately preceding the current year together with the vouchers relevant to any entry in such books of account shall be preserved in good order.

Preservation of books of accounts of the Company

- 26.5. The Board of Directors shall lay before each Annual General Meeting, the financial statements for the financial year (standalone) which includes balance sheet, profit and loss account for the financial year, cash flow statement, a statement of changes in equity, if applicable; and any explanatory note annexed to, or forming part of, any document referred hereinabove.

Statement of Accounts to be furnished in General Meeting

- 26.6. The Company, shall in addition to financial statements provided herein above prepare a consolidated financial statement of the Company and of all the subsidiaries of the Company which shall

Consolidated Financial Statements to be furnished in General Meeting

also be laid before the Annual General meeting of the Company along with the standalone financial statements.

Authentication of  
Financial Statements

26.7. The financial statements of the Company shall be approved by the Board of Directors before they are signed on behalf of the Board by the Chairman of the Company where he is authorised by the Board or by two Directors out of which one shall be Managing Director / wholetime director and the Chief Executive Officer, if he is a Director in the Company, the Chief Financial Officer and the Company Secretary of the Company.

Auditors' Report

26.8. The Auditors' report shall be attached to every financial statement.

Board's report to be  
attached to the Financial  
Statements

26.9. The report by the Board of Directors containing matters as prescribed under Section 134 of the Act and the Rules referred therein shall be signed in the manner prescribed in the Act and be annexed to the financial statements laid before a Company in a General Meeting.

Right of member to  
copies of audited  
financial statements

26.10. Without prejudice to the provisions of Section 101 of the Act, a copy of the financial statements, including consolidated financial statements, auditor's report and every other document required by law to be annexed or attached to the financial statements, which are to be laid before a Company in its General Meeting, shall be sent to every member of the Company, to every trustee for the debenture-holder of any debentures issued by the Company and to all persons other than such member or trustee, being the person so entitled, not less than twenty-one days before the date of the General meeting.

Provided that the provisions of this clause shall be deemed to be complied with, if the copies of the documents are made available for inspection at its registered office during working hours for a period of twenty-one days before the date of the meeting and a statement containing the salient features of such documents as prescribed by the Act or copies of the documents, as the Company may deem fit, is sent to every member of the Company and to every trustee for the holders of any debentures issued by the Company not less than twenty-one days before the date of the meeting unless the shareholders ask for full financial statements.

## **27. Audit**

Accounts to be audited

27.1. The financial statements of the Company shall be audited by one or more Auditors to be appointed pursuant to the provisions of Section 139 of the Act and the Rules referred therein.

Appointment of Statutory  
Auditors

27.2. Subject to the Article 27.3 and the Provisions of the Act, the Company at an Annual General Meeting shall appoint an

individual or firm as a Statutory Auditor who shall hold office for a term as may be recommended by the Board and approved by the Members.

Provided that, subject to the provisions of the Act, the appointment of Statutory Auditors shall be ratified by members at every Annual General Meeting.

27.3. The Company shall not appoint:

- (a) an individual as auditor for more than one term of five consecutive years; and
- (b) an audit firm as auditor for more than two terms of five consecutive years:

Further, (i) an individual auditor who has completed his term under clause (a) shall not be eligible for re-appointment as auditor in the Company for five years from the completion of his term; (ii) an audit firm which has completed its term under clause (b), shall not be eligible for re-appointment as auditor in the Company for five years from the completion of such term.

The above conditions of term and rotation will be subject to the provisions of the Act from time to time.

Term of Statutory  
Auditors and rotation

27.4. Subject to the Provisions of the Act and related Rules, a retiring auditor may be re-appointed at an annual general meeting if-

- He is not disqualified for re-appointment;
- He has not given the Company a notice in writing of his unwillingness to be re-appointed;
- a resolution has not been passed at that meeting appointing some other auditor or providing expressly that he shall not be re-appointed;

Retiring Auditors eligible  
for re-appointment

27.5. An individual or firm shall be appointed at the Annual General Meeting subject to the fulfilment of the eligibility criteria, qualifications and disqualifications prescribed under the Act.

Eligibility, qualifications  
and disqualifications of  
Auditors

27.6. Any casual vacancy in the office of a Statutory Auditor shall be filled by the Board within thirty days from the date on which such vacancy arose.

Casual Vacancy in the  
office of Statutory Auditor

But if such casual vacancy is as a result of resignation of a Statutory Auditor, such appointments will also be required to be approved by the members within 3 months from the date of recommendation by the Board in this regard.

Audit of Branch office	27.7. The Company shall comply with the provisions of Section 143 of the Act in relation to the audit of the accounts of Branch Offices of the Company.
Remuneration of Statutory Auditors	<p>27.8. The Remuneration of the Statutory Auditors of the Company shall be fixed by the Company in General Meeting.</p> <p>The remuneration shall, in addition to the fee payable to an auditor, include the expenses, if any, incurred by the auditor in connection with the audit of the Company and any facility extended to him but need not include any remuneration paid to him for any other service rendered by him at the request of the Company.</p>
Appointment of Secretarial Auditor	27.9. The Board may appoint a Company Secretary in practice as a Secretarial Auditor, if so required under Section 204 of the Act and the Rules referred therein.
Appointment of Internal Auditor	27.10. The Board may appoint an Internal Auditor, if so required under Section 138 of the Act, who shall either be a Chartered Accountant or a Cost Accountant or such other professional as the Board may decide from time to time.
Appointment of Cost Auditor	<p>27.11. The Board may appoint a Cost Accountant in practice or such other professional as may be prescribed in the Act, if so directed by the Central Government under Section 148 of the Act from time to time.</p> <p>The remuneration determined by the Board for the Cost Auditor is required to be ratified subsequently by the shareholders of the Company.</p>
Powers and Duties of Auditors	27.12. The powers and duties of the Statutory Auditors, Cost Auditors and Secretarial Auditors shall be as per the provisions of Section 143 of the Act.

## 28. The Seal

The seal, its custody and use	<p>28.1. The Board of Directors shall provide a Common Seal of the Company and they shall have power from time to time to destroy the same and substitute a new seal in lieu thereof. The Common Seal shall be kept at the registered office of the Company and committed to the custody of the Managing Director/ wholetime director or Secretary.</p> <p>28.2. Every deed or other instrument to which the Common Seal is required to be affixed shall, unless the same is executed by a duly constituted attorney for the Company or unless otherwise authorised by the Board, be signed by at least one Director in whose presence the Common Seal shall have been affixed and</p>
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countersigned by the Secretary or such other person as may, from time to time, be authorised by the Board.

## 29. Notices

29.1. The Company shall send all documents or notices or other communications to members either personally or by post or registered post or speed post or courier to the address provided by him to the Company or through electronic mode or any other mode prescribed by the Act.

Service of documents  
and Notice

Where a notice is sent by post, service of notice shall be deemed to have been effected in the case of a notice of a meeting at the expiration of 48 hours after the notice is posted and in any other case at the time at which the letter would be delivered in the ordinary course of post.

29.2. A document may be served by the Company to the persons entitled to a share in consequences of the death or insolvency of a member by sending it through the post or such other permitted mode addressed to them by name or by the title of representatives of the deceased or assignees of the insolvent or by any like description at the address (if any) supplied for the purpose by the persons claiming to be so entitled or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served if death or insolvency had not occurred.

Service on persons  
acquiring shares on  
death or insolvency of  
members

29.3. A notice/document may be given by the Company to the joint-holders of a share by giving it to the joint-holder named first in the register in respect of the share.

Notice to joint-holders

29.4. Subject to the provisions of the Act and these Articles, the notice of General Meetings shall be given:

To whom notice of  
General Meeting to be  
given

- a. to members of the Company,
- b. to the person entitled to a share in consequence of the death or insolvency of a member as provided by Article 29.2 or as authorised by the Act;
- c. to Directors of the Company
- d. to Debenture Trustee(s), if any
- e. to the Statutory Auditor(s), Secretarial Auditor, if any and Cost Auditor, if any of the Company.
- f. to any other person as specified under the Act from time to time

Service of notices by members

29.5. All notices to be given on the part of members to the Company shall be left at or sent by registered post or courier or speed post to the registered office of the Company or may be sent by means of such electronic mode or other mode as may be prescribed from time to time

### 30. Registers

Statutory registers

30.1. The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name, register of contracts and arrangements and such other registers as may be prescribed from time to time for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules.

The registers and copies of annual return shall be open for inspection between 11 a.m. and 1 p.m. on all working days, other than Saturdays, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.

Foreign register

30.2. The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit with respect to the keeping of any such register.

The foreign register shall be open for inspection and may be closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, *mutatis mutandis*, as is applicable to the register of members.

### 31. Winding up

Winding up of Company

31.1. Subject to the applicable provisions of the Act and the Rules made thereunder -

If the Company shall be wound up and the assets available for distribution amongst members as such shall be insufficient to repay the whole of the paid-up capital or capital deemed to be paid-up, such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid-up or deemed to be paid-up at the commencement

of the winding up, on the shares held by them respectively; and if in a winding up the assets available for distribution amongst the members shall be more than sufficient to repay the whole of the capital paid-up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital paid-up or deemed to be paid-up at the commencement of the winding up on the shares held by them respectively. Where capital is paid-up on any shares in advance of calls upon the footing that the same shall carry interest, such capital shall be excluded and shall be repayable in full before any distribution is made on the paid-up capital or capital deemed to be paid-up together with interest at the rate agreed upon. The provisions of this article shall be subject to any special rights or liabilities attached to any special class of shares forming part of the capital of the Company.

- 31.2. If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanctions required under 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.
- 31.3. 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.
- 31.4. 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.

## **32. Indemnity and Insurance**

- 32.1. Subject to the provisions of the Act, every Director, Managing Director, Manager, Whole-time Director, Chief Financial Officer, Company Secretary or any other officer for the time being of the Company shall be indemnified by the Company against any liability and it shall be the duty of the Board to pay out of the funds of the Company, all costs, losses and expenses (including travelling expenses) which any such officer may incur or become liable to by reasons of any contract entered into or act done, concurred in or omitted in or about the execution of his duty or supposed duty in his office and advice except such (if any) as he shall incur through his own wilful neglect or default respectively and no such officer shall be answerable for the acts, receipts,

Directors and officers  
right to indemnity

neglects or defaults of the other or others of them or for joining in any receipts for the sake of conformity or for any bankers or other persons with whom any money or assets belonging to the Company shall or may be lodged or deposited for safe custody or for any loss, misfortune or damage which may happen in the execution of his office or advice or in relation thereto unless the same shall happen by or through his own wilful neglect or default.

32.2. Subject as aforesaid, every Director, Managing Director/whole time director, Manager, Company Secretary, Chief Financial Officer or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under Section 463 of the Act in which relief is given to him by the Court.

Insurance

32.3. The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former Directors and Officers for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

### 33. **General Power**

General power

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

### 34. **Secrecy**

Secrecy

No member shall be entitled to visit any works of the Company without the permission of the Board or to require discovery of or any information respecting any detail of the Company's working, trading or any matter which is or may be in the nature of a secret, mystery of trade or secret process, which may relate to the conduct of the business of the Company and which in the opinion of the Directors, it will be inexpedient in the interest of the members of the Company to communicate to the public.

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Names, Signatures, Occupations, Addresses, and Father's names of Subscribers	Signature, Occupation, Address, and Father's Name of witness
<ol style="list-style-type: none"> <li>1. (Sd.) Mr. Rangaswamy Venkataswamy Naidu, S/o. Mr. Rangaswamy Naidu, Industrialist, Kamala Nilayam, Avanashi Road, Peelamedu, Coimbatore-641 004</li> <li>2. (Sd.) Mr. John Kunnenkeril John, S/o. Mr. K. John, Company Director, "Zareen", 1-A/1, Spur Tank Road, Madras-600 031.</li> <li>3. (Sd.) Mr. Jehangir Xaikhushru Clubwala, S/o. Mr. Kaikhushru M. Clubwala, Company Director, "Ardgowan", Chamber's Road, Madras -600 028.</li> <li>4. (Sd.) Mr. Barendra Prasad Ray, S/o. Mr. Barada Prasad Ray, Solicitor, 2A, Dhanada Ghose Street, Hatkhola, Calcutta-700 005.</li> <li>5. (Sd.) Mr. Ramasundara Naga Ratnam, S/o. Mr. U. S. Ramasundaram, Company Executive, 1, Boat Club Road, Madras-600 028.</li> <li>6. (Sd.) Mr. Kuthur Venkataraman Ramakrishnan, S/o. Mr. K. R. Venkataraman, Company Executive, 3, Boat Club Road, Madras-600 028.</li> <li>7. (Sd.) Mr. T. S. Chintamani, S/o. Mr. T.S.V. Chary, Company Executive, C-185, Royapettah High Road, Madras - 600 014.</li> </ol>	<p style="text-align: center;"><b>Witness to Signatures of Subscribers No. 1 to 7</b></p> <p style="text-align: center;">(sd) Mr. Mohajit Mookejee, Sao. Mr. Sarat Chandra Mookejee, Company Executive, 2-C, Boat Club III Avenue, Madras - 600 028.</p>

Dated the 15th day of September, 1975.

**ANNEXURE - I**  
**RESOLUTIONS**



THE COMPANIES ACT, 1956

COMPANY LIMITED BY SHARES

ORDINARY/SPECIAL RESOLUTIONS

(Pursuant to the Companies Act, 1956, Sections 17 & 31)

**E.I.D. - PARRY (INDIA) LIMITED**

RESOLUTIONS PASSED ON 12TH DECEMBER, 1975

At an Extraordinary General Meeting of the Members of the above named Company, duly convened and held at 'Dare House', Parry's Corner, Madras - 600 001, on Friday, the 12th December, 1975, the following Resolutions were duly passed:-

**ORDINARY RESOLUTION**

RESOLVED that the Authorised Capital of this Company be increased from Rs. 140 divided into 7 Equity Shares of Rs.10 each and 7 11% Redeemable Cumulative Preference Shares of Rs.10 each to Rs. 700 divided into 63 Equity Shares of Rs. 10 each and 7 11% Redeemable Cumulative Preference Shares of Rs.10 each.

**SPECIAL RESOLUTION**

RESOLVED that Clause (1) of Article 4 of the Articles of Association of the Company be deleted and the following Clause be substituted in place thereof.

“4. (1) At the date of adoption of this Article the Share Capital of the Company is Rs.700 divided into 63 Equity Shares of Rs.10 each and 7 11% Redeemable Cumulative Preference Shares of Rs. 10 each.”

**R. VENKATASWAMY NAIDU**

Chairman

## **E.I.D. - PARRY (INDIA) LIMITED**

### **SPECIAL RESOLUTIONS PASSED ON 22ND JANUARY, 1976**

(Pursuant to the Companies Act, 1956, Section 31)

At an Extraordinary General Meeting of the Members of the above named Company, duly convened and held at “Dare House”, Parry’s Corner, Madras - 600 001, on Thursday, the 22nd January, 1976, the following Special Resolutions were duly passed: -

#### **SPECIAL RESOLUTION No. 1**

“RESOLVED that the Articles of Association of the Company be altered by deleting from the first sentence of Article 14 (2) the words “but, in respect of each additional Certificate which does not comprise shares in lots of market units of trading, the Board may charge a fee of Rs. 2 or such lesser sum as it may determine.”

#### **SPECIAL RESOLUTION No. 2**

“RESOLVED that the Articles of Association of the Company be altered by deleting from Article 14 (3) the final sentence thereof, as follows:

‘For every certificate issued under this Article (except when issued on a sub-division or consolidation of share certificates into lots of the market unit or in replacement of those which are old, decrepit, worn-out or where the cages on the reverse for recording transfers have been fully utilised) the Board may charge a fee of not exceeding Rs. 2 together with such out-of-pocket expenses incurred by the Company in investigating evidence as it may determine’.”

#### **SPECIAL RESOLUTION No. 3**

“RESOLVED that the Articles of Association of the Company be altered by deleting from Article 57 the words “one-fifth” and inserting in lieu thereof the words “one-third”.

#### **SPECIAL RESOLUTION No. 4**

“RESOLVED that the Articles of Association of the Company be altered by inserting at the end of Article 163 the words “provided that any notice or other document addressed to a member whose name appears in a Foreign Register maintained by the Company under Article 129 (5) shall be posted either in the country in which such Register is maintained or by air mail from India.”

#### **SPECIAL RESOLUTION No. 5**

“RESOLVED that the Articles of Association of the Company be altered by inserting in Article 169 immediately after the words “some newspapers circulating in the district in which the Office is situate” the words “and a leading London daily newspaper”.

**R. VENKATASWAMY NAIDU**

Chairman

## **E.I.D.- PARRY (INDIA) LIMITED**

### **RESOLUTIONS PASSED ON 1ST MARCH, 1976**

(Pursuant to the Companies Act, 1956, Sections 17 and 31)

At an Extraordinary General Meeting of the Members of the above named Company, duly convened and held at "Dare House", Parry's Corner, Madras - 600 001, on Monday, the 1st March, 1976, the following Resolutions were passed:

#### **ORDINARY RESOLUTION**

"RESOLVED that the Authorised share capital of the Company be increased from Rs. 700 divided into 63 Equity Shares of Rs. 10 each and 7 11 percent. Redeemable Cumulative Preference Shares of Rs. 10 each to Rs. 6,68,11,690 divided into 62,81,169 Equity Shares of Rs.10 each and 4,00,000 11 percent. Redeemable Cumulative Preference Shares of Rs.10 each.

#### **SPECIAL RESOLUTION**

"RESOLVED that clause (1) of Article 4 of the Articles of Association of the Company be deleted and the following clause be substituted in place thereof:

- "4. (1) At the date of adoption of this Article, the share capital of the Company is Rs. 6,68,11,690 divided into 62,81,169 Equity Shares of Rs. 10 each and 4,00,000 11 percent. Redeemable Cumulative Preference Shares of Rs.10 each".

**R. VENKATASWAMY NAIDU**

Chairman.

## **E.I.D. - PARRY (INDIA) LIMITED**

### **SPECIAL RESOLUTION PASSED ON 26TH MAY, 1976**

(Pursuant to Section 31 of the Companies Act, 1956)

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“RESOLVED that the Company’s Articles of Association be and they are amended as follows:-

- (i) By deleting from Article 1 the definition of the word “Register” and by substituting therefor the following new definition:

“Register” means the Register of Members to be kept pursuant to Section 150 of the Act or, as the case may require, any Foreign Register of Members kept by the Company pursuant to the provisions of the Articles.

- (ii) By deleting from Article 1 the definition of the word “Seal” and by substituting therefor the following new definition:

“Seal” means the Common Seal of the Company or, as the case may require, the official Seal adopted for the use of the Company abroad pursuant to the Act.

- (in). By inserting the following immediately after sub-clause (a) to Clause 2 in Article 4:

“Notwithstanding anything contained hereinabove, the Redeemable Preference shares to be issued by the Company pursuant to the Scheme of Arrangement and Amalgamation involving the transfer of the undertaking of E.I.D. - Parry Ltd. to the Company (hereinafter called “the Scheme”) shall entitle the holders thereof to dividends as if the same were paid up in full and allotted from and including the Transfer Date as defined in the Scheme.”

- (iv) By inserting in Article 41 immediately after the words “the office” the words “or in the case of an instrument of transfer relating to shares registered on a Foreign Register, at the place where the Foreign Register relating to the shares comprised therein is for the time being kept”.

**R. VENKATASWAMY NAIDU**

Chairman

## **E.I.D. - PARRY (INDIA) LIMITED**

### **SPECIAL RESOLUTIONS PASSED ON 29TH JUNE, 1979**

(Pursuant to the Companies Act, 1956, Sections 17 and 31)

At an Annual General Meeting of the Members of the above named Company, duly convened and held at “Taj Coromandel Hotel”, Nungambakkam High Road, Madras - 600 034 on Friday, the 29th June 1979, the following Resolutions were duly passed:-

#### **SPECIAL RESOLUTION**

“RESOLVED that clause V of the Memorandum of Association be altered as follows:

That the existing Authorised Share Capital of the Company be and is hereby increased to Rs. 8,68,11,690 consisting of 82,81,169 Equity Shares of Rs.10 each and 4,00,000 11% Redeemable Cumulative Preference Shares of Rs. 10 each of which 20,00,000 Equity Shares of Rs.10 each now created will rank pari passu with the existing Equity Shares of the Company.”

#### **SPECIAL RESOLUTION**

“RESOLVED that the Articles of Association of the Company be altered in the manner following by deletion of Article 4 (1) and substitution therefor of the following Article:

“The Share Capital of the Company is Rs.8,68,11,690 divided into 82,81,169 Equity Shares of Rs, 10 each and 4,00,000 11% Redeemable Cumulative Preference Shares of Rs. 10 each.”

#### **SPECIAL RESOLUTION**

“RESOLVED that pursuant to Sections 258 and 259 and other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of the Central Government, the maximum number of Directors of the Company prescribed under Article 88 of the Articles of Association of the Company be increased from 12 to 17.”

Note: The maximum number of Directors has since been fixed as 15 by the Central Government vide its Order Number 1 (323) CL VIII/79, dated 2-8-1979.

#### **SPECIAL RESOLUTION**

“RESOLVED that Article 90 of the Articles of Association of the Company shall be deleted and substituted by the following new Article:

“Notwithstanding anything to the contrary contained in these Articles, so long as any monies remain owing by the Company to the Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFC1), industrial Credit and Investment Corporation of India Limited (ICIC1), Life Insurance Corporation of India (LIC) and State Bank of India (SBI) (hereinafter referred to as “the Corporation”) advancing monies to the Company by way of term loan (other than temporary loans as defined in Section 293 (1) (d) of The Companies Act, 1956 availed from the Company’s Bankers) and/or so long as any liability of the Company arising out of any guarantee (other than guarantees provided by the Company’s Bankers in the ordinary course of business} furnished by the Corporation on behalf of the Company remain outstanding, the Corporation shall, subject to the terms of the loan agreements/ heads of agreements/ letters of sanction/memorandum of terms and conditions, have the right to appoint from time to time any person or persons as a director or directors, Wholtime or non-Wholtime (which director or directors is /are hereinafter referred to as nominee director/s) on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their place/s.

The Board of Directors of the Company shall have no power to remove from Office the Nominee Director/s. At the option of the Corporation such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

The Nominee Director/s so appointed by the Corporation shall hold the office only so long as any monies remain owing by the Company to the Corporation out of the term loan or liability of the Company arising out of any guarantee (other than guarantees provided by the Company's Bankers in the ordinary course of business) is outstanding and the Nominee Director/s so appointed in exercise of the said powers shall ipso facto vacate such office immediately any monies owing by the Company to the Corporation are paid off or on the satisfaction of the liability of the Company arising out of any guarantee (other than guarantees provided by the Company's Bankers in the ordinary course of business) furnished by the Corporation.

The Nominee Director/s appointed under the Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and of the Meetings of the Committees of which the Nominee Director/s is/are member(s) as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes.

The Company shall pay to the Nominee Director(s) sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees, commission, monies or remuneration in any form is payable to the Directors of the Company, the fees, commission, monies and remuneration in relation to such Nominee Director/s shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any expenses, that may be incurred by the Corporation or such Nominee Director/s in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Director/s.

Provided that if any such Nominee Director/s is an Officer of the Corporation the sitting fees, in relation to such Nominee Director/s shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation.

Provided also that in the event of the Nominee Director/s being appointed as Wholetime Director/s such Nominee Director/s shall exercise such powers and duties as may be approved by the Corporation and have such rights as are usually exercised or available to Wholetime Director, in the management of the affairs of the Company. Such Nominee Director/s shall be entitled to receive such remuneration, fees, commission and monies as may be approved by the Corporation."

**R. VENKATASWAMY NAIDU**

Chairman

## **E.I.D. - PARRY (INDIA) LIMITED**

### **RESOLUTIONS PASSED ON 21ST SEPTEMBER, 1983**

(Pursuant to the Companies Act, 1956, Sections 17 & 31)

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At the Annual General Meeting of the members of the above named Company, duly convened and held at Rani Seethai Hall, 603, Anna Salai, Madras - 600 006 on Wednesday, the 21st September, 1983, the following Resolutions were passed :

#### **ORDINARY RESOLUTION**

“RESOLVED that Clause V of the Memorandum of Association of the Company be amended in the manner set out below :

For the figures and words, 4,00,000 - 11% Redeemable Cumulative Preference Shares of Rs. 10 each the figures and words 40,000 - 11% Redeemable Cumulative Preference Shares of Rs. 100 each be substituted”.

#### **SPECIAL RESOLUTION**

“RESOLVED that Article 4 (1) of the Articles of Association of the Company be substituted by the following Article:

The Capital of the Company is Rs.8,68,11,690 divided into 82,81,169 Equity Shares of Rs.10 each and 40,000 - 11% Redeemable Cumulative Preference Shares of Rs.100 each.”

#### **SPECIAL RESOLUTION**

“38A. The Directors shall not accept application for transfer of less than 10 (Ten) Equity Shares/ 5 (five) Preference Shares of the Company, provided however, that this restriction shall not apply to:

- (a) The transfer of Equity Shares/Preference Shares made in pursuance of statutory provision or an order of a Court of Law;
- (b) The transfer of the entire Equity/Preference Shares by an existing Equity/Preference Shareholder of the Company, holding less than 10 (Ten) Equity Shares/5 (five) Preference Shares by a single transfer to a single or joint names;
- (c) The transfer of more than 10 (Ten) Equity Shares/5 (five) Preference Shares in the aggregate in favour of the same transferee under two or more transfer deeds, out of which, one or more relates to the transfer of less than 10 (ten) Equity Shares/5 (five) Preference Shares;

Provided that where a person is holding shares in lots higher than the market trading unit and sells the market trading unit, the resulting shares even though less than ten/five in number shall be permissible to stand in his own name.”

**M. V. ARUNACHALAM**

Chairman

## **E.I.D - PARRY (INDIA) LIMITED**

### **RESOLUTION PASSED ON 12TH NOVEMBER, 1986**

(Pursuant to the Companies Act, 1956, Section 31)

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At the Annual General Meeting of the members of the above named Company, duly convened and held at Rani Seethai Hall, 603, Anna Salai, Madras - 600 006 on Wednesday, the 12th November, 1986, the following Resolution was passed.

#### **SPECIAL RESOLUTION**

“RESOLVED that Article 90 of the Articles of Association of the Company be altered by inserting the words ‘Industrial Reconstruction Bank of India’ (IRBI) immediately after the words ‘State Bank of India’ (SBI) and before the words (hereinafter referred to as “the Corporation”) appearing in the Article.”

**M. V. ARUNACHALAM**

Chairman

## **E.I.D - PARRY (INDIA) LIMITED**

RESOLUTION PASSED ON 7TH DECEMBER, 1988

(Pursuant to the Companies Act, 1956, Section 31)

At the Annual General Meeting of the members of the above named Company, duly convened and held at Sathguru Gnanananda Hall, 254, T. T. K. Road, Alwarpet, Madras - 600 018 on Wednesday, the 7th December, 1988, the following Resolution was passed:

### **SPECIAL RESOLUTION**

“RESOLVED that Article 92 of the Articles of Association of the Company be deleted and the following be substituted therefor viz.

92. Each Director shall be entitled to receive out of the funds of the Company for his services in attending meetings of the Board or a Committee of the Board such sums of fees, which shall not exceed the sum as may be prescribed under the Act or by the Central Government from time to time for each meeting of the Board or a Committee of the Board attended by him. All other remuneration, if any, payable by the Company to each Director whether in respect of his services as a Managing Director or a Director in the Wholetime or part time employment of the Company shall be determined in accordance with and subject to the provisions of these Articles and of the Act. The Directors shall be entitled to be paid their reasonable travelling, hotel and other expenses incurred in attending and returning from Board and Committee meetings or otherwise incurred in the execution of their duties as Directors.”

**M. V. ARUNACHALAM**

Chairman

## **E.I.D. - PARRY (INDIA) LIMITED**

### **RESOLUTION PASSED ON 4TH DECEMBER, 1989**

(Pursuant to the Companies Act, 1956, Section 31)

At the Annual General Meeting of the members of the above named Company, duly convened and held at Sathguru Gnanananda Hall, 254, T.T.K. Road, Alwarpet, Madras - 600 018 on Monday, the 4th December, 1989, the following Resolution was passed:

#### **SPECIAL RESOLUTION**

“RESOLVED that the Articles of Association of the Company be amended in the manner following viz:

(a) The existing Article 74 be deleted and the following Article be substituted therefor:

“74. At any general meeting, unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman of his own motion or by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution in question not being less than one-tenth of the total voting power in respect of such resolution, or on which an aggregate sum of not less than Rs. 50,000 has been paid up, a declaration by the Chairman that the resolution has or has not been carried, or has or has not been carried either unanimously, or by a particular majority, and an entry to that effect in the book containing the Minutes of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of, or against the resolution.”

(b) The following new Article be added as Article 105A after the existing Article 105:

“105A. No person not being a retiring Director shall be eligible for appointment to the office of Director at any general meeting unless he or some member intending to propose him, has not less than fourteen days before the meeting, left at the office a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member to propose him as a candidate for that office as the case may be, along with a deposit of Rupees five hundred which shall be refunded to such person or as the case may be to such member if the person succeeds in getting elected as a Director. The Company shall inform its members of the candidature of a person for the office of Director or the intention of a member to propose such person as a candidate for that office, by serving individual notices on the members not less than seven days before the general meeting. Provided that it shall not be necessary for the Company to serve individual notices upon the members as aforesaid if the Company advertises such candidature or intention not less than seven days before the general meeting in atleast two newspapers circulating in the place where the office is located, of which one is published in the English language and the other in the regional language of that place.”

(c) The existing Article 158 be deleted and the following Article be substituted therefor:

“158. A copy of every Balance Sheet (including the Profit and Loss Account, the Auditor’s Report and every document required by Law to be annexed or attached to the Balance Sheet) or a Statement containing the salient features of such documents in the prescribed form, as the Company may deem fit, shall, as provided by Section 219 of the Act, not less than twenty one days before the date of the meeting, be sent to every member, every trustee for the holders of any debentures issued by the Company and other person to whom the same is required to be sent by the said Section.”

**M. V. ARUNACHALAM**

Chairman

## **E.I.D. - PARRY (INDIA) LIMITED**

### **RESOLUTION PASSED ON 10TH AUGUST, 1990**

(Pursuant to Section 31 of the Companies Act, 1956)

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At the Annual General Meeting of the members of the above named Company duly convened and held at Sathguru Gnanananda Hall, 254, T.T.K. Road, Alwarpet, Madras - 600 018 on Friday, the 10th August, 1990, the following Resolution was passed:

#### **SPECIAL RESOLUTION**

“RESOLVED that the Articles of Association of the Company be amended in the manner following: The following shall be added as Article 92-A after the existing Article 92.

92.A A Director who is neither in the Wholetime employment of the Company nor a Managing Director may be paid remuneration

either

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

or

(b) by way of commission if the Company by Special Resolution authorises such payment.

Provided that the remuneration paid to such Director, or where there is more than one such Director, to all of them together shall not exceed

(i) one percent of the net profits of the Company, if the Company has a Managing or Wholetime Director or a Manager;

(ii) three percent of the net profits of the Company, in any other case.

Provided further that the Company in General Meeting may, with the approval of the Central Government, authorise the payment of such remuneration at a rate exceeding one percent or, as the case may be, three percent of its net profits”.

**M. V. ARUNACHALAM**

Chairman

## **E.I.D, - PARRY (INDIA) LIMITED**

### **RESOLUTION PASSED ON 21ST AUGUST, 1991**

(Pursuant to Sections 17 & 31 of the Companies Act, 1956)

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At the Annual General Meeting of the members of the above named Company duly convened and held at Sathguru Gnanananda Hall, 254, T.T.K. Road, Alwarpet, Madras - 600 018 on Wednesday, the 21st August 1991, the following resolutions were passed:

#### **ORDINARY RESOLUTION**

“RESOLVED that Clause V of the Memorandum of Association of the Company be and is hereby amended as follows:

The figures and words Rs.8,68,11,690 divided into 82,81,169 Equity Shares of Rs. 10/- each and 40,000 11% Redeemable Cumulative Preference Shares of Rs. 100/- each occurring thereon, be substituted by the figures and words Rs.52,00,00,000 consisting of 5,20,00,000 Equity Shares of Rs.10/- each and the reference to preference shares be deleted.”

#### **SPECIAL RESOLUTION**

“RESOLVED that Article 4 (1) of the Articles of Association of the Company be substituted by the following Article :

- 4 (1): The Authorised Share Capital of the Company is Rs. 52,00,00,000 consisting of 5,20,00,000 Equity Shares of Rs. 10/- each.”

**M. V. ARUNACHALAM**

Chairman

## **E.I.D - PARRY (INDIA) LIMITED**

### **RESOLUTION PASSED ON 21ST MAY, 1992**

(Pursuant to Sections 17 & 31 of the Companies Act, 1956)

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At the Extra-Ordinary General Meeting of the members of the above named Company duly convened and held at Sathguru Gnanananda Hall, 254, T.T.K. Road, Alwarpet, Madras - 600 018 on Thursday, the 21st May 1992, the following resolutions were passed :

#### **ORDINARY RESOLUTION**

“RESOLVED that, subject to necessary approvals, Clause V of the Memorandum of Association of the Company be and is hereby amended as follows :

The figures and words Rs. 52,00,00,000/- consisting of 5,20,00,000 Equity Shares of Rs. 10/- each occurring thereon, be substituted by the figures and words as Rs. 52,00,00,000/- divided into 5,15,00,000 Equity Shares of Rs. 10/- each and 50,000 Redeemable Preference Shares of Rs. 100/- each.”

#### **SPECIAL RESOLUTION**

“RESOLVED that Article 4 (1) of the Articles of Association of the Company be substituted by the following Article :

- 4 (1): The Authorised Share Capital of the Company is Rs. 52,00,00,000/- divided into 5,15,00,000 Equity Shares of Rs. 10/- each and 50,000 Redeemable Preference Shares of Rs. 100/- each.”

#### **SPECIAL RESOLUTION**

“RESOLVED that subject to the confirmation of the Company Law Board and other necessary approvals, Clause III of the Memorandum of Association of the Company be and is hereby amended as follows :

The following item may be inserted as item 12A after existing item 12 in Clause III A.

12A. To carry on all or any business of manufacturers, designers, consultants, experts, buyers, sellers, hirers, renters, assemblers, repairers, exporters, importers, distributors, agents and dealers of all electrical, mechanical electromechanical and electronic components, equipments, subsystems, systems and materials required in industrial control applications, electronic circuits, entertainment electronic equipment, space research, railway equipment, alternate energy source systems, defence electronics, telecommunications industries, computer and allied industries, process control equipment, medical electronic equipment, avionic equipment, industrial and commercial ferrites, various electronic components like resistors, capacitors, connectors, switches, magnetic tapes, floppy discs, semiconductor devices, integrated circuits, display devices, TV picture tubes, microwave components, printed circuit boards, microphones and any other electronic, electrical, mechanical and electro mechanical components.”

**M. V. ARUNACHALAM**

Chairman

## **E.I.D. - PARRY (INDIA) LIMITED**

### **RESOLUTION PASSED ON 19TH JULY, 1993**

(Pursuant to Section 31 of the Companies Act, 1956)

At the Eighteenth Annual General Meeting of the members of the above named Company duly convened and held at Sathguru Gnanananda Hall, 254, T.T.K, Road, Alwarpet, Madras - 600 018 on Monday, the 19th July 1993, the following resolution was passed :

#### **SPECIAL RESOLUTION**

“RESOLVED that the Company’s Articles of Association be and they are hereby amended as follows:

- (i) The following sentence commencing after the word “name”, in line 2 of Article 14 (2) shall be deleted.

“or, if any member so wishes, to several certificates each for one or more of such shares”.

For the sentence commencing with “unless the conditions” in line 4 of Article 14 (2) and ending with “such shares” in line 13 the following shall be substituted.

“Unless prohibited by any provision of law or of any order of any court, tribunal or authority, the Company shall, within three months after the allotment of any of its shares, debentures or debenture stock and on surrender to the Company of its letter making the allotment or of its fractional coupons of requisite value (save in the case of issue against letters of acceptance or of renunciation or in case of issue of bonus shares) and within two months after the application for the registration of the transfer of any such shares, debentures or debenture stock, subdivision, consolidation or renewal of any of its shares, as the case may be, deliver, as per the provisions of Section 53 of the Companies Act, 1956, the certificates of all shares, debentures and certificates of debenture stocks allotted or transferred”.

- (ii) By inserting the following as Clause (2A) after the existing Clause 2 of Article 14.

(2A) “The Board of Directors be and are hereby authorised not to accept applications for subdivision or consolidation of shares into denomination of less than fifty except when such a subdivision or consolidation is required to be made to comply with a statutory order or an order of a Court of Law, tribunal or authority, or a request from a member to convert his holdings of odd lots of shares into transferable/ marketable lots, subject, however, to verification by the Company and except in the case of succession/ inheritance by the legal heirs of a deceased shareholder”.

- (iii) By substituting the following Article for the existing Article 17 (1).

17 (1) “if the sum payable in respect of any call or instalment be not paid on or before the day appointed for payment thereof, the holder for the time being in respect of the share/debenture for which the call shall have been made or the instalment shall be due, shall pay interest for the same at the rate as may be determined by the Board from time to time, from the day appointed for the payment thereof to the time of the actual payment”.

**M. V. ARUNACHALAM**

Chairman

## **E.I.D. - PARRY (INDIA) LIMITED**

### **RESOLUTION PASSED ON 19TH DECEMBER, 1994**

(Pursuant to Section 17 of the Companies Act, 1956)

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At the Extraordinary General Meeting of the members of the above named Company duly convened and held at Hotel New Woodlands (P) Ltd., 72-75, Dr. Radhakrishnan Salai, Mylapore, Madras - 600 004, on Monday, the 19th December 1994, the following resolution was passed :

#### **SPECIAL RESOLUTION**

“RESOLVED THAT pursuant to the provisions of Section 17 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactments thereof, for the time being in force), and as may be enacted from time to time and subject to the confirmation by the Company Law Board, the Memorandum of Association of the Company be and is hereby altered and extended by inserting the following sub-clause as new sub-clause (8) of Clause III C of the Memorandum of Association of the Company.

- (8) To carry on the business of setting up and operating facilities for generation /cogeneration / distribution of all forms of energy including electric power”.

**M. V. ARUNACHALAM**

Chairman

## **E.I.D. - PARRY (INDIA) LIMITED**

### **RESOLUTIONS PASSED ON 9TH AUGUST 1995**

(Pursuant to Section 17 & 31 of the Companies Act, 1956)

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At the Annual General Meeting of the members of the above named Company duly convened and held at Hotel New Woodlands (P) Ltd., 72-75, Dr. Radhakrishnan Salai, Mylapore, Madras - 600 004, on Wednesday, the 9th August 1995, the following Resolutions were passed :

#### **ORDINARY RESOLUTION**

“RESOLVED that subject to necessary approvals, Clause V of the Memorandum of Association of the Company be and is hereby amended as follows:

The figures and words “Rs. 52,00,00,000 divided into 5,15,00,000 Equity Shares of Rs. 10 each and 50,000 Redeemable Preference Shares of Rs. 100 each” occurring thereon be substituted with the figures and words “Rs. 101,50,00,000 divided into 5,15,00,000 Equity Shares of Rs. 10 each and 50,00,000 Redeemable Preference Shares of Rs. 100 each.”

#### **SPECIAL RESOLUTION**

“RESOLVED that the Articles of Association of the Company be amended in the manner following :

- (i) Article 4 (1) of the Articles of Association of the Company be substituted by the following Article:

The Authorised Share Capital of the Company is Rs. 101,50,00,000 divided into 5,15,00,000 Equity Shares of Rs. 10 each and 50,00,000 Redeemable Preference Shares of Rs. 100 each.

- (ii) in Article 4 (2) (a) in lines 3 and 4 the words and figures “fixed cumulative preferential dividend at the rate of 11 percent per annum” occurring thereon be substituted with the words “fixed cumulative preferential dividend at such rate as may be determined by the Board from time to time.”
- (iii) In Article 4 (2) (b) in line 2 for the words “and at any time after the expiration of ten years” the following words shall be substituted: “and at any time as may be determined by the Board”.

**M. V. ARUNACHALAM**

Chairman

## **E.I.D. PARRY (INDIA) LIMITED**

### **RESOLUTIONS PASSED ON 28TH JULY 1999**

(Pursuant to Sections 17 and 31 of the Companies Act, 1956)

At the Annual General Meeting of the members of the above named Company duly convened and held at Hotel New Woodlands (P) Ltd., 72-75, Dr. Radhakrishnan Salai, Mylapore, Chennai- 600 004, on Wednesday, the 28th July 1999, the following resolutions were passed:

#### **SPECIAL RESOLUTION**

“RESOLVED that pursuant to Section 17 and all other applicable provisions, if any, of the Companies Act, 1956 and other necessary approvals, if any, the Memorandum of Association of the Company be and is hereby altered by substituting the following as Sub-Clause 10 of Clause III (B) of the Memorandum of Association of the Company.

##### **INVESTMENT**

- (10) To invest any moneys of the Company in such investments as may be thought proper and to hold, sell or otherwise deal with such investment.”

#### **SPECIAL RESOLUTION**

“RESOLVED that pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 (including any Statutory modification or re-enactment thereof for the time being in force, the Articles of Association of the Company be and they are hereby amended as follows :

- A) That the existing Article 3 of the Articles of Association of the Company be deleted and the following be substituted therefor under the heading ‘Buy back of Company’s Shares’.
3. Subject to such provisions of the Act and all other applicable provisions of law, as may be in force for the time being and from time to time, the Company may purchase and / or buy back its own shares and /or any other securities at such price and on such terms and conditions as the Board of Directors may in their discretion deem fit and proper and make the payment for such Shares and / or any other securities which shall be extinguished.
- B) Insert the following Heading and Article along with marginal notes as Article 5 A after Article 5.

##### **DEMATERIALISATION OF SECURITIES**

5A 1) For the purpose of this Article;

“Beneficial Owner” shall mean beneficial owner as defined in Clause (a) of Sub-Section (1) of Section 2 of the Depositories Act, 1996.

“Depositories Act” means the Depositories Act, 1996, and shall include any statutory modification or re-enactment thereof for the time being in force.

“Depository” shall mean a Depository as defined under Clause (e) of Sub-Section (1) of Section 2 of the Depositories Act, 1996.

“Member” means the duly registered holder, from time to time, of the shares of the Company and includes every person whose name is entered as a Beneficial Owner in the records of the Depository.

“SEBI” means the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992.

“Security” shall mean such security as may be specified by SEBI.

Words and expressions used and not defined in this Act but defined in the Depositories Act, 1996 shall have the same meanings respectively assigned to them in that Act.

Recognition of interest  
in Securities under  
Depositories Act.

2. Either the Company or the investor may exercise an option to issue, deal in, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialised, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto, shall be governed by the provisions of the Depositories Act, as amended from time to time or any statutory modification thereto or re-enactment thereof.

Dematerialisation/  
Rematerialisation of  
Securities

3. The Company shall be entitled to dematerialise its existing shares, debentures and other securities, rematerialise its shares, debentures and other securities held in the Depositories and/or offer its fresh shares and debentures and other securities in a dematerialised form pursuant to the Depositories Act, and the Rules framed thereunder, if any.

Option for investors

4. Every person subscribing to or holding securities offered by the Company shall have the option to receive security certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of the securities can at any time opt out of a Depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates of Securities.

If a person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the beneficial owner of the security.

Securities in Depositories to  
be in fungible form

5. All securities held by a Depository shall be dematerialised and be in fungible form.

Rights of Depositories and  
Beneficial Owners

6. (a) Notwithstanding anything to the contrary contained in these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the Beneficial Owner.  
(b) Save as otherwise provided in (a) above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.  
(c) Every person holding securities of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall

be deemed to be a Member of the Company. The Beneficial Owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a Depository.

Provisions of Articles to apply to shares held in Depository

7. Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depositories Act.

Progressive numbers

8. The shares in the capital shall be numbered progressively according to their several denominations, provided however, that the provision relating to progressive numbering shall not apply to the shares of the Company which are dematerialised or may be dematerialised in future or issued in future in dematerialised form.

Register and Index of Members

9. The Company shall cause to be kept a Register and Index of Members and a Register and Index of Debentureholders in accordance with all applicable provisions of the Companies Act, 1956 and the Depositories Act, with details of shares and Debentures held in material and dematerial forms in any media as may be permitted by law, including in any form of electronic media. The Register and Index of Beneficial Owners maintained by a Depository under the Depositories Act, shall be deemed to be the Register and Index of Members and security holders for the purposes of these Articles. The Company shall be entitled to keep in any State or Country outside India a Branch Register of Members Resident in that State or Country.

Beneficial Owner deemed as absolute owner

10. Except as ordered by a Court of competent jurisdiction or as required by law, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share or where the name appears as the Beneficial Owner of shares in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognise any benami trust or equitable, contingent, future or partial interest in any share or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles on the part of any other person whether or not it has express or implied notice thereof, but the Board shall be entitled at their sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.

**M.V. SUBBIAH**

Chairman & Managing Director

## **E.I.D. - PARRY (INDIA) LIMITED**

### **RESOLUTIONS PASSED ON 12TH JANUARY 2004**

(Pursuant to Sections 31 & 17 of the Companies Act, 1956)

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At the Extraordinary General Meeting of the members of the above-named Company duly convened and held at The Music Academy, 168 TTK Road, Chennai- 600 014; on Monday, the 12th January 2004, the following resolutions were passed:

#### **SPECIAL RESOLUTION**

“RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be altered as follows:

- (a) The existing Article 53 be substituted with the following Article:

Reduction of Capital etc.

- 1) The Company may, by a Special Resolution, reduce in any manner, subject to any authorisations and approvals required under law:
  - a) its share capital;
  - b) any Capital Redemption Reserve Account; or
  - c) any Securities Premium Account
- 2) In the accounts/books of the Company, the words “Share Premium Account” shall be substituted with the words “Securities Premium Account.”
- 3) Notwithstanding anything contained in Clause (1) above, any amounts standing to the credit of the Securities Premium Account may also be utilised, other than for capitalisation, for any of the purposes in accordance with the provisions of law.

- (b) In Article 136-

For the words “Share Premium Account” wherever they occur, the words “Securities Premium Account” shall be substituted.”

#### **SPECIAL RESOLUTION**

“RESOLVED THAT pursuant to Section 17 and all other applicable provisions, if any, of the Companies Act, 1956 and subject to such other approvals as may be necessary, the Memorandum of Association of the Company be and is hereby altered by inserting the following as Sub Clauses (3) (A) and (B) of Clause 10 (C) of the Memorandum of Association of the Company.”

- (3) (A) To carry on the business of manufacturers, importers, exporters, buyers, sellers, agents of and dealers in plastics, polymers, polyethylenes, polyesters, polyamides, rubbers, foams, chemicals, metals etc. These products could be blown, extruded, oriented, formed, knitted, clipped, laminated, woven, moulded, stitched, bonded, heat set etc. Also derivatives, by-products, related products made of these or similar material, and to provide consultancy and other services related to above.

- (B) To carry on the business of manufacturers, consultants, importers, contractors, exporters, buyers, sellers, agents of and dealers in all products related to construction of roads, airports, runways., highways, expressways, flyovers, embankments, rail tracks, slope stabilisation, erosion control, waste management landfills, reservoirs and other civil engineering construction activities.

**M.V. SUBBIAH**  
Executive Chairman

## **E.I.D. - PARRY (INDIA) LIMITED**

### **RESOLUTIONS PASSED ON 28TH APRIL 2005**

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At the meeting held on Thursday, the 28<sup>th</sup> April, 2005 at 3.15 p.m. at Dare House, Parrys Corner, Chennai - 600 001 relating to declaration of the result on the voting by Postal Ballot conducted pursuant to Section 192A of the Companies Act, 1956 (Act) on the Special Resolution under Section 94 of the said Act as set out in the Notice dated March 21, 2005 pursuant to Section 192A (2) of the Act the following Resolutions were recorded.

#### **SPECIAL RESOLUTION**

“RESOLVED that pursuant to the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 1956 (“the Act”) and the provisions of Article 54 of the Articles of Association of the Company and subject to the approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities or bodies, (a) each of the 5,15,00,000 equity shares of the nominal value of Rs.10/-each in the Authorised Share Capital of the Company be sub-divided into 25,75,00,000 equity shares of Rs. 2/- each AND THAT Clause V (being Capital Clause) of the Memorandum of Association and Article 4 of the Articles of Association of the Company relating to equity shares be altered accordingly.

RESOLVED FURTHER that the Board of Directors of the Company (“the Board”, which expression shall also include a Committee thereof) be and they are hereby authorised to issue new share certificates representing the sub-divided equity shares with new distinctive numbers, consequent to the sub-division of shares as aforesaid and /or credit the shareholders’ accounts maintained with the Depositories, subject to the rules as laid down in the Companies (Issue of Share Certificates) Rules, 1960, and the Articles of Association of the Company and to inform the Depositories and the Registrar and Transfer Agents of the Company and execute all such documents, instruments and writings as may be required in this connection and to delegate all or any of the powers herein vested in the Board, to any Committee thereof or to any Director(s) or Company Secretary, to give effect to the aforesaid resolution.”

**S.M. DATTA**

Chairman

## **E.I.D.- PARRY (INDIA) LIMITED**

### **RESOLUTIONS PASSED ON 6<sup>TH</sup> DECEMBER 2010**

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At the deemed meeting held on Monday, the 6<sup>th</sup> December, 2010 at 3.00 p.m at “Dare House”, 234, N.S.C. Bose Road, Parrys Corner, Chennai - 600 001 relating to declaration of the results on the voting of Postal Ballot conducted pursuant to Section 192A of the Companies Act, 1956 (Act) on the Special Resolution under Section 94 of the Act for sub-division of equity shares and on the Special Resolution pursuant to Sections 16 and 31 of the Act for consequential alterations in the Memorandum of Association and Articles of Association of the Company as set out in the notice dated 25th October, 2010 the following Resolutions were recorded.

#### **SPECIAL RESOLUTIONS**

1. **“RESOLVED** that pursuant to the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or reenactment thereof for the time being in force) read with Article 54 of the Articles of Association of the Company and subject to the approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities or bodies, each of the 25,75,00,000 equity shares of the nominal value of Rs.2/- each in the Authorised Share Capital of the Company be and is hereby sub-divided into 51,50,00,000 equity shares of Re.1/- each AND THAT Clause V (being Capital Clause) of the Memorandum of Association and Article 4 (1) of the Articles of Association of the Company relating to equity shares be altered accordingly.

**RESOLVED FURTHER** that the Board of Directors of the Company (“the Board”, which expression shall also include a Committee thereof) be and they are hereby authorised to do all such acts, deeds, matters and things including calling back existing share certificates, issue of new share certificates to the members, representing the sub-divided equity shares with new distinctive numbers, consequent to the sub-division of shares as aforesaid, and if so decided, without seeking surrender of old share certificates, and /or credit the shareholders’ accounts maintained with the Depositories, subject to the rules as laid down in the Companies (Issue of Share Certificates) Rules, 1960, and the Articles of Association of the Company and to inform the Depositories and the Registrar and Transfer Agents of the Company and execute all such documents, instruments and writings as may be required in this connection and to delegate all or any of the powers herein vested in the Board, to any Committee thereof or to any Directors) or Company Secretary, to give effect to the aforesaid resolution.”

2. **“RESOLVED** that the following amendments be and are hereby made in the Memorandum and Articles of Association of the Company:

- a) That Clause V of the Memorandum of Association of the Company shall be substituted by the following:

“The Authorised Share Capital of the Company is Rs. 101,50,00,000 divided into 51,50,00,000 Equity Shares of Re.1 each and 50,00,000 Redeemable Preference Shares of Rs.100 each, with the rights, privileges and conditions attaching thereto as are provided by the regulations of the Company for the time being, with power to increase and reduce the Capital of the Company and to divide the shares in the Capital for the time being into several classes and to attach thereto respectively

such preferential rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company”.

- b) That the present Article 4 (1) of the Articles of Association of the Company shall be substituted by the following:

“The Authorised Share Capital of the Company is Rs. 101,50,00,000 divided into 51,50,00,000 Equity Shares of Re.1 each and 50,00,000 Redeemable Preference Shares of Rs.100 each”.

**R.A.SAVOOR**  
**CHAIRMAN OF THE DEEMED MEETING**

## **E.I.D. - PARRY (INDIA) LIMITED**

### **RESOLUTIONS PASSED ON AUGUST 05, 2020**

At the Annual General Meeting (e-AGM) of the Members, duly convened and held on Friday, the August 05, 2020 through Video Conferencing (VC) or Other Audio Visual means (OAVM) the following Special Resolutions pursuant to Sections 4 & 13 of the Companies Act, 2013 for amendment of the object clause of the Memorandum of Association of the Company as set out in the notice dated June 11, 2020 were passed:-

#### **SPECIAL RESOLUTION**

**"RESOLVED THAT** pursuant to the provisions of Sections 4, 13 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Companies (Incorporation) Rules 2014 (including any statutory modification or re-enactment thereof, for the time being in force), consent of the Shareholders of the Company be and is hereby accorded, subject to all necessary statutory or regulatory approvals, permissions, consents and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board"), to amend the Object clause of the Memorandum of Association of the Company by inserting Clause No.2A after existing Clause 2 and Clause 13,14 and 15 after the existing Clause 12 as detailed below and the remaining clauses be re-numbered accordingly.

#### **2A. Use of Sugar by-products for various purposes**

- (i) To purchase, manufacture, produce, boil, refine, prepare, brew, import, export, buy, sell and generally to deal in all varieties of sugar, sugar candy, jaggery, khandsari sugar, sugar beat, sugar cane, molasses, syrups, alcohol, spirits and all products and by-products thereof such as confectionery, glucose, bagasse, bagasse boards, bagasse dry fodder block, mulching sheet, paper, paper pulp, butyl alcohol, acetone, carbon-di-oxide, hydrogen, potash, cane wax, fertilizers, cattle feed and food products.
- (ii) To manufacture, trade, buy, sell, exploit or deal in all by-products and products of whatever nature derived from the process of manufacture of sugar and from the byproducts thereof including to carry on the business of lignin, cellulose and hemicellulose, bio gas, omega 3 fatty acids, sanitary wears, growing mediums and hydroponics, bio plastic, windows, doors, heels and holds, furniture, bricks, packaging solutions as well as environmentally friendly and smart disposable tableware.
- (iii) To manufacture, produce, refine, purchase, sell, prepare, import, export and generally to deal in all kind of alcohol, spirits and liquor whether for human consumption or use in any manner or for industrial use or as fuel or otherwise including ethanol, rectified spirit, citric acid, vinegar, acetic acid, ethyl acetate, acetal dehyde, carbonic acid, sanitizer, disinfectants, yeast sludge, gas, dry ice and to acquire, erect, construct, establish operate and maintain distilleries and other works.
- (iv) To purchase sugarcane, sorghum, sugar beet, sago, palmyra juice and other crops and raw materials used in the manufacture of sugar and its products and by- products and for other businesses and to cultivate whether by itself or through others by contract or otherwise various crops and to engage in business of all activities pertaining thereto including,

irrigation, pest control, harvesting, transportation, research and development from inception till the sale of the Products, if any, manufactured there from or otherwise.

- (v) To carry on in India or elsewhere the business of generation, transmission, distribution of power and energy in any manner by acquisition or establishment, operation and maintenance of Power Plants of all kinds, both conventional and nonconventional (including those based on bio-mass, bio-gas, co-generation, hydro etc.); wheeling and banking of power, purchase and sale of power and trading power, transmission and distribution infrastructure.

### 13. Real Estate, Land Development

- (i) To carry on the business(es) of dealing in real estate, property development and without limiting to the generality of the above, to acquire by purchase, exchange, rent or otherwise deal either individually or through its subsidiaries or Special Purpose Vehicle (SPVs) formed directly or indirectly or as joint venture with any company/ firm / individual / consultant / public sector undertaking / government department / statutory bodies whether local or foreign in lands, buildings and hereditaments or any estate or interest therein and any rights over or connected with lands so situated and to turn the same to account in any way as may be deemed expedient and in particular by laying out, developing or assist in developing, preparing land for building and preparing building sites by planting, paving and drawing.
- (ii) To carry on the business of contractors, builders, town planners, infrastructure developers, estate developers and engineers, land developers, land scapers, estate agents, immovable property dealers and to buy, acquire, purchase, hire or otherwise lands, buildings, civil works immovable property of any tenure or any interest in the same and to erect and construct, houses, flats, bungalows, kothis or civil work of every type on the land of the Company or any other land or immovable property whether belonging to the Company or not and to pull down, rebuild, enlarge, alter and other conveniences and to deal with and improve, property of the Company or any other immovable property in India or abroad.
- (iii) To carry on the business of architects, consultants, civil engineers, builders and developers of land and undertake any residential, commercial or Industrial construction either independently or jointly in partnership, joint venture or on agency or sub contracts basis with or on behalf of any individual, firm, body corporate, association or society, Central or State Government or any local authority to work as developer of land and buildings for residential purposes.

### 14. Nutraceutical Business

- (i) To produce, research and develop, manufacture, cultivate, purchase, deal, sell, import and export and contract for raw and processed, all kinds and varieties of pharmaceutical products, health products, herbal products, food supplements, dietary supplements, nutritional supplements, natural food, cosmetic colours, processed foods, food additives and food products from the herbal and medicinal plants, agricultural crops, fruits and vegetables, animal / aquaculture / poultry feed in India or anywhere in the world.

- (ii) To carry on the business as growers of all kinds of Algae and other produce of the soil or grown in water and to treat, cure, prepare, manipulate, blend, submit to any process of manufacture and render marketable such Algae, and other products and to sell, export either in a prepared, manufactured or raw state and either by wholesale or retail and generally to carry on in India the business of planters, curers, producers, manufactures, merchants and exporters of Algae and other products.
- (iii) To carry on the business of growers, cultivators, manufacturers, buyers, sellers, importers, exporters of all varieties of plant based products, from soil or grown in water through the process of aquaculture, hydroponics, tissue culture, plant biotechnology and in any other manner either in their original form produced naturally or artificially through green house or any other methods or manipulated and by any process of manufacture, extraction, curing, powdering and mixing and also carry out research in any of the plant based products and processes.
- (iv) To carry on the business of manufactures, producers, processors, extractors, importers, exporters, agents, buyers, sellers, stockists, suppliers, distributors, wholesalers, retailers and dealers of all kinds of veterinary and human medicines, animal feeds, formulations, incenses, essential oils, resonoids, spices, oleoresins and cosmetics concentrates from organic, inorganic, herbal, bacterial, mycological, agricultural, horticultural, tissue culture, biochemical and genetic sources in solid, liquid, gaseous and semi solid forms and states.
- (v) To carry on the business as manufacturers, producers, processors, importers, exporters, agents, dealers, stockists and distributors for all kinds of medicines, equipment, apparatus, instruments, meters, gadgets, packaging equipments and machineries used in the manufacture and processing of all kinds of veterinary and human medicines, feed supplements, nutrients, basic and crude drugs, chemicals, enzymes, antibodies, antibiotics and pharmaceuticals, cosmetics and colours.
- (vi) To carry on research and development work in the field of nutrients, food supplements, feeds, chemical formulations, liquid extracts from herbal, horticultural and agricultural, sources, crude drugs, basic drugs, enzymes, antibiotics, antibodies, antigens, research and development work in tissue culture, genetic engineering, biotechnology, immunology and other areas of medicines for animal and human consumption and treatments including cosmetics and natural colours. (vii) To act as consultants in all its branches including contract research and application in the field of horticulture, bio-technology, plant-genetics, tissue culture, genetic engineering, plant breeding, micro propagation, seed multiplication, plant protection, agronomy and soil sections.

#### 15. Manufacture, sale and marketing of all kinds of food products, other products.

- (i) To carry on the business of processing, farming, manufacturing, distributorship, agency, broker, factor, stockiest, importer, exporter, mix, pack, preserve, freeze, extract, refine and otherwise deal in all kinds of organic and inorganic processed foods, health foods, protein foods, food products, agro foods, fast foods, packed foods, poultry products, sea foods, milk foods, health and diet drinks, extruded foods, frozen foods, dehydrated foods, precooked foods, canned foods, preserved foods, bakery products and confectionery items.

- (ii) To carry on the business of manufacturing and trading of all kinds of consumer products including but not limited to herbally treated sugar, salt, rice, wheat, all pulses including dal, fresh and packaged, sweets, juices, jams, ketchups, food supplements, substitutes, cereals, mixes, processed foods.
- (iii) To carry on the business of manufacturing and trading of all kinds of siddha, ayurveda, naturopathy, herbal products, raw materials, including herbal medicines.
- (iv) To research and develop new consumer products, pharmaceuticals, formulations for diabetic friendly products and for general health and wellness.
- (v) To manufacture, process, refine, buy, sell, deal, barter, import or export, whether as wholesalers or retailers or as principals or agents or brokers or otherwise, all kinds of personal care products beauty products, cosmetic products, cleansing compounds, baby care products, health care products, sanitary products, personal wash products, home care products etc., and such other products and substances whether herbal, medicated, antiseptic or not, ingredients, byproducts or accessories thereof and other materials required for the process, manufacture and use of the aforesaid products.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, Mr.S.Suresh, Managing Director, Mr. S.Rameshkumar, Chief Financial Officer and Mr. Biswa Mohan Rath, Company Secretary be and are hereby severally authorised on behalf of the Company, to do all such acts, deeds, matters and things as may be deemed necessary, proper or desirable and to sign and execute all necessary documents, applications and returns as may be necessary in this connection.”

**V. RAVICHANDRAN**  
Chairman

## **ANNEXURE - II**

### **SCHEMES**



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**SCHEME OF AMALGAMATION OF  
"GOKUL RCTT [ 'NKO KGF "  
WITH  
"E.I.D. - PARRY (INDIA) LIMITED**

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In the matter of application under Section 23 (2)  
of the Monopolies and Restrictive Trade Practices Act, 1969.

company will be cancelled by way of reduction of capital and the transferee company will issue and allot to shareholders of the company in substitution of their holdings in the transferor company preference and equity shares credited as fully paid up on the following basis :

Present holdings in the transferor company	Shares in the transferee company.
To every holder of one Equity Share of	
£. 1 each            .... .... ....	Two fully paid shares of Rs. 10 each.
To every holder of one Preference Share of	
£. 1 each            .... .... ....	Two fully paid shares of Rs. 10 each.

4. The exchange ratio mentioned above has been examined in the light of the financial position of the transferor company as reflected in its Balance Sheet and Profit and Loss account for the year ending 30th September, 1973 and it is found that no objection need be taken to the exchange ratio proposed by the company which is considered as fair.
5. The main object of the amalgamation is stated to be that the assets and liabilities of the transferor company which is incorporated in England with a substantial Indian shareholdings should be vested in a company incorporated in India which is in line with the policy of the Government of India.
6. Notices of the application for amalgamation were published in 'The Hindu', Madras, dated 29-7-74 and the 'Indian Express', Madras, dated 16th September 1974. No objection has been received from any person in response to the said notices.
7. A hearing was given to those interested in the proposal as required under Section 29 of the Monopolies and Restrictive Trade Practices Act, 1969. The representatives of the company who appeared in response to the notice of hearing were asked to make submissions to support their contention that the amalgamation was a step in furtherance of public interest and that the scheme satisfied the guidelines laid down in Section 28 of the Act. The representatives of the Company justified the scheme of amalgamation, on the ground that although the transferor Company is incorporated in England, about 82 per cent of its shareholdings are held by the Indian. The transferor Company are having assets in India amounting to Rs. 33.89 crores and only assets amounting to Rs. 33.44 lakhs which represents a very small proportion of the total assets are in U.K. Although these assets are in India according to the present status of the Company as a foreign body corporate, having only an established place of business in India, the Indian asset are in the eye of law owned by a foreign juristic personality, which is subject to the Company Law of the U.K. Further, the transferor company is employing 7,000-8,000 persons at present and their future is uncertain, in as much as they are also subject to such disadvantages as are inherent in the Company being a foreign juristic entity. It was also urged that, at present, the transferor company is being treated as a foreign company and is subject to certain handicaps in the matter of industrial licensing for its expansion programme. On amalgamation, the resultant Indian company would be subject to the disciplines of the Indian law and may be able to expand its activities in priority sectors. It was also brought out that as a result of amalgamation there will be no increase in the existing level of assets.
8. Having taken into consideration the facts and circumstances of the case and the submissions made by the transferor company in the light of the guiding principles contained in Section 28 of the Monopolies and Restrictive Trade Practices Act, 1969, the Central Government has come to the conclusion that it would be expedient in the public interest to accord approval to the aforesaid proposal of the transferor company subject to the conditions metioned hereinafter in this Order.

## ORDER

The Central Government in exercise of its powers under sub-section (2) of Section 23 of the Monopolies and Restrictive Trade Practices Act, 1969 read with section 54 thereof, hereby accord approval to the amalgamation of Messrs. E. I. D. - Parry Limited with Messrs. E.I.D. - Parry (India) Limited, when incorporated, in accordance with the scheme presented with the application, dated 22nd July, 1974, subject to the following conditions :

- (i) The transferee company shall be incorporated as a Public Limited Company.
- (ii) The approval will be without prejudice to whatever conditions that may be imposed under the Foreign Exchange Regulation Act, 1973.
- (iii) The shares of the new Indian company after amalgamation shall be listed on the Stock Exchange.
- (iv) Continuity of service should be ensured for the employees after the amalgamation in the transferee company.
- (v) No bonus shares shall be issued by the transferor company till the amalgamation is completed,
- (vi) The coupon rate of preference dividend shall be 11% instead of 10% proposed.
- (vii) The maintenance of share transfer office and Branch Register of Members in England would be subject to the conditions, that may be imposed by the Department of Economic Affairs of the Central Government.

This Order shall not be construed as conveying any approval of the Central Government that may be required under any other law for the time being in force.

(Sd.).....

New Delhi -1

(P.B. MENON)

7th June, 1975.

Joint Secretary to the Govt. of India



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**SCHEME OF AMALGAMATION OF  
MURUGAPPA ELECTRONICS LIMITED  
WITH  
E.I.D. - PARRY (INDIA) LIMITED**

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## IN THE HIGH COURT OF JUDICATURE AT MADRAS

Original Jurisdiction

Wednesday the 16th day of December 1992

The Hon'ble Mr. Justice THANIKKACHALAM

C, P. Nos. 67 and 68 of 1992.

### **C. P. No. 67 of 1992**

In the matter of Companies Act, 1956 (Act I of 1956) and in the matter of E.I.D.-Parry (India) Limited

E.I.D. - Parry (India) Limited ..... Petitioner

Company Petition praying that the Scheme of Amalgamation annexed herewith and marked as Annexure C as approved by the shareholders of the Transferee company of their meeting held on 21st May 1992 be sanctioned by this Court so as to bind all the members of Transferee Company and the said company.

### **C. P. No. 68 of 1992**

In the matter of Murugappa Electronics Limited

Murugappa Electronics Limited ..... **Petitioner**

Company petition praying (a) that the Scheme of Amalgamation annexed herewith and marked as Annexure - C as approved by the shareholders of the Transferor company at their meeting held on 21st May 1992 be sanctioned by the Court so as to bind all the members of the Transferor company and the said Company; and (b) that the Transferor company be dissolved without winding up.

These Company petitions having been heard on 6/11/1992 and coming on this day before this Court for hearing in the presence of Mr. T. Raghavan, Advocate for the Petitioner in both the Company Petitions; and Mr. S. R. Sundaram, Additional Central Government standing counsel appearing for the Registrar of Companies, Madras and upon reading the order dated 22-4-1992, and made in Company Appln. No. 626/92 where by the said company viz. E.I.D. - Parry (India) Limited the petitioner in C. P. No. 67/92 herein directed to convene a meeting of the equity shareholders of the above named company for the purpose of considering and if thought fit approving with or without modification; the proposed Scheme of Amalgamation of Murugappa Electronics Limited, the transferor company in C, P. No, 68/92, with the petitioner company in C. P. No. 67/92 and the advertisement having been made in "Makkal Kural" dated 29-4-92 and "The Hindu" dated 1-5-1992; and the report of the Chairman of the said meeting as to the result of the said meeting and it appearing from the said report that the Scheme of Amalgamation has been approved unanimously and the order dated 22-4-1992 and made in C, A. No. 625/92 where by the said applicant company viz. Murugappa Electronics Limited, the petitioner in C. P. No, 68/92, was directed to convene the meeting of the equity shareholders of the above named transferor company with E.I.D. - Parry (India) Limited, the petitioner in C, P. No 67/92 and the advertisement having been made in the Hindu dated 27-4-1992 and Makkal Kural dated 28-4-1992 and the report of the Chairman of the said meeting and it appearing from the said report that Scheme of Amalgamation has been approved unanimously and the Company Petition No. 67 and 68 of 1992, this Court doth hereby sanction the Scheme of Amalgamation set out in the Schedule hereunder and the same shall be effective from 1-4-1991 and this Court doth hereby declare that same to be binding on the shareholders of the said companies and on the companies, this Court doth further order as follows:

- 1) That the petitioner company herein do file with the Registrar of Companies, Madras, a Certified copy of this Order within 30 days from this date;
- 2) That the parties to the Scheme of Amalgamation or other persons interested shall be at liberty to apply to this Court for any direction that may be necessary in regard to carrying out of the Scheme hereunder;
- 3) That M/s. Shanmugham and Muthu be and are hereby appointed as Chartered Accountant as Auditor to go into the affairs of the Transferor Company and file a report thereon into this Court and that their remuneration be and is hereby fixed at Rs. 5000/- (Rupees five thousand only); and
- 4) That the Official Liquidator High Court, Madras shall file this report along with the report of the above said Chartered Accountant.

## SCHEME OF AMALGAMATION OF MURUGAPPA ELECTRONICS LIMITED

### WITH

### E.I.D. - PARRY (INDIA) LIMITED

Following is the Scheme of Amalgamation of Murugappa Electronics Ltd., having its Registered Office at “Parry House”, 43, Moore Street, Madras - 600 001 (hereinafter called “MEL”) with E.I.D. - Parry (India) Ltd. having its Registered Office at “Dare House”, 234, N. S. C Bose Road, Madras - 600 001 (hereinafter called “EID”)

- (1) Subject to the approval of the Court the Effective Date of amalgamation will be 1st April 1991 which date shall hereinafter be called “the Effective Date”.
- (2) With effect from the Effective Date, the entire undertaking and all the property, moveable and immoveable and other assets, tangible and intangible of whatsoever nature of MEL including but not limited to investments in shares or otherwise, stock-in-trade, workshop, tools, goods-in-transit, advances of money of all kinds, book debts, outstanding monies, recoverable claims, agreements, etc., industrial and other licences and permits, import and other licences, letters of intent, export quotas and facilities, trademarks, patents, etc., and all rights and powers of every description but subject to all charges and hypothecation, guarantees and all rights whatsoever affecting the said properties of MEL shall without any further act, deed or order be transferred to and vest in EID in accordance with Section 391 (2) and 394 (2) of the Companies Act, 1956.
- (3) With effect from the Effective Date, all debts, secured and unsecured, liabilities including any tax liabilities, duties and obligations of MEL shall be transferred without any further act or deed to EID and EID shall discharge all such debts and obligations of MEL including payment of all taxes, levies, duties, public charges, income-tax and sales tax dues to any Government or Public Authority.
- (4) With effect from the Effective Date, all legal and other proceedings now pending in any Court or Tribunal by or against MEL shall be continued by or against EID,
- (5) With effect from the Effective Date, MEL shall be deemed to have been carrying on and to be carrying on all business and activities, if any, for and on account of EID until the Scheme of Amalgamation is approved by the High Court and accordingly the profits and losses of MEL for the period commencing from the Effective Date shall be deemed to be the profits and losses of EID and shall be available to EID for disposal in any manner including the declaration of any dividend by EID for any period after the Effective Date, subject to the provisions of the Companies Act, 1956.
- (6) a. In consideration of the transfer under clauses 2 and 3 hereof:

On the Record Date every Equity Shareholder of MEL shall receive Equity Shares in EID as follows:

#### **For the present equity holding in MEL**

Equity Shares of the face value of  
Rs. 10/- each fully paid-up  
22 (Twenty two)

#### **Share in EID**

Equity Share of the face value of  
Rs.10/-each  
1 (One share) credited as fully paid-up

- b. On the sanction of the Scheme of Amalgamation, the Preference Shareholders, Tube Investments of India Ltd and Carborundum Universal Ltd, who hold 25,000 Cumulative Preference Shares

each of the face value of Rs. 100/- each, issued by MEL, the Transferor Company, will each be allotted subject to requisite approvals, by EID, the Transferee Company, 25,000 Redeemable Preference Shares each of the face value of Rs. 100/- each, credited as fully paid-up, in lieu of the Preference Shares issued by the Transferor Company. The new Preference Shares in EID will carry 14% dividend and will be redeemable at the end of one year from the date of their issue.

EID will issue these Preference Shares within 30 days of the receipt of the certified copy of the Court Order sanctioning the Scheme or within 30 days of the receipt of the necessary approvals, whichever is later. The present (up to 31/3/92) arrears of dividend on Preference Shares issued by MEL amounting to about Rs. 22 Lakhs will be paid by EID within six months from the date of issue of Preference Shares by EID to these Preference Shareholders.

- (7) For the purpose of clause 6(a) above, the Record Date shall be the date determined by the Boards of both the Companies after the Scheme is sanctioned by the Court and due notice of such date shall be given to the shareholders of MEL in the manner provided for service of notice under the Companies Act.
- (8) Where a shareholder becomes entitled to a fraction, such fractional entitlements shall be allotted to a Trustee(s) appointed by the Board of EID who shall arrange to consolidate all the fractional entitlements into appropriate number of shares of EID for sale in the Madras Stock Exchange, the proceeds whereof shall be distributed to the shareholders according to their entitlements).
- (9) The new Equity Shares to be allotted in EID, as aforesaid, to the Equity shareholders of MEL and to the lending institutions of MEL in satisfaction of their loans to MEL as set out in para 13 of this Scheme below, shall rank for voting and all other rights *pari passu* with the existing Equity shares of EID except that they will not be eligible for any dividend or any rights or bonus shares that may be declared or issued, as the case may be, by EID before the Record Date, as stated above in para 7 with reference to which they would be allotted shares in EID pursuant to this Scheme. The shareholders of MEL will surrender their own share certificates to EID for cancellation and EID shall with due despatch, issue the share certificates to which they are entitled under the Scheme.
- (10) On the Scheme being approved by the respective Boards of MEL and EID the two Companies will, with reasonable despatch, apply to the High Court of Judicature at Madras for sanctioning this Scheme of Amalgamation under Section 391(2) of the Companies Act and for an order or orders under Section 394 of that Act to carry into effect this Scheme and for dissolution of MEL without winding-up.
- (11) The two Companies namely MEL and EID by their authorised representatives may agree to any modification of this Scheme which the shareholders at their meeting or the High Court by its order may deem fit to approve or impose and may give such directions as they may consider necessary to settle any question or difficulty arising under the Scheme or in regard to its implementation and in all matters connected therewith.
- (12) All the employees of MEL will become employees of EID without interruption in service and without disturbance in their service conditions.
- (13) The implementation of this Scheme is conditional upon and subject to:
  - i. The approval of the Scheme by the requisite majority of members of MEL and EID.

- ii. The approval of the following term lending institutions and banks of both MEL and EID, namely:

The Industrial Credit & Investment Corporation of India Ltd.

Industrial Development Bank of India

Industrial Finance Corporation of India

State Bank of India

The Financial Institutions of MEL have agreed to accept, subject to necessary approvals, allotment to them of 287813 fully paid equity shares of the face value of Rs. 10/- each in the capital of EID credited as fully paid-up, in full settlement of their dues amounting to about Rs.662 Lakhs.

- (14) This Scheme will be operative from the Effective Date and shall take effect after the aforesaid sanctions or approvals or orders are obtained and a certified copy of the order of the High Court of Madras has been filed with the Registrar of Companies, Madras.

Witness the Hon'ble Thiru. Viswanatha Ratnam, Acting Chief Justice at Madras, aforesaid, this the 16th December, 1992.

**(Sd) S. PARAMASIVAM**

*Asst. Registrar (O. S.)*

*/Certified to be a true copy/*

Dated this the 30th day of December, 1992.

(sd)

*Court Officer (O.S.)*



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**SCHEME OF AMALGAMATION OF  
FALCON GULF CERAMICS LIMITED  
WITH  
E.I.D. - PARRY (INDIA) LIMITED**

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# IN THE HIGH COURT OF JUDICATURE AT MADRAS

(Original Jurisdiction)

Friday, the 29th day of July, 1994

The Hon'ble Mr. Justice JAYASIMHA BABU

Company Petn. No. 142/93

In the matter of the Companies Act I of 1956

and

In the matter of E.I.D. - Parry (India) Ltd.

M/s. E.I.D. - Parry (India) Limited .....

**Petitioner**

Company Petition praying that the Scheme of Amalgamation as approved by the Members, a copy of which is filed to the Company Petition and marked as Annexure-V, be confirmed by this Court so as to be binding on all members of the petitioner and on the said Company.

This Company Petition coming on this day before this Court for hearing in the presence of Mr. A.K. Mysamy, Advocate for the Petitioner herein and Mr. S.A. Sundaram, Additional Central Government Standing Counsel, appearing for the Registrar of Companies, Madras and upon reading the order dated 8-10-93 and made in Company Appln. No. 178 of 1993 whereby the said Company viz. M/s. E.I.D. Parry (India) Limited, the petitioner in C.P. No. 142/93 herein was directed to convene a meeting of the equity shareholders of the above named company for the purpose of considering and if thought fit approving with or without modification the proposed scheme of amalgamation of Falcon Gulf Ceramics Limited, Alwar, Rajasthan, the transferor Company with E.I.D. Parry (India) Limited, the transferee Company, the petitioner Company in Company Petition No. 142/93 and the advertisement having been made in 'Indian Express' and 'Dinamani' dated 16-10-93 and the report of the Chairman of the said meeting and it appearing from the said report that the scheme of amalgamation has been approved unanimously, and the Company Petition No. 142/93, this Court DOTH hereby sanction the scheme of amalgamation set out in the schedule hereunder amended as per order dated 20.10.94 and made in Com.AN.No. 1040/94 in C.RNo. 142/93 and the same shall be effective from 1.4.93 and this Court DOTH hereby declare the same to be binding on the shareholders of the said company and on the companies and subject to the conditions mentioned hereunder, this Court DOTH further order as follows :-

- 1) That the E.I.D. Parry (India) Limited, the Petitioner company herein, do file with the Registrar of Companies, Madras a certified copy of this order within 30 days from this date ;
- 2) That the parties to the scheme of amalgamation and other persons interested shall be at liberty to apply to this Court for any directions that may be necessary in regard to carrying out the scheme hereunder ;
- 3) That the shares of E.I.D. Parry (India) Limited, the transferee Company, which the transferee company shall be entitled to receive pursuant to the scheme of amalgamation, shall vest in a Trustee or Trustees to be nominated by the said transferee the petitioner company herein, and that the said trustee or trustees shall dispose off all such shares by way of sale at the market rate prevailing on the date of sale not being less than the price quoted on the Madras Stock Exchange for those shares on the day of the sale and that such sale shall be effected within a maximum period of twelve months from the date on which the shares vest in the trustee/s; and
- 4) That the trustee/s so nominated by the transferee company herein, shall submit a report to this Court after effecting the sale.

## **SCHEDULE**

### **SCHEME OF AMALGAMATION OF FALCON GULF CERAMICS LIMITED WITH E.I.D. PARRY (INDIA) LIMITED**

#### **PART I**

##### **DEFINITIONS :**

1. “Scheme” means the Scheme of Amalgamation.
2. “The Transferor Company” means Falcon Gulf Ceramics Ltd., a Company incorporated under the Companies Act, 1956 and having its Registered Office at 223-226, Matsya Industrial Area, Alwar, Rajasthan (hereinafter called ‘FGCL’).
3. “The Transferee Company” means E.I.D. Parry (India) Ltd., an existing Company within the meaning of the Companies Act, 1956 and having its Registered Office at “Dare House”, Parry’s Corner, Madras - 600 001 (hereinafter called ‘E.I.D’).
4. “Transfer Date” means the 1st day of April, 1993.
5. “Undertaking of FGCL” means and includes :
  - (i) All the properties, assets and liabilities of FGCL immediately before the amalgamation.
  - (ii) Without prejudice to the generality of the foregoing Clauses the said undertaking shall include all rights, powers, interests, authorities, privileges, liberties and all properties and assets movable or immovable, tangibles and intangibles, real or personal, corporeal or incorporeal, in possession or reversion, present or contingent of whatsoever nature and wherever situate including lease tenancy and agency rights and all other interests and rights in or arising out of such property with all Licenses, Trade Marks, benefits of all Agreements, sanctions and approvals including benefits of all tax reliefs (including under Income Tax Act), import entitlements and other quotas, if any, held, applied for or as may be obtained hereafter by FGCL or which FGCL is entitled to and all debts including borrowings from the financial institutions and banks, liabilities and duties and obligations of FGCL to the secured and unsecured Creditors and Shareholders, and other Creditors of whatsoever kind. Provided that transfer of all leases and tenancies will be subject to approval of the respective landlords wherever required in terms of the lease or the tenancy laws.
6. “The Act” means the Companies Act, 1956 (I of 1956).

#### **PART II**

1. With effect from the Transfer Date, the entire business and undertaking of the FGCL shall without any further act or deed be and the same shall stand transferred to and vested in and be deemed to have been transferred to and vested in EID pursuant to Section 391 and 394 and/or any other applicable provisions of The Act subject to the charge, mortgage, lien, lease or hypothecation, if any, then affecting the undertaking of FGCL.

Provided however, any reference in any security documents or arrangements to which FGCL is a party, to the assets of FGCL offered or agreed to be offered as security for any financial assistance or obligations to the secured creditors of FGCL shall be construed as reference only to the assets pertaining to the undertaking of FGCL as are vested in EID.

2. If any suit, appeal or any other proceedings of whatsoever nature (hereinafter called 'the proceedings') by or against FGCL be pending, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Undertaking of FGCL or anything contained in this Scheme but the proceedings may be continued, prosecuted and enforced by or against EID in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against FGCL if this Scheme had not been made.
3. The transfer and vesting of properties and liabilities under Clause 1 hereof and the continuance of the proceedings by or against EID under Clause 2 hereof shall not affect any transaction or proceeding already concluded by FGCL on and after the Transfer Date to the end and intent that EID accepts and adopts all acts, deeds and things done and executed by or on behalf of FGCL as acts, deeds and things done and executed by or on behalf of EID.
4. Subject to the provisions contained in this Scheme all contracts, deeds, bonds, agreements and other documents and instruments of whatsoever nature to which FGCL is a party subsisting or having effect immediately before the amalgamation without any further concurrence of any other party or parties thereto shall remain in full force and effect against or in favour of E.I.D. and may be enforced as fully and effectively, as if instead of FGCL, EID has been a party thereto.
5. With effect from the Transfer Date :
  - (i) FGCL shall carry on and be deemed to have carried on all its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all the said business and activities for and on account of and in trust for EID.
  - (ii) FGCL shall carry on its business activities economically, efficiently, with reasonable diligence, business prudence and in the ordinary course of business and shall not alienate, charge mortgage, encumber or otherwise deal with the said assets or any part thereof except in the ordinary course of business, or without the prior consent of EID as the case may be.
  - (iii) Save as specifically provided in the Scheme, neither FGCL nor EID shall make any change in their capital structure either by any increase (by issue of Right Shares, Bonus Shares, Preference Shares, Convertible Debentures, etc.) decrease, reduction, reclassification, subdivision or consolidation or reorganisation or any other manner which may in any way affect the Share lange Ratio prescribed in Clause 6(a) except by mutual consent of the Board of Directors of both the Companies. However, this does not apply to the proposed issue of partly Convertible Debentures on Rights Basis to the Shareholders of E.I.D. and to the permanent employees of the Company amounting to Rs.53.55 Crores and Public Issue amounting to Rs.80 Crores already approved by the Shareholders of E.I.D. at the Extraordinary General Meeting held on 22nd January 1993.
6. Upon the Scheme being sanctioned by the Hon'ble High Court at Madras and Rajasthan and transfer taking place as stipulated under Clause 1 thereof :
  - (a) E.I.D. shall, without further application, issue and allot to every person holding EquityShares of FGCL on a date to be fixed by the Board of Directors of EID and hereinafter referred to as the 'Record Date', One Equity share of Rs.10/- each credited as fully paid up in EID for every 23 Equity Shares of Rs.10 each fully paid up held by such shareholder in FGCL. Since the ratio of conversion is 1:23, fractions arising therefrom shall be treated as per Clause (c) given below.

- (b) EID which is holding 23,83,093 Equity Shares of FGCL will therefore be allotted its own shares for the shares held by it in FGCL in the ratio mentioned in Clause 6 (a). Such shares allotted to the nominee of EID shall be held by them in Trust for a maximum period of 24 months after allotment within which time they will dispose of the same in the best interest of EID.
  - (c) No certificate and/or coupon in respect of or representing any shareholding in EID of a fraction of an equity share or any number of shares less than 50 (i.e. the market lot of EID) shall be issued to the members of FGCL who become entitled to a fraction of such shares/odd lot number of shares in respect of their holding by virtue of 6(a) hereof. All equity shares of EID constituting, such fractions/odd lot numbers shall be allotted to any person(s) on the express condition that such person (s) shall sell the shares so allotted on such terms and conditions as are approved by the Board of Directors of EID after the relevant share certificates are ready and the net proceeds thereof together with any dividends or other benefits which may accrue thereon after deducting therefrom all reasonable expenses of and incidental to the sale, shall be distributed pro-rata among such members of FGCL in respect of their respective entitlements to the fraction odd lots aforesaid.
  - (d) The said Equity Shares in EID to be issued to the shareholders of FGCL shall rank pari passu in all respects with the existing equity shares in EID except that the holder of the said equity shares shall be entitled to pro-rata dividend for the year in which the equity shares in EID shall be allotted to the FGCL shareholders, from the date of such allotment. They shall also not be entitled to any rights or bonus shares that may be issued by EID before the Record Date, which is defined in Clause 6(a).
  - (e) All the shareholders of FGCL shall accept the shares to be allotted as aforesaid in lieu of their shareholdings in FGCL,
  - (f) Upon the new Equity Shares being allotted by EID to the Members of FGCL in terms of the Scheme, the Share Certificates in respect of the shares held by them in FGCL shall stand cancelled. Every Shareholder of FGCL shall surrender to EID and take all steps to obtain from EID a Certificate for the shares in EID to which he may be entitled to under sub-clause (a) above.
  - (g) All employees of FGCL shall become the employees of EID without interruption in service and on terms no less favourable to them than those then applicable to them,
  - (h) EID shall take necessary steps including passing resolution under Section 81 (1-A) of the Act to allot the Equity Shares as stipulated hereinabove,
7. In respect of the transfer of Undertakings, all assets and liabilities of FGCL shall be taken at its book value on the Transfer Date on the basis of audited Balance Sheet as on 31st March, 1993,
  8. FGCL and EID shall also obtain such other consents or approvals as may be required under any statute or contract not specifically referred in the Scheme.
  9. On the Scheme being approved by the Boards of FGCL and EID, the two companies will with reasonable dispatch, apply to the High Courts at Rajasthan and Madras for sanctioning this Scheme of Amalgamation under Section 391(2) of The Act, and for Order under Section 394 of The Act to carry into effect this Scheme and for dissolution of FGCL without winding up,

### **PART III**

1. EID shall pay all costs, charges and expenses of and incidental to this Scheme of Amalgamation.
2. The Board of Directors of FGCL and EID or any person authorised by them may assent on behalf of all concerned to any modification to this Scheme of Amalgamation or to any condition which the Hon'ble High Courts at Rajasthan and Madras or the Government or any other authority may impose or which the said Board of Directors may, in their sole discretion, think fit for the purpose of effectively carrying on this Scheme and the said Board of Directors may do all acts, things and deeds as may be necessary and/or expedient for the purpose of implementing this Scheme.
3. The Scheme is conditional upon and subject to the following :
  - (a) The approval of the Scheme by the requisite majority of the Members of EID and FGCL.
  - (b) The approval of Reserve Bank of India being obtained under the Foreign Exchange Regulation Act, 1973 to the issue by EID Equity Shares and payment by it in respect of fractional entitlements to such members of FGCL who may be resident outside India,
  - (c) The approval of Financial Institutions and Banks who have extended financial assistance to EID or FGCL, wherever necessary.
  - (d) The Scheme being sanctioned by the High Courts at Rajasthan and Madras pursuant to Section 391 of The Act and the appropriate Orders being made by the High Courts pursuant to Section 394 of The Act for the amalgamation under the Scheme and for the implementation thereof.
4. This Scheme will be operative from the Transfer Date' and shall take effect after the aforesaid sanctions or approvals or Orders are obtained and a certified copy of the Orders of the High Courts of Madras and Rajasthan have been filed with the appropriate Registrars of Companies.
5. (i) FGCL shall stand dissolved without going through the process of winding up.  
(ii) EID shall have liberty to apply to the High Courts of Rajasthan and Madras for necessary direction to remove difficulties, if any, in implementing the Scheme.

Witness the Hon'ble Thiru Kudarikoti Annadanayya Swami, Chief Justice at Madras aforesaid, this the 29th day of July, 1994,

Sd/-  
ASST. REGISTRAR (O.S.)



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**SCHEME OF AMALGAMATION OF  
PETTAVAITTALAI SUGARS AND CHEMICALS LIMITED,  
DHANYALAKSHMI INVESTMENTS LIMITED AND  
JOHNSON PEDDER LIMITED  
WITH  
E.I.D. - PARRY (INDIA) LIMITED**

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**IN THE HIGH COURT OF JUDICATURE AT MADRAS**

(ORIGINAL JURISDICTION)

Tuesday, the 22nd day of May, 2001

The Hon'ble Mr Justice N.V. BALASUBRAMANIAN

**COMPANY PETITION NOS. 21 TO 23 OF 2001**

CP.No.21 of 2001;

In the matter of the Companies Act,  
1956 (I of 1956) and;

In the matter of Scheme of Amalgamation of  
M/s. Pettavaitalai Sugars and Chemicals  
Limited and 2 other Companies with E.I.D.  
- Parry (India) Ltd.

M/s. Pettavaitalai Sugars and  
Chemicals Limited,  
234, NSC Bose Road,  
Chennai-600001.

Represented by Ms. G. Jalaja,  
Authorised Signatory.

... Petitioner/Transferor.

Company Petition praying this Court to pass an order (a) That the Scheme of Amalgamation as approved by the Members, a copy of which is filed herewith and marked as Annexure IV may be confirmed by this Court so as to be binding on all members and creditors of the Petitioner and on the said Company and (b) the Petitioner Company be wound up without winding up.

C.P.No.22 of 2001:

In the matter of the Companies Act, 1956  
(I of 1956) and;

In the matter of Scheme of Amalgamation of  
M/s. Dhanyalakshmi Investments Limited  
and 2 other Companies with E.I.D. -  
Parry (India) Ltd.

M/s. Dhanyalakshmi Investments Limited,  
Dare House, 234, NSC Bose Road,  
Chennai-600001.

Represented by Mr. D. Kumaraswamy,  
Director.

... Petitioner/Transferor.

Company Petition praying this Court to pass an order (a) That the Scheme of Amalgamation as approved by the Members, a copy of which is filed herewith and marked as Annexure IV may be confirmed by this Court so as to be binding on all members and creditors of the Petitioner and on the said Company and (b) the Petitioner Company be wound up without winding up.

C.P.No.23 of 2001:

In the matter of the Companies Act, 1956  
(I of 1956) and;

In the matter of Scheme of Amalgamation of  
M/s. Pettavaittalai Sugars and Chemicals  
Limited and 2 other Companies with E.I.D.  
- Parry (India) Ltd.

M/s. E.I.D. - Parry (India) Limited,  
Dare House, Parry's Corner, Chennai - 600 001.  
Represented by Ms. G. Jalaja,  
Company Secretary.

... Petitioner/Transferee.

Company Petition praying this Court to pass an order, That the Scheme of Amalgamation as approved by the Members, a copy of which is filed herewith and marked as Annexure VI may be confirmed by this Court so as to be binding on all members and creditors of the Petitioner and on the said Company.

These Company Petitions coming on this day before this court for hearing in the presence of Mr. R. Murari of M/s. T. Raghavan, Advocate for the petitioners in all the Company Petition Nos. 21 to 23 of 2001 and Mr. T.S. Sivagnanam Additional Central Government Standing counsel appearing for the Regional Director, Department of Company Affairs, Chennai and upon reading the Separate Orders dated 17.11.2000 and made in Company Application Nos. 2491 and 2492 of 2000 whereby the said Companies viz., M/s. Pettavaittalai Sugars and Chemicals Limited, and M/s. Dhanyalakshmi Investments Ltd., the Petitioner/ Transferor Companies in Company Petition Nos. 21 and 22 of 2001 herein were directed to convene a meeting of the shareholders of the above named companies for the purpose of considering and if thought fit approving with or without modification the proposed scheme of amalgamation of the applicants/transferor companies with M/s. E.I.D. - Parry (India) Ltd., the Petitioner/Transferee in Company Petition No.23 of 2001 and the advertisement having been made in one issue of "The Hindu" and "Dinamani" dated 12.12.2000 each containing the advertisement of the said meeting and the reports of the Chairman of the said meetings as to the result of the meetings and it appearing from the said reports that the Scheme of Amalgamation has been approved by requisite statutory majority and the separate order dated 17.11.2000 and made in Company Application No.2493 of 2000 whereby M/s. E.I.D. - Parry (India) Ltd., the petitioner/ transferee Company in Company Petition No.23 of 2001 herein was directed to convene a meeting of the shareholders of the above named company for the purpose of considering and if thought fit approving with or without modification the proposed Scheme of Amalgamation of the petitioners companies viz. M/s. Pettavaittalai Sugars and Chemicals Limited, and M/s. Dhanyalakshmi Investments Ltd., the transferor Companies in Company Petition Nos.21 and 22 of 2001 with M/s. E.I.D. - Parry (India) Ltd., the petitioner/ transferee Company in Company Petition No.23 of 2001 and the advertisement having been made in one issue of "The Hindu" dated 12.12.2000 and "Dinamani" dated 12.12.2000 each containing the advertisement of the said meeting and the report of the Chairman of the said meeting as to the result of the meeting and it appearing from the said report that the scheme of amalgamation has been approved by requisite statutory majority and the Company Petition Nos, 21 to 23 of 2001 filed herein and that the Central Government also having no objection for the approval of the scheme of amalgamation and filed their affidavit before this Court on 23.3.2001 this Court doth hereby sanction the Scheme of Amalgamation as set out in the Schedule hereunder with effect from 1.4.2000 subject to condition that if any proceedings initiated or pending against the transferor Companies on or after the transfer date shall also be continued against the transferee company and those proceedings would not become invalid consequent on the transfer date being fixed as 1.4.2000 and it Is open to the authorities or the creditors concerned to continue to proceed and finalise the proceedings against the transferee company even though the transfer date is fixed as 1.4.2000 and

The transferee company is liable to discharge the liabilities obligations or debts arising out of such proceedings, doth hereby declare the same to be binding on the shareholders of the said companies and on the said companies, and Doth further order as follows:

1. That the petitioner companies herein do file with the Registrar of Companies, Chennai, a certified copy of the order within 30 days from this date.
2. That the parties to the scheme of amalgamation or other person interested shall be at liberty to apply to this Court for any directions that may be necessary in regard to carrying out of this scheme hereunder.
3. That the Scheme of Amalgamation, except that portion of Scheme so far as it relates to the second transferor company, M/s. Johnson Pedder Ltd., be and is hereby sanctioned,
4. That the transferee company M/s. E.I.D. - Parry (India) Ltd. shall comply with the conditions imposed by the secured creditors in the letters concerned.
5. That the entire Scheme of Amalgamation will come into operation only on the grant of approval of the Scheme by the High Court of Madhya Pradesh, Bhopal.
6. That the Fees of a sum of Rs.5,000/- (Rupees Five Thousand only) be and is hereby ordered and Mr. J.S. Sivagnanam, ACGSC appearing for Regional Director, Department of Company Affairs be and is hereby entitled to such fees Rs.5,000/- (Rupees Five Thousand only).

### **Schedule**

#### **SCHEME OF AMALGAMATION**

Scheme of Amalgamation of Pettavaittalai Sugars and Chemicals Limited, Johnson Pedder Limited and Dhanyalakshmi Investments Limited with E.I.D. Parry (India) Limited under Sections 391 and 394 of the Companies Act, 1956.

#### **DEFINITIONS**

In this Scheme, unless inconsistent, with the subject or context, the following expressions shall bear the meaning as given below:

- i) “1<sup>st</sup> Transferor Company” means Pettavaittalai Sugars and Chemicals Limited, a Company incorporated on 20<sup>th</sup> February 1948, and having its Registered Office at No. 234, N.S.C. Bose Road, Chennai - 600 001.
- ii) “2<sup>nd</sup> Transferor Company” means Johnson Pedder Limited, a Company incorporated on 28<sup>th</sup> September 1977 and having its Registered Office at 207 Appollo Trade Centre, 2-B Rajgarh Kothi, Gitabhavan Square, A.B. Road, Indore - 452 001.
- iii) “3<sup>rd</sup> Transferor Company” means Dhanyalakshmi Investments Limited, a Company incorporated on 12<sup>th</sup> September 1983, and having its Registered Office at Dare House, Parry’s Corner, Chennai - 600 001.

The 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> Transferor Companies are hereinafter collectively referred to as “Transferor Companies”.

- iv) “Transferee Company” means E.I.D. Parry (India) Limited, a Company incorporated on 22<sup>nd</sup> day of September 1975 and having its Registered Office at Dare House, Parry’s Corner, Chennai - 600 001.

- v) “The Act” means the Companies Act, 1956 or any statutory modifications thereof.
- vi) “The Scheme” means this Scheme of amalgamation for the merger of the Transferor Companies with the Transferee Company pursuant to the provisions of Sections 391 and 394 and other applicable provisions of The Companies Act, 1956 in its present form or with any modifications approved or imposed by the Hon’ble High Courts of Madras and Madhya Pradesh.
- vii) “Transfer Date” means 1<sup>st</sup> April 2000.

## **THE SCHEME**

1. On and from the Transfer Date, the entire undertakings and business of the Transferor Companies, with all their properties and assets, movable or immovable, tangible or intangible, real or personal, corporeal or incorporeal, in possession or in reversion, present or contingent of whatsoever nature and wheresoever situate including leases, tenancies and agency rights and all other interests and rights in or arising out of such property and all licenses, quota rights, goodwill, investments, trade names, trademarks, patents, knowhow, advances of money, book debts, outstandings, recoverables, benefits of all agreements, sanctions, permits and approvals including import entitlements and other quotas and benefits, reliefs, exemptions, concessions, credits or other advantages under Income Tax Act, Central Excise Act, Sales Tax Act, Customs Act and any other laws relating to direct or indirect taxes, levies or cess, if any, and all rights, entitlements, exemptions, concessions, telephones, telex, facsimile and other communication facilities and equipments and powers of every kind, description and nature held or applied for or as may be obtained hereafter by the Transferor Companies or which the Transferor Companies are entitled to shall without any further act, instrument, deed or order be transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company.
2. On and from the Transfer Date, all debts secured and unsecured, liabilities and obligations of every kind including tax liabilities of the Transferor Companies shall without any further act or deed be transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company so as to become the debts, liabilities and obligations of the Transferee Company, from that date. Provided however, any reference in any security documents or arrangements to which any of the Transferor Companies is a party, whereby the assets of such Transferor Companies are offered or agreed to be offered as security for any financial assistance or obligations to the secured creditors of the Transferor Companies shall be construed as reference only to the assets pertaining to the undertaking of the Transferor Companies as are vested in the Transferee Company.
3. Subject to other provisions contained in the Scheme, all contracts, deeds, bonds, debentures, agreements and other instruments of whatever nature to which any of the Transferor Companies is a party or to the benefit of which any of the Transferor Companies may be eligible, and which are subsisting or having effect on or before the date when the Scheme comes into effect, shall remain in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced as fully and as effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto.
4. All legal and other proceedings of whatsoever nature, by or against the Transferor Companies, pending before any Court, Tribunal or other authority, on or before the date when the Scheme comes into effect, shall not abate or be in any manner prejudicially affected by reason of anything contained in this Scheme, but they may be continued by or against the Transferee Company as effectually as they may have been continued by or against the Transferor Companies.

5. As and from the Transfer Date, the Transferor Companies shall be deemed to have carried on and to be carrying on their business for and on behalf of and on account of the Transferee Company until such time as the Scheme comes into effect and accordingly the profits and losses of the Transferor Companies for the period commencing with the Transfer Date shall for all purposes be treated as the profits and losses of the Transferee Company.
6. All the staff, workmen and other employees in the service of the Transferor Companies, who may be in service on the date when the Scheme comes into effect, shall become the staff, workmen and employees of the Transferee Company on the basis that their service shall have been continuous and shall not have been interrupted by reason of the transfer of the Undertaking and the terms and conditions of service applicable to the said staff, workmen or employees after such transfer shall not in any way be less favourable to them than those applicable to them immediately before the transfer in the transferor company concerned,
7. Upon the Scheme coming into effect,
  - i. the equity shareholders of the 1st Transferor Company i.e. Pettavaittalai Sugars and Chemicals Limited (other than the Transferee Company) shall be allotted 1(One) equity share of Rs.10/- each credited as fully paid in the capital of the Transferee Company for every 20 (Twenty) fully paid equity shares of Rs.10/- each held by them in the 1st Transferor Company on the Record Date to be fixed by the Board of Directors of the 1st Transferor Company in consultation with the Transferee Company,
  - ii. the Transferee Company along with its nominees are the only equity shareholders in the 2nd and 3rd Transferor Companies i.e, Johnson Pedder Limited and Dhanyalakshmi Investments Limited and therefore no shares of the Transferee Company need be allotted in respect thereof and upon the Scheme coming into effect, the entire equity share capital of the 2nd and 3rd Transferor Companies shall stand cancelled.
  - iii. the Preference shareholders of the 1st Transferor Company i.e. Pettavaittalai Sugars and Chemicals Limited shall be allotted 1(One) Preference share of Rs.100/- each credited as fully paid in the capital of the Transferee Company on the same terms and conditions for every fully paid Preference share of Rs.100/- each held by them in the 1st Transferor Company on the Record Date to be fixed by the Board of Directors of the 1st Transferor Company in consultation with the Transferee Company.
  - iv. As regards the preference shares issued by the 2nd Transferor Company i.e. Johnson Pedder Limited all the preference shares are held by the Transferee Company and hence no shares of the Transferee Company need be allotted in respect thereof and upon the Scheme coming into effect, the entire preference share capital of the 2nd Transferor Company shall stand cancelled.
  - v. The new equity shares to be allotted by the Transferee Company to the shareholders of the 1st Transferor Company pursuant to the Scheme, shall rank pari passu in all respects with the existing equity shares of the Transferee Company and shall be entitled to participate in any dividend that may be declared or paid after the Scheme comes into effect, irrespective of the fact that the said shares were not allotted and were not in existence during the period to which the dividend relates.
  - vi. Upon the Scheme coming into effect, the shares held by the Transferee Company in the Transferor Companies shall stand cancelled.

8. No certificates/coupons shall be issued by the Transferee Company in respect of the fractional entitlements to which the members of the 1st Transferor Company may be entitled to on issue and allotment of the equity shares of the Transferee Company as aforesaid. The Transferee Company shall instead consolidate all such entitlements and thereupon issue and allot equity shares in lieu thereof to a Director or an Officer of the Transferee Company on the express understanding that such Director or Officer to whom such equity shares are allotted shall sell the same in the market at the prevailing price and shall distribute the net sale proceeds to the members of the 1st Transferor Company in proportion to their fractional entitlements.
9. The Transferor Companies shall stand dissolved without going through the process of winding up, upon orders to this effect by the Hon'ble High Court of Judicature at Madras in respect of the 1st and 3rd Transferor Companies and the Hon'ble High Court of Madhya Pradesh in respect of 2nd Transferor Company.
10. Upon the Scheme coming into effect, the Board of Directors of the 1st Transferor Company shall in consultation with the Transferee Company fix a Record Date for the purpose of determining the shareholders who shall be eligible to receive the shares of the Transferee Company in exchange for the shares of the 1st Transferor Company, Thereafter, the shareholders of the 1st Transferor Company shall surrender their share certificates for cancellation thereof to the Transferee Company. Notwithstanding anything to the contrary, upon the new shares in the Transferee Company being issued and allotted by it to the eligible shareholders of the 1st Transferor Company whose names appear on its Register of Members on the Record Date fixed as aforesaid, the share certificates in relation to the shares held by them in the 1st Transferor Company shall be deemed to have been cancelled and be of no effect on and from such Record Date.
11. The Transferor Companies shall not until allotment of the new equity shares by the Transferee Company in terms of clause 7 hereinabove, declare or pay any dividend, without the consent of the Transferee Company.
12. The Transferor Companies and the Transferee Company shall not, until allotment of the new equity shares by the Transferee Company in terms of clause 7 hereinabove, issue or allot any rights shares, bonus shares or other shares out of their respective authorised or unissued share capital for the time being, without the consent of each other.
13. The allotment of shares by the Transferee Company in terms of clause 7 hereinabove to the Non Resident shareholders of the 1st Transferor Company, will be subject to and in accordance with the approval of Reserve Bank of India.
14. Equity Shares of the Transferee Company issued in terms of the Scheme, shall subject to applicable regulations, be eligible for listing and/or admission for trading on the relevant Stock Exchange/s in India where the equity Shares of the Transferee Company are listed and/or admitted to trading.
15. In so far as the Gratuity Fund, Superannuation Fund or any other Special Scheme(s) or Fund(s) created or existing, if any, for the benefit of the employees of the Transferor Companies are concerned, upon approval of the Scheme by the Hon'ble High Courts, the Transferee Company shall stand substituted for the Transferor Companies for all purposes whatsoever related to the administration or operation of such schemes or funds or in relation to the obligation to make contributions to the said schemes/funds in accordance with provisions of such schemes/funds as per the terms provided in the respective Trust Deeds to the end and intent that all the rights, duties, powers and obligations of the Transferor Companies in relation to such schemes/funds shall become those of the Transferee Company. It is

clarified that the services of the employees of the Transferor Companies will be treated as having been continuous for the purpose of the aforesaid schemes/funds.

16. Upon the Scheme coming into effect and subject to any corrections and/or adjustments as may in the opinion of the Board of Directors of the Transferee Company, be required, the amalgamation will be accounted for in the books of the Transferee Company by adoption of Purchase Method of Accounting in accordance with the Accounting Standard 14 (AS 14) issued by the Institute of Chartered Accountants of India and the balance amount representing the excess of the values of assets over the liabilities after making the adjustments /appropriations referred to above shall be reflected as General Reserve in the books of the Transferee Company.
17. The Transferor Companies and the Transferee Company shall with reasonable despatch apply to the respective Hon'ble High Courts for necessary orders or directions for holding meetings of the members of the Transferor Companies and of the Transferee Company and for sanctioning the Scheme of Amalgamation under Section 391 of the Companies Act, 1956 and for orders under Section 394 for carrying the Scheme into effect and for dissolution of the Transferor Companies without winding up.
18. All costs, charges and expenses of the Transferor Companies and Transferee Company in relation to or in connection with the Scheme and for carrying out and completing/implementing the provisions of the Scheme and those incidental thereto shall be borne and paid by the Transferee Company,
19. The Transferor Companies and the Transferee Company shall be at liberty to apply to the respective Hon'ble High Courts either at the time of filing the application(s)/petition(s) or at any time thereafter, seeking such directions in regard to any matter or to make such modifications for carrying the Scheme into effect and for dissolution of the Transferor Companies without winding up.
20. The Transferor and Transferee Companies shall have the liberty to apply to the High Court of Judicature at Madras/High Court of Madhya Pradesh for necessary direction to remove difficulties, if any, in implementing the Scheme.
21. The Board of Directors of the Transferor and Transferee Companies or any person authorised by them may assent on behalf of all concerned to any modification to the Scheme or to any condition which the High Court(s) or the Government or other authority may impose or which the said Board of Directors may in their sole discretion, think fit for the purpose of effectively carrying out the Scheme and the said Board of Directors may do all acts, things and deeds as may be necessary and/or expedient for the purpose of implementing the Scheme.
22. The Scheme is conditional upon and subject to the following:
  - a. Approval of the Scheme by the requisite majority of the members of the Transferor and Transferee Companies.
  - b. Sanction of the Scheme by the Hon'ble High Court of Judicature at Madras and Hon'ble High Court of Madhya Pradesh pursuant to Section 391 of the Act and appropriate orders being made by the said High Court(s) pursuant to Section 394 of the Act for the amalgamation under the Scheme and for the implementation thereof.
  - c. Any other sanction or approval of Appropriate Authorities concerned, as may be considered necessary and appropriate by the respective Board of Directors of the Transferor Companies

and Transferee Company, being obtained and granted in respect of any of the matters for which such sanction or approval is required.

23. The Scheme will be operative from the Transfer Date i.e. 1st April 2000 and shall come into effect from the date on which the sanctions, approvals and orders mentioned in Clause 22 hereinabove are obtained and a certified copy of the Orders of the Hon'ble High Courts are filed with the Registrar of Companies, Tamil Nadu and Madhya Pradesh.

Witness the Hon'ble Thiru Nagendra Kumar Jain, the Chief Justice at Madras aforesaid, this the 22nd day of May, 2001,

Sd/-

DEPUTY REGISTRAR (O.S.)



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**SCHEME OF ARRANGEMENT (DEMERGER) BETWEEN**

**E.I.D.- PARRY (INDIA) LIMITED  
(DEMERGED COMPANY)**

**AND**

**COROMANDEL FERTILISERS LIMITED  
(RESULTING COMPANY)**

**AND**

**SCHEME OF AMALGAMATION OF  
PARRY AND COMPANY LIMITED**

**THE MOFUSSIL WAREHOUSE & TRADING COMPANY  
LIMITED**

**WITH**

**E.I.D.- PARRY (INDIA) LIMITED**

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**IN THE HIGH COURT OF JUDICATURE AT MADRAS**

**(ORIGINAL JURISDICTION)**

Tuesday, Thirtieth day of September, 2003 The Hon'ble Mr. Justice S. ASHOK KUMAR

Company Petition No. 260 & 261 & 306 of 2003

(Connected Comp. Appln. Nos.1009 to 1011 of 2003)

In the matter of the Companies Act I of 1956);

and

In the matter of Scheme of Arrangement (Demerger)  
between M/s, E.I.D. - Parry (India) Limited (Demerged  
Company)

and

M/s. Coromandel Fertilisers Limited (Resulting  
Company)

and

In the matter of Scheme of Amalgamation of;  
M/s. Parry and Company Limited (Transferor No.1)  
M/s. The Mofussil Warehouse & Trading Company  
Limited (Transferor No.2)

with

M/s. E.I.D. - Parry (India) Limited (Demerged  
Company/ Transferee)

M/s. Parry and Company Limited,  
"Dare House", Parry's Corner,  
Chennai-600001.

rep. by its Authorised Signatory Ms. G. Jalaja,

... Petitioner/Transferor  
Company No.1 in C.P.No.260/2003

M/s. The Mofussil Warehouse & Trading Company Limited,  
"Dare House", Parry's Corner,  
Chennai -600 001.

rep, by its Authorised Signatory Ms. G. Jalaja.

... Petitioner/Transferor  
Company No.2 in C.P.No.261/2003

M/s. E.I.D. - Parry (India) Limited,  
Dare House, Parry's Corner,  
Chennai - 600 001,

rep. by its Company Secretary Ms. G. Jalaja.

... Petitioner/Demerged Company/Transferee  
Company in C.P.No.306/2003

COMPANY PETITION No.260/2003:

This Company Petition praying this Court that:

- (a) The Scheme of Arrangement (Demerger) and Amalgamation under which M/s. Parry and Company Limited (Transferor Company - 1) would be amalgamated with M/s. E.I.D. Parry (India) Limited (Demerged Company) with effect from 1st April, 2003 be sanctioned by this Court so as to be binding on all the Equity Shareholders and Creditors of the said Petitioner Company and the said Petitioner Company herein

and

- (b) The Transferor Company - 1 namely, M/s. Parry and Company Limited be ordered to be wound up without the process of winding up;

COMPANY PETITION No.261/2003:

This Company Petition praying this Court that:

- (a) The said Scheme of Arrangement (Demerger) and Amalgamation under which M/s. The Mofussil Warehouse & Trading Company Limited (Transferor Company - 2) would be amalgamated with M/s. E.I.D. Parry (India) Limited (Demerged Company) with effect from 1st April, 2003 be sanctioned by this Court so as to be binding on all the Equity Shareholders and Creditors of the said Petitioner Company and the said Petitioner Company herein

and

- (b) The Transferor Company - 2 namely, M/s. The Mofussil Warehouse & Trading Company Limited be ordered to be wound up without the process of winding up;

COMPANY PETITION No.306/2003:

This Company Petition praying this Court that:

- (a) The said Scheme of Arrangement (Demerger) by which the Farm Inputs Division comprising of Fertiliser and Pesticides Business ("FIND Division") of the Petitioner Company be transferred to and vested with M/s, Coromandel Fertilisers Limited (Resulting Company) with effect from 1st April, 2003;

and

- (b) The Amalgamation of M/s. Parry and Company Limited (Transferor Company - 1) and M/s. The Mofussil Warehouse and Trading Company Limited (Transferor Company - 2) with M/s. E.I.D. - Parry (India) Limited the Petitioner/Demerged Company with effect from 1st April, 2003, be sanctioned by this Court so as to be binding on all the Equity Shareholders and Creditors of the said Company and on the said Company with effect from 1st April, 2003;

and

- (c) The Transferor Company - 1 and 2 namely, M/s. Parry and Company Limited and M/s. The Mofussil Warehouse & Trading Company Limited be ordered to be dissolved without the process of winding up;

These Company Petitions coming on 22.9.2003 before this Court for hearing in the presence of Mr. T.K. Seshadri, Advocate for the Petitioners in all the Company Petition No.260, 261 & 306 of 2003 and Mr. M.T. Arunan, Additional Central Government Standing Counsel appearing for the Regional Director, Department of Company Affairs, Southern Region, Chennai - 6, in all the Company Petition No.260, 261, & 306 of 2003 and upon reading the Order of this Court dated 30.6.2003 and made in Company Application No. 1009/2003 whereby the said Company viz, M/s. E.I.D. - Parry (India) Limited, the Petitioner Company/ Demerged Company/Transferee Company in C.P. No.306/2003 herein was directed to convene a meeting of the Equity Shareholders of the above named company for the purpose of considering and if thought fit approving with or without modification the proposed Composite Scheme of Arrangement between M/s. E.I.D. - Parry (India) Limited and M/s. Coromandel Fertilisers Limited and Amalgamation of M/s. Parry and Company Limited - Transferor Company / No.1 / Petitioner in C.P. No.260/2003 and M/s. The Mofussil Warehouse & Trading Company Limited - Transferor Company / No.2 / Petitioner in CP. No.261/2003 with M/s. E.I.D. - Parry (India) Limited - Demerged Company / Transferee Company / Petitioner in C.P. No.306/2003 and the Advertisement having been made in one issue of "The Business Line" and "Dinamani" dated 11.7.2003 each containing the Advertisement of the said meeting and the report of the Chairman of the said meeting as to the result of the meeting and it is appearing from the said report that the Composite Scheme of Arrangement and Amalgamation have been approved unanimously and upon reading the consent letters dated 23.06.2003 from all the shareholders of M/s. Parry and Company Limited (Transferor Company - 1) - the Petitioner in C.P. No.260 of 2003 and that of M/s. The Mofussil Warehouse & Trading Company Limited (Transferor Company - 2) - the Petitioner in C.P. No.261 of 2003 respectively and upon reading the Orders of this Court dated 30.6.2003 and made in C.A.No. 1010/2003 and 1011/2003 respectively whereby the said Transferor Company - 1 and 2 were directed to file the Petition for Sanction of Scheme, of Arrangement (Demerger) and Amalgamation within two weeks from that day, thereby dispensing with the convening of the meeting of the Equity Shareholders of the above named Transferor Company - 1 and 2; and upon reading the Company Petition Nos.260, 261 and 306 of 2003 filed herein and the Advertisement having been made in one issue of "News Today" and "Makkal Kural" dated 21.7.2003 each containing the Advertisement of Petition in C.R No, 260 and 261 of 2003 and the Advertisement having been made in one issue of "Business Line" and "Dhinamani" dated 2.9.2003 each containing the Advertisement of Petition in C.P.No.306 of 2003 and upon reading the Affidavit filed by the Regional Director, Department of Company Affairs, Southern Region, Chennai before this Court on 22.9.2003 and wherein the Central Government having objection that the "Transferor Company - 1 and the demerged Company have secured and unsecured creditors as per their Balance Sheet as at 31.3.2003 but their petition is silent about the obtaining of creditors' consent to the scheme" and pursuant to the Consent letters of the Secured Creditors of the Transferor Company - 1 and the Demerged Company i.e., Petitioners in C.R No.260/2003 and 306/2003 respectively except the 6th Secured Creditor, Government of India in C.P. No.306 of 2003, from whom no reply was yet received, and since Transferor Company - 2 did not have any Secured Creditor, this court having observed that:

"No objections have been filed by any party to the Scheme of Arrangement (Demerger) and Amalgamation and there is no objectionable feature in it. The Scheme does not appear to be Contrary to any public policy and it is not violative of any provision of law. The composite scheme as a whole is found to be just, fair and reasonable."

doth hereby sanction the Composite Scheme of Arrangement (Demerger) and Amalgamation as set out in the Schedule hereunder with effect from 1.4.2003 subject to the approval of scheme by the High Court of Andhra Pradesh at Hyderabad in C.P.No.104 of 2003 and this Court doth hereby declare the same to be binding on the shareholders of the said Companies and on the said Companies, this Court doth further ORDER as follows:

1. That the entire undertaking of the Demerged Company viz. M/s. EID Parry (India) Limited, exclusively relating to Fertiliser and Pesticides Business of Farm Inputs Division shall be transferred to the Resulting Company viz. Coromandel Fertilisers Limited, having its Registered Office at Coromandel House, 1-2-10, Sardar Patel Road, Secunderabad - 500 003, under the Scheme of book value and Employees related to the said Farm Inputs Division and their fully funded retirement benefits shall be transferred to the said Resulting Company subject to issuance of one share to the Shareholders of the E.I.D. - Parry (India) Limited (Demerged Company) for every three shares held by them in the Demerged Company, by the Coromandel Fertilisers Limited (Resulting Company) and the said Resulting Company will continue to be a Subsidiary of Demerged Company Post Demerger;
2. That the Shares held by the Demerged Company / Transferee Company herein in the Transferor Company No.1 and 2 herein viz. M/s. Parry and Company Limited and M/s. The Mofussii Ware House & Trading Company Limited shall stand cancelled on giving effect to the Composite Scheme of Arrangement (Demerger) and Amalgamation with effect from 1.4,2003;
3. That the Petitioner Companies herein do file with the Registrar of Companies, Chennai, a certified copy of the Order within 30 days from this date;
4. That the parties to the Composite Scheme of Arrangement and Amalgamation or other person interested shall be at liberty to apply to this Court for any directions that may be necessary in regard to carrying out of this Scheme here-under;
5. That the Transferor Company No. 1 & 2 herein viz. M/s, Parry and Company Limited and M/s. The Mofussii Ware House & Trading Company Limited shall be dissolved without winding up on the filing of the Report by the Official Liquidator, High Court, Madras;
6. That the books of Accounts of the Transferor Company Nos.1 and 2 have to be produced to the Official Liquidator for enabling him to submit his Report;
7. That the Official Liquidator, High Court, Madras be and is hereby directed to file his report for the Dissolution of the Transferor Company Nos. 1 & 2 herein at the earliest pursuant to Second Proviso to Section 393(1) of the Companies Act, 1956;
8. That Mr. MR. Arunan, Additional Central Government Standing Counsel appearing for the Regional Director, Southern Region, Department of Company Affairs, Chennai by and is hereby entitled to a fee of Rs.2,500/- (Rupees two thousand and five hundred only) in each Company Petition to be paid by the Petitioners herein,

## **Schedule**

(Composite Scheme of Arrangement and Amalgamation Annexed to this Order)

SCHEME OF ARRANGEMENT (DEMERGER) BETWEEN

M/S.E.I.D. - PARRY (INDIA) LIMITED (DEMERGED COMPANY)

AND

M/S.COROMANDEL FERTILISERS LIMITED (RESULTING COMPANY)

AND

SCHEME OF AMALGAMATION

OF

M/S.PARRY AND COMPANY LIMITED (TRANSFEROR COMPANY 1)

AND

M/S.THE MOFUSSIL WAREHOUSE & TRADING COMPANY LIMITED

(TRANSFEROR COMPANY 2}

WITH

M/S.E.I.D. - PARRY (INDIA) LIMITED (DEMERGED COMPANY)

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

Under Sections 391 to 394 of the Companies Act, 1956

This Scheme of Arrangement (Demerger) and Scheme of Amalgamation is presented for (a) transfer and vesting of the DEMERGED Undertaking (as hereinafter defined) of E.I.D. - Parry (India) Ltd. (the “DEMERGED Company”), a Company incorporated under the Companies Act, 1956, having its Registered Office at “Dare House1, Parry’s Corner, Chennai ~ 600 001, as a going concern, to and in Coromandel Fertilisers Ltd., (the “RESULTING Company”), a Company incorporated under the Companies Act, 1956, having its Registered Office at ‘Coromandel House’ 1-2-10, Sardar Patel Road, Secunderabad - 500 003, Andhra Pradesh, AND (b) Amalgamation of Parry and Company Limited (Transferor Company 1), a Company incorporated under the provisions of the Indian Companies Act, 1913 and having its Registered Office at “Dare House’, Parry’s Corner, Chennai - 600 001, and The Mofussil Warehouse & Trading Company Limited (Transferor Company 2), a Company incorporated under the provisions of the Indian Companies Act, 1892 and having its Registered Office at ‘Dare House’, Parry’s Corner, Chennai - 600 001 with the DEMERGED Company.

## **PART I - DEFINITIONS**

1. In this Scheme, unless repugnant to the context or meaning thereof, the following expressions shall have the following meanings:
  - 1.1 “ACT” means the Companies Act, 1956 and any statutory modification or re-enactments thereof, for the time being in force.

- 1.2 “Annexure” in relation to the Scheme means the Annexure attached hereto and forming part of the Scheme,
- 1.3 “Appointed Date” means the 1st day of April, 2003 or such other date as may be approved by the High Court of Judicature at Madras and Andhra Pradesh,
- 1.4 The “Effective Date” means the last of the dates on which (a) certified copies of the order of the Honourable High Court of Judicature at Madras and Andhra Pradesh under Sections 391 and 394 of the Act sanctioning the Scheme are filed with the Registrar of Companies, Chennai, Tamil Nadu and Registrar of Companies, Hyderabad, Andhra Pradesh respectively and (b) the consents, approvals, permissions, resolutions, agreements, sanctions and orders necessary therefor being obtained,
- 1.5 The “Record Date” means the date to be fixed by the Board of Directors or Committee thereof of the RESULTING Company for the purpose of determining the members of the DEMERGED Company to whom shares will be allotted pursuant to the Scheme.
- 1.6 “DEMERGED Company” means E.I.D. - Parry (India) Limited, a Public Limited Company incorporated under the provisions of the Companies Act, 1956 and having its Registered Office at ‘Dare House’, Parry’s Corner, Chennai - 600 001.
- 1.7 “DEMERGED Undertaking” means the entire Undertaking of the DEMERGED Company exclusively relating to Fertiliser and Pesticides Business of Farm Inputs Division (hereinafter referred to as FIND Business), which consists of the business of manufacture, buying, selling, trading and marketing of fertiliser and pesticide products including investments made in Parry Chemicals Ltd (whose main business is trading and marketing of pesticides) together with all property and assets, whether moveable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible, present, contingent or future, any addition or accretion thereto, as a going concern, including the following:
- (i) The manufacturing facility at Ennore in the state of Tamil Nadu together with all that pieces or parcels of freehold and leasehold lands, hereditaments and premises, railway sidings, situate lying and being at Ennore in the state of Tamil Nadu together with all the buildings and structures standing thereon including the housing colony (along with the relevant land and buildings) more particularly described in Part 1 of Annexure A (hereinafter referred to as the “Ennore Property”).
  - (ii) The manufacturing facility at Ranipet in the state of Tamil Nadu (pertaining to FIND business) together with all that pieces or parcels of freehold and leasehold lands, hereditaments and premises situate lying and being at Ranipet in the state of Tamil Nadu together with all the buildings and structures standing thereon and more particularly described in Part II of Annexure A (hereinafter referred to as the “Ranipet Property”).
  - (iii) The manufacturing facility at Thane in the state of Maharashtra together with all that pieces or parcels of freehold and leasehold lands, hereditaments and premises situate lying and being at Thane in the state of Maharashtra together with all the buildings and structures standing thereon and more particularly described in Part III of Annexure A (hereinafter referred to as the “Thane Property”).
  - (iv) Buildings/office premises situated at Bangalore, Kolkata and Mettupalayam pertaining to FIND Business, more particularly described in Part IV of Annexure A.

- (v) All the moveable and fixed plant and machinery, equipment, installations, appliances, pipes, tools, accessories, computers, furniture, fixtures, office equipment, power lines, water pipelines, ammonia pipelines, whether owned by or leased to the DEMERGED Company and which may be lying or installed or erected in any of the Ennore property, Ranipet property (pertaining to FIND business) or Thane property or which may be in transit to such locations or lying in port and also at Corporate Office at Chennai, zonal and branch offices, depots and marketing offices of FIND business or in any locations of the DEMERGED Company,
- (vi) All the vehicles and the current assets of the DEMERGED Company in relation to the FIND Business including sundry debtors, receivables, cash, bank balances, loans and advances, actionable claims, bills, credit notes and all inventories, stock-in-trade, raw materials, work-in-progress, finished products, spares, stores, packing material, stock of coal or fuel, wheresoever the same may be lying or situate and whether at the Ennore Property, Ranipet Property (pertaining to FIND business) and Thane property or at any other location or sites of the DEMERGED Company or which may be in transit to such locations or sites.
- (vii) All permits, authorisations, licences, consents, registrations, approvals, municipal permissions, industrial licences, insurance policies, registrations, import-export licences, bids, tenders, letters of intent, connections for water, electricity and drainage, sanctions, product registrations, quota rights, entitlements, allotments, interests, benefits, allocations, exemptions, concessions, remissions, subsidies, tax deferrals, privileges, easements and advantages, facilities, rights, powers and interests {whether vested or contingent) relating to the FIND Business,
- (viii) Investments comprising 500,000 shares of Parry Chemicals Ltd., having an aggregate par value of Rs.50,00,000.
- (ix) All earnest money and/or deposits including security deposits paid by the DEMERGED Company to third parties in connection with or relating to the FIND Business.
- (x) All agreements, contracts (including forward contracts), arrangements, understandings, bonds, engagements, deeds and instruments including hire purchase agreements (if any), lease agreements, tenancy rights, power purchase/sanction agreements, equipment purchase agreements, agreements with suppliers, agreements with clients/purchasers relating to the FIND Business and all rights, titles, interests, claims and benefits thereunder.
- (xi) All intellectual property rights, trade marks, patents, copy rights, technical know-how, designs exclusively relating to the FIND business as specified in Annexure B.
- (xii) Telephone, facsimile connections, e-mail connections, telexes and communication facilities and installations of FIND Business.
- (xiii) Reserves, provisions and funds relating to the FIND business,
- (xiv) All records, files, papers, engineering and process information, computer programs, manuals, data, catalogues, quotations, sales and advertisement materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records, whether in physical form or electronic form in connection with or relating to the FIND business.

- (xv) All liabilities, debts, duties and obligations (including term loans, working capital facilities, debentures and fixed deposits) pertaining or relatable to the FIND Business (hereinafter referred to as the “Transferred Liabilities”); and
- (xvi) All employees of the DEMERGED Company, pertaining to the DEMERGED Undertaking employed in or engaged at the manufacturing facilities at Ennore, Ranipet (pertaining to FIND business) and Thane, Corporate Office at Chennai, zonal and branch offices, depots and marketing offices of FIND business and at various places in India and any other employee(s) as may be decided by the Board of the DEMERGED Company, who are to be transferred to the RESULTING Company pursuant to this Scheme as on the Effective Date (“Transferred Employees”).

1.8 “Transferred Liabilities” shall mean and include:

- (i) All liabilities, debts, duties and obligations, which have arisen or accrued or which may hereafter arise or accrue out of the activities or operations of the FIND Business;
- (ii) Specific loans and borrowings (including term loans, debentures, working capital facilities) raised, whether secured or not, incurred and utilised exclusively for the activities or operations of the DEMERGED Undertaking as detailed in Annexure C;
- (iii) Loans and borrowings (including term loans, debentures, working capital facilities and fixed deposits) other than those referred to in sub-clauses above, being the amounts of general or multipurpose borrowings of the DEMERGED Company, allocated to the DEMERGED Undertaking (as detailed in Annexure C) in the same proportion, which the value of the assets (being fixed assets, investments and current assets) transferred under the Scheme bears to the total value of the assets (being the fixed assets, investments and current assets) of the DEMERGED Company as on the Appointed Date, provided that in determining the value of the assets, any revaluation shall be ignored.

1.9 “RESULTING Company” means Coromandel Fertilisers Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its Registered Office at “Coromandel House”, 1-2-10, Sardar Patel Road, Secunderabad - 500 003, Andhra Pradesh,

1.10 “Transferor Company 1” means Parry and Company Limited, a company incorporated under the provisions of the Indian Companies Act, 1913 and having its Registered Office at ‘Dare House’, Parry’s Corner, Chennai - 600 001.

1.11 “Transferor Company 2” means The Mofussil Warehouse & Trading Company Limited, a company incorporated under the provisions of the Companies Act, 1892 and having its Registered Office at “Dare House”, Parry’s Corner, Chennai - 600 001.

1.12 “Undertaking of Transferor Company 1” means the entire business of the Transferor Company 1 and includes (without being limited to) the following:

- (i) All the undertakings, properties (both moveable and immovable and liabilities of the Transferor Company 1 including all properties and assets, movable and immovable, real and personal, corporeal and in-corporeal, in possession, or in reversion, present and contingent of whatsoever nature, wheresoever situated, rights, powers, interests, authorities, privileges (including benefits of all tax reliefs), liberties, contracts or deeds, as on the Appointed Date, including all lands & buildings, freehold and leasehold

(including but not limited to the leasehold rights of NETLON BUSINESS) vehicles, furniture, equipments, sundry debtors, investments, inventories, cash and bank balances, bills of exchange, deposits, loans and advances, leases, tenancy rights and agencies of the Transferor Company 1 and all other interests or rights in or arising out of or relating to such properties, together with all rights, powers, interests, charges, privileges, benefits, entitlements, industrial and other licenses, insurance policies, brands, registrations; trade marks, patents, copy rights, liberties, easements, industrial and advantages, sanctions, approvals, import entitlements and other quotas, if any, or to which the Transferor Company 1 is entitled to, of whatsoever kind, nature or description held, applied for or as may be obtained thereafter or to which the Transferor Company 1 is entitled to, together with the benefit of all contracts and engagements and all books, papers, documents and records.

- (ii) All debts, liabilities, duties and obligations of the Transferor Company 1 as on the Appointed Date, as appearing in the books of account of the Transferor Company 1 and including liabilities on account of secured loans, unsecured loans, sundry creditors, bonus, sales tax, excise, income tax, other taxation and any other liability (including contingent liability), whether or not provided for in the books of account of the Transferor Company 1.
- (iii) All employees of Transferor Company 1.

1.13 “Undertaking of Transferor Company 2” means the entire business of the Transferor Company 2 and includes (without being limited to) the following:

- (i) All the undertakings, properties (moveable and immovable) and liabilities of the Transferor Company 2 including all properties and assets, movable and immovable, real and personal, corporeal and in-corporeal, in possession, or in reversion, present and contingent of whatsoever nature, wheresoever situated, rights, powers, interests, authorities, privileges, (including benefits of all tax reliefs) liberties, contracts or deeds, as on the Appointed Date, including all lands & buildings, freehold and leasehold, vehicles, furniture, equipments, sundry debtors, investments, inventories, cash and bank balances, bills of exchange, deposits, loans and advances, leases, tenancy rights and all other interests or rights in or arising out of or relating to such properties, together with all rights, powers, interests, charges, privileges, benefits, entitlements, licenses, insurance policies, registrations, trade marks, patents, copy rights, liberties, easements, industrial and advantages, sanctions, approvals, import entitlements and other quotas, if any, or to which the Transferor Company 2 is entitled to of whatsoever kind, nature or description held, applied for or as may be obtained thereafter or to which the Transferor Company 2 is entitled to, together with the benefit of all contracts and engagements and all books, papers, documents and records,
- (ii) All debts, liabilities, duties and obligations of the Transferor Company 2 as on the Appointed Date, as appearing in the books of account of the Transferor Company 2 and including liabilities on account of secured loans, unsecured loans, sundry creditors, bonus, sales tax, excise; income tax, other taxation and any other liability (including contingent liability) whether or not provided for in the books of account of the Transferor Company 2,
- (iii) All employees of the Transferor Company 2.

1.14 “Remaining Business” means all the business and all properties, assets, investments and liabilities of the DEMERGED Company other than the DEMERGED Undertaking, as set out in Clause 15 of Part II of this Scheme.

1.15 “Scheme” means this Scheme of Arrangement (demerger) and Amalgamation in its present form or with any modification(s) approved, imposed or directed by the High Courts of Judicature at Madras and Andhra Pradesh.

## 2. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) or amendment(s) approved, imposed or directed by the High Courts of Judicature at Madras and Andhra Pradesh shall be effective from the Appointed Date but shall be operative from the Effective Date,

## 3. SHARE CAPITAL

AUTHORISED, ISSUED, SUBSCRIBED AND PAID UP CAPITAL AS ON 31ST MARCH, 2003

### (a) E.I.D. - Parry (India) Limited, (DEMERGED Company)

(Amount in Rs. Lakhs)

#### Authorised

50,00,000 Redeemable Preference Shares of Rs. 100/- each	5000
5,15,00,000 Equity Shares of Rs.10/- each	5150

#### Issued, Subscribed and Paid up

1,78,49,703 Equity Shares of Rs.10/- each	1785	
LESS: Allotment Money-in-arrears	1	1784

### (b) Coromandel Fertilisers Limited (RESULTING Company)

#### Authorised

2,50,00,000 Shares of Rs. 10/- each	2500
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#### Issued, Subscribed and Paid up

1,94,55,656 Equity Shares of Rs, 10/- each	1945
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### (c) Parry and Company Limited (Transferor Company 1)

#### Authorised

5,00,000 Equity Shares of Rs. 10/- each	50
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#### Issued, Subscribed and Paid Up

4,00,000 Equity Shares of Rs. 10/- each	40
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### (d) The Mofussil Warehouse & Trading Company Limited (Transferor Company 2)

#### Authorised

2,50,000 Equity Shares of Rs. 10/- each	25
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#### Issued, Subscribed and Paid up

50,000 Equity Shares of Rs. 10/- each	5
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## **PART II - TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING**

4.1 Pursuant to the Orders of the Hon'ble High Courts of Judicature at Madras and Andhra Pradesh, the whole of the DEMERGED Undertaking of the DEMERGED Company shall, subject to Clause 4.2.1 to Clause 4.2.4 below and in accordance with Section 2(19AA) of the Income Tax Act, 1961, and pursuant to Sections 391 and 394 of the Act, be DEMERGED and transferred to and vested in the RESULTING Company as a going concern, with effect from the Appointed Date, such that:

- (i) All the property of the DEMERGED Undertaking immediately before the demerger, being transferred by the DEMERGED Company, become the property of the RESULTING Company by virtue of the demerger;
- (ii) All the liabilities relatable to the DEMERGED Undertaking, immediately before the demerger, being transferred by the DEMERGED Company, become the liabilities of the RESULTING Company by virtue of the demerger;
- (iii) The property and the liabilities of the DEMERGED undertaking, being transferred by the DEMERGED Company, are transferred at values appearing in its books of account immediately before the demerger;
- (iv) The RESULTING Company issues, in consideration of the demerger, its shares to the shareholders of the DEMERGED Company in accordance with Clause 10, relating to Issue of Shares as detailed herein below in the Scheme;
- (v) The shareholders, holding not less than three-fourths in value of the shares in the DEMERGED Company other than shares already held therein immediately before the demerger, or by a nominee for, the RESULTING Company or, its subsidiary become the shareholders of the RESULTING Company by virtue of the demerger;

Otherwise than as a result of the acquisition of the property or assets of the DEMERGED Company or any Undertaking thereof by the RESULTING Company;

- (vi) The transfer of the DEMERGED Undertaking is on a going concern basis.

Without prejudice to the aforesaid, the whole of the DEMERGED Undertaking of the DEMERGED Company shall be demerged and transferred to and vested in the RESULTING Company, as a going concern, with effect from the Appointed Date, in the following manner:

- 4.1.1 All the properties and assets comprised in the DEMERGED Undertaking, except for the portions dealt with hereunder of whatsoever nature and wheresoever situate and which are incapable of passing by physical delivery, shall under the provisions of Section 391 and Section 394 of the Act and all other applicable provisions, if any, of the Act, without any further act or deed, be demerged from the DEMERGED Company and be transferred to and vested in the RESULTING Company or be deemed to have been demerged from the DEMERGED Company and transferred to and vested in the RESULTING Company as a going concern so as to become as and from the Appointed Date, the property and assets of the RESULTING Company, subject however to the charges thereon in favour of banks and/ or financial institutions as specified in Clause 4.2.1 to Clause 4.2.4 below.
- 4.1.2 All moveable property and assets comprised in the DEMERGED Undertaking including cash in hand, capable of passing by physical delivery or by endorsement and delivery shall be

so delivered or endorsed and delivered by the DEMERGED Company to the RESULTING Company to the end and intent that the property therein passes to the RESULTING Company.

4.1.3 In respect of movables other than those dealt with in Clause 4.1.2 above including sundry debtors, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any government, semi-government, local or other authority or body or with any company or other person, the following method shall to the extent possible be followed:

- (a) The DEMERGED Company shall give notice in such form as it may deem fit and proper, to each person, debtor or depositor, as the case may be, that pursuant to the High Courts of Judicature at Madras and Andhra Pradesh having sanctioned the arrangement between the DEMERGED Company, the RESULTING Company and their respective shareholders under Sections 391 and 394 of the Act, the said debt, loan, advance, balance, or deposit be paid or made good or held on account of the RESULTING Company as the person entitled thereto to the end and intent that the right of the DEMERGED Company to recover or realise the same stands transferred to the RESULTING Company and that appropriate entry should be passed in its books to record the aforesaid change;
- (b) The RESULTING Company shall also give notice in such form as it may deem fit and proper, to each person, debtor or depositor, as the case may be, that pursuant to the High Courts of Judicature at Madras and Andhra Pradesh having sanctioned the arrangement between the DEMERGED Company, the RESULTING Company and their respective shareholders under Sections 391 and 394 of the Act, the said debt, loan, advance, balance, or deposit be paid or made good or held on account of the RESULTING Company and that the right of the DEMERGED Company to recover or realise the same stands transferred to the RESULTING Company.

4.1.4 For the avoidance of doubt, it is clarified that upon the coming into effect of this Scheme, all permits, authorisations, licences, consents, registrations, approvals, municipal permissions, industrial licences, import-export licences, DEPB & advance licences, insurance policies, bids, tenders, letters of intent, connections for water, electricity and drainage, sanctions, product registrations, quota rights, entitlements, allotments, interests, benefits, allocations, exemptions, concessions, remissions, subsidies, tax deferrals, CENVAT Credit, obligations/benefits arising out of bank guarantees given with respect to any appeals with the relevant authorities, privileges, easements and advantages, facilities, rights, powers and interests (whether vested or contingent) and intellectual property rights (pertaining to products of FIND Business only) comprised in the DEMERGED Undertaking shall stand transferred to and vested in or shall be deemed to be transferred to and vested in the RESULTING Company as if the same were originally given or issued to or executed in favour of the RESULTING Company, and the rights and benefits under the same shall be available to the RESULTING Company.

4.1.5 All the intellectual property rights, excluding those that are specifically listed in Annexure “B” relating to FIND Business shall continue to vest in the DEMERGED Company, The RESULTING Company shall not have any right whatsoever in the trademark “Parrys” and other intellectual properties incidental thereto and shall only be entitled to use the said trademark in connection with its trade or business or products or services of the RESULTING Company strictly in accordance with the licensing agreement to be entered between the DEMERGED

Company and the RESULTING Company. The RESULTING Company shall not do anything inconsistent with the rights of the DEMERGED Company over the name “Parrys” with effect from the “Appointed Date”.

- 4.1.6 (i) With effect from the Appointed Date, all the Transferred Liabilities viz., all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description of the DEMERGED Company pertaining or relatable to the DEMERGED Undertaking (including the Debentures and Fixed Deposits) dealt with under clauses 12.1 & 12.2 below shall also, under the provisions of Sections 391 and 394 of the Act, without any further act or deed, be transferred to or be deemed to be transferred to the RESULTING Company so as to become, as from the Appointed Date, the debts, liabilities, contingent liabilities, duties and obligations of the RESULTING Company as if it had raised or incurred such debts, liabilities, contingent liabilities, duties and obligations 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 Clause.
- (ii) Upon the coming into effect of the Scheme, the RESULTING Company alone shall be liable to perform or fulfill all the obligations in respect of the Transferred Liabilities as the borrower thereof, and the DEMERGED Company shall not have any obligations in respect of the Transferred Liabilities.
- (iii) It is expressly provided that, save as mentioned hereinbelow, no other terms and conditions of the Transferred Liabilities shall be modified except to the extent that such modifications as may be required by necessary implication or by any agreement entered into with the concerned lender/creditor.
- (iv) The provisions of this clause 4.1.6 and 4.2.1 to 4.2.4 shall operate notwithstanding anything to the contrary contained in any deed or writing or the terms of sanction or issue of any lending, loan, or Debenture or Fixed Deposit or any security document, all of which instruments shall stand modified and/or superseded by the provisions of this Scheme. If necessary, the requisite endorsement of these provisions shall be made on the debenture certificates issued by the DEMERGED Company in relation to debentures, which represent borrowings made for or relating to the Remaining Business.
- 4.2.1 The transfer and vesting of the DEMERGED Undertaking as provided in this Scheme shall be subject to all securities, encumbrances, charges and mortgages subsisting over or in respect of the properties and assets or any part thereof comprised in the DEMERGED Undertaking and transferred to and vested in or deemed to be transferred to and vested in the RESULTING Company only to the extent that such encumbrances, charges and mortgages are security for the Transferred Liabilities; provided however that any reference in any security documents or arrangement (to which the DEMERGED Company is a party) to the property and assets comprised in the DEMERGED Undertaking offered or agreed to be offered as security for any of the Transferred Liabilities shall be construed as reference only to the properties and assets comprised in the DEMERGED Undertaking as transferred to and vested in the RESULTING Company by virtue of the aforesaid clauses, to the end and intent that such security, encumbrance, charge or mortgage shall not extend or be deemed to extend to any of the other assets of the RESULTING Company; and provided also that this Scheme shall not

operate to enlarge the security for any Transferred Liabilities, which shall be transferred to and vest in the RESULTING Company by virtue of this Scheme and the RESULTING Company shall not be obliged to create any further or additional security therefor after this Scheme has become operative.

- 4.2.2 Notwithstanding anything herein or in any security document or arrangement to which the DEMERGED Company is a party, in so far as any security, encumbrance, charge or mortgage subsisting over or in respect of any of the properties and assets or any part thereof of the DEMERGED Company is security for or has been created to secure the Transferred Liabilities, such security, encumbrance, charge and mortgage shall, without any further act, instrument or deed, be modified to extend to and operate only against such of the properties and assets of the DEMERGED Company comprised in the DEMERGED Undertaking and transferred to the RESULTING Company as mutually agreed with the concerned secured creditors and shall cease to extend to and operate against the properties and assets not transferred to the RESULTING Company. It is further clarified that in so far as the properties and assets not transferred to the RESULTING Company are concerned, the same shall, without any further act or deed, be released and discharged from the security and charge over such properties and assets relating to any Transferred Liabilities, and such properties and assets shall no longer be available as security for the Transferred Liabilities.
- 4.2.3 No Withstanding anything herein or in any security document or arrangement to which the DEMERGED Company is a party, in so far as any security, encumbrance, charge or mortgage subsisting over or in respect of any of the properties and assets or any part thereof of the DEMERGED Company is security for or has been created to secure loans, debts, liabilities and obligations, which are not transferred to the RESULTING Company, such security, encumbrance, charge and mortgage shall, without any further act, instrument or deed, be modified to extend to and operate only against such of the properties and assets of the DEMERGED Company, which are not transferred to the RESULTING Company as mutually agreed with the concerned secured creditors and shall cease to extend to and operate against the properties and assets comprised in the DEMERGED Undertaking. It is further clarified that in so far as the properties and assets comprised in the DEMERGED Undertaking are concerned, the same shall, without any further act or deed, be released and discharged from the security and charge over such properties and assets relating to any loans, borrowings or debentures of the DEMERGED Company, which are not transferred pursuant to this Scheme, and such properties and assets shall no longer be available as security for the loans, borrowings or debentures which are not transferred to the RESULTING Company,
- 4.2.4 Without prejudice to the provisions of the foregoing clauses, upon the Scheme becoming operative, the DEMERGED Company and the RESULTING Company shall execute all instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modifications of charge with the Registrar of Companies, Chennai and Hyderabad, to give formal effect to the above provisions, if required, provided always that the absence of any formal amendment, which may be required by a lender or third party shall not affect the operation of the above.
- 4.3.1 Subject to the provisions of this Scheme, all agreements, contracts, arrangements, understandings, bonds, engagements, deeds and instruments of whatsoever nature relating to the DEMERGED Undertaking and to which the DEMERGED Company is a party or to the benefit of which the DEMERGED Company is eligible and subsisting or having effect on

the Effective Date, shall continue to be in full force and effect against or in favour of the RESULTING Company and may be enforced by or against the RESULTING Company as fully and effectually as if, instead of the DEMERGED Company, the RESULTING Company had been a party or beneficiary or obligee thereto or thereunder.

- 4.3.2 Without prejudice to the transfer and vesting of the DEMERGED Undertaking to and in the RESULTING Company, the RESULTING Company may, at any time after this Scheme becomes operative, if so required or becomes necessary, enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations with or in favour of any party to any agreements, contracts, arrangements, understandings, bonds, engagements, deeds and instruments to which the DEMERGED Company is a party and to which the DEMERGED Company will, if necessary, also be a party, in order to give formal effect to the provisions of this Scheme. The RESULTING Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the DEMERGED Company and to implement or carry out all formalities required on the part of the DEMERGED Company to give effect to the provisions of this Scheme.

## 5. LEGAL AND TAXATION

- 5.1 All legal, taxation and other proceedings of whatsoever nature before any court, tribunal, judicial or quasi-judicial authority by or against the DEMERGED Company pending and/or arising prior to the Appointed Date and relating to the DEMERGED Undertaking shall be continued and/or enforced until the Effective Date as desired by the RESULTING Company and as from the Effective Date shall be continued and enforced by or against the RESULTING Company in the same manner and to the same extent as would or might have been continued and enforced by or against the DEMERGED Company, subject to a prior written consent being obtained by the RESULTING Company from the DEMERGED Company. On and from the Effective Date, the RESULTING Company may, if required, initiate any legal proceedings in relation to the DEMERGED Undertaking in the name of the DEMERGED Company, subject to the prior written consent of the DEMERGED Company.
- 5.2 The RESULTING Company undertakes to have all taxation, legal or other proceedings initiated by or against the DEMERGED Company as referred to in Clause 5.1 above, transferred into its name and to have the same continued, prosecuted and enforced by or against the RESULTING Company to the exclusion of the DEMERGED Company.
- 5.3 The RESULTING Company undertakes to comply with all the terms and conditions of the sales tax deferment scheme and shall avail the balance, if any and repay the installments of deferral availed in the earlier period as and when it falls due as laid down in the relevant deferral schemes.
- 5.4 After the Appointed Date, if any proceedings are taken against the DEMERGED Company (with respect to the DEMERGED Undertaking) including but not limited to those in respect of Central Excise, Customs, Service Tax, Sales-tax, CENVAT Credit, Advance licenses, DEPB Licenses under EXIM Policy and other taxes and duties relating to the period prior to the Appointed Date, if the DEMERGED Company has taken any steps to defend the same and has incurred any liabilities or obligations in respect thereof, the RESULTING Company shall reimburse and indemnify the DEMERGED Company against all such liabilities and obligations so incurred by the DEMERGED Company,

- 5.5 The RESULTING Company also undertakes to reimburse and indemnify the DEMERGED Company against invocation of Bank Guarantee, if any, in respect of the DEMERGED Undertaking, after the Appointed Date.
- 5.6 (a) Upon receipt of any notice or claim by the DEMERGED Company in respect of the DEMERGED Undertaking (including under the Insecticides Act, 1968 and The Fertiliser (Control) Order, 1985) on or after the Appointed Date, the DEMERGED Company shall as soon as reasonably practicable provide notice thereof to the RESULTING Company. The RESULTING Company shall have the responsibility of acting in good faith and without unnecessary delay of contesting, defending, litigating or settling any claim by any third party for which the RESULTING Company may be obligated to indemnify the DEMERGED Company against all liabilities and obligations incurred by the DEMERGED Company in accordance with this clause hereof.
- (b) The DEMERGED Company shall have the right to participate in any such contest, defence, litigation or settlement provided that the RESULTING Company shall control the actions taken with respect to such contest, defence, litigation or settlement. The DEMERGED Company and the RESULTING Company shall, to the extent possible, co-operate with each other in respect of any such contest, defence, litigation or settlement arising in respect of the DEMERGED Undertaking or after the Appointed Date.

## 6. EMPLOYEES

- 6.1 On the Scheme becoming operative, all the Transferred Employees of the DEMERGED Undertaking, shall become and be deemed to have become the employees of the RESULTING Company on terms and conditions not less favourable than those on which they are engaged by the DEMERGED Company, without any break in their service and on the basis of continuity of service. The RESULTING Company shall continue to abide by any agreement/settlement entered into by the DEMERGED Company with any union/employees of the DEMERGED Company transferred to the RESULTING Company. The RESULTING Company agrees that for the purpose of payment of any compensation, gratuity and other terminal benefits, the past services of such employees with the DEMERGED Company shall also be taken into account, and agrees and undertakes to pay the same as and when payable.
- 6.2 It is expressly provided that, on the Scheme becoming operative, the accumulated balances lying to the credit of the Transferred Employees in Provident Fund and Superannuation Fund created or existing for the benefit of the Transferred Employees of the DEMERGED Company, shall be transferred to and form part of the corresponding funds of the RESULTING Company. In so far as transfer of funds attributable to the Transferred Employees with respect to Gratuity is concerned, the same shall be determined based on actuarial valuation basis. The RESULTING Company shall stand substituted for the DEMERGED Company 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 the DEMERGED Company in relation to such fund or funds shall become those of the RESULTING Company. It is clarified that the services of the Transferred Employees under this Scheme will be treated as having been continuous for the purpose of the said fund or funds and until such time that the RESULTING

Company creates or arranges for its own funds, the RESULTING Company may, subject to necessary approvals and permissions, if any, continue to make contributions pertaining to such employees to the relevant fund or funds of the DEMERGED Company. The contributions to any fund or funds pertaining to such Transferred Employees shall be transferred to the corresponding fund or funds created by the RESULTING Company on creation of such fund or funds by the RESULTING Company.

## 7. CONDUCT OF BUSINESS

7.1 As and from the date of acceptance of this Scheme by the Board of Directors of the DEMERGED Company and the Board of Directors of the RESULTING Company and till the Effective Date:

- (a) The DEMERGED Company shall carry on the business of the DEMERGED Undertaking with reasonable diligence and in the same manner as it had been doing hitherto, and the DEMERGED Company shall not alter or expand the business of the DEMERGED Undertaking except with the concurrence of the RESULTING Company.
- (b) The DEMERGED Company shall not, without the written concurrence of the RESULTING Company, alienate, charge or encumber any of its properties and assets comprised in the DEMERGED Undertaking, except in the ordinary course of business or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the respective Board of Directors of the DEMERGED Company and the RESULTING Company.
- (c) The DEMERGED Company shall not vary or alter, except in the ordinary course of its business, the terms and conditions of employment of any of the Transferred Employees.
- (d) Neither the RESULTING Company nor the DEMERGED Company shall alter its capital structure other than alterations pursuant to commitments, obligations or arrangements subsisting prior to the Appointed Date, either by fresh issue of shares or convertible securities (on a rights basis or by way of bonus shares or otherwise) or by any decrease, reduction, reclassification, sub-division, consolidation, re-organisation or in any other manner which may in any way affect the share exchange ratio prescribed hereunder, except by the consent of the Board of Directors of both the companies. It is hereby clarified that the RESULTING Company is hereby permitted to alter its share capital to give effect to the provisions of this Scheme without the consent of the Board of Directors of the DEMERGED Company.

7.2 The RESULTING Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government or any State Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals, sanctions which the RESULTING Company may require to own and carry on the DEMERGED Undertaking.

7.3 With effect from the Effective Date, the RESULTING Company shall commence and carry on and shall be authorised to carry on the business of the DEMERGED Undertaking carried on by the DEMERGED Company.

## 8. BUSINESS AND PROPERTY HELD IN TRUST

### 8.1 As and from the Appointed Date and till the Effective Date:

- (a) The DEMERGED Company shall carry on and be deemed to have carried on the business and activities in relation to the DEMERGED Undertaking and shall stand possessed of all assets and properties comprised in the DEMERGED Undertaking above in trust for the RESULTING Company and shall account for the same to the RESULTING Company.
- (b) Any income or profit accruing or arising to the DEMERGED Company in relation to the DEMERGED Undertaking and all costs, charges, expenses and losses incurred by the DEMERGED Company in relation to the DEMERGED Undertaking shall, for all purposes, be treated as the income, profits, costs, charges, expenses and losses, as the case may be, of the RESULTING Company and shall be available to the RESULTING Company.
- (c) The DEMERGED Company shall not utilise the profits or income, if any, arising out of the DEMERGED Undertaking during the period falling on or after the Appointed Date for the purposes of declaring or paying any dividend or for any purpose (other than operating the DEMERGED Undertaking in the ordinary course) without the prior written consent of the RESULTING Company, “

### 8.2 All Transferred Liabilities as on the close of the business on the date preceding the Appointed Date, whether or not provided in the books of the DEMERGED Company, and all Transferred Liabilities, which arise or accrue on or after the Appointed Date, shall be deemed to be the debts, liabilities, duties and obligations of the RESULTING Company.

## 9. SAVINGS OF CONCLUDED TRANSACTIONS

The transfer of assets and liabilities as under Clause 4 above and the continuance of proceedings by or against the RESULTING Company as under Clause 5 above shall not affect any transaction or proceedings already concluded by the DEMERGED Company on or before the Appointed Date and after the Appointed Date till the Effective Date, to the end and intent that the RESULTING Company accepts and adopts all acts, deeds and things done and executed by the DEMERGED Company in respect thereto as done and executed on behalf of itself.

## 10. ISSUE OF SHARES

### 10.1 Upon this Scheme becoming operative, in consideration of the transfer and vesting of the DEMERGED Undertaking of the DEMERGED Company to and in the RESULTING Company in terms of this Scheme, the RESULTING Company shall, without any further application or deed, issue and allot to every member of the DEMERGED Company holding equity shares in the DEMERGED Company and whose name appears in the Register of Members of the DEMERGED Company on the Record Date, his/her heirs, executors, administrators or successors-in-title, as the case may be, one (1) Equity Share of Rs. 10/- each of the RESULTING Company (hereinafter called the “New Equity Shares”) credited as fully paid-up, for every three (3) Equity Shares of Rs. 10/- each held by them in the DEMERGED Company.

The members of the DEMERGED Company, whose names are registered on its Register of Members as on the Record Date, shall be entitled to receive New Equity Shares of the RESULTING Company.

- 10.1.1 The New Equity Shares to be issued and allotted by the RESULTING Company, shall rank pari passu in all respects from the date of allotment in terms of this Scheme, with the existing equity shares of the RESULTING Company, with all rights attached thereto.
- 10.1.2 The New Equity Shares to be issued and allotted by the RESULTING Company shall be entitled to full dividend, if any, which may be declared by the RESULTING Company, in respect of the financial year commencing on the first day of April, 2003.
- 10.2 (a) In respect of the GDRs of the DEMERGED Company that are outstanding on the Record Date, the RESULTING Company shall issue appropriate number of equity shares (“New Underlying Shares”) calculated in terms of the ratio specified in Clause 10.1 above, in favour of the overseas depository in whose name the underlying shares have been issued, which New Underlying Shares may be dealt with by the depository in a manner contemplated by the depository agreement entered into between the DEMERGED Company and the depository (“depository agreement”). In the event that the depository, the RESULTING Company and the DEMERGED Company decide that GDRs be issued against the New Underlying Shares, the aforesaid persons may execute such further documents as may be necessary and appropriate in this behalf, which shall contain all detailed terms and conditions with respect to the issue of such GDRs of the RESULTING Company and the subsequent listing thereof.
- (b) The issue and allotment of the shares and the GDRs under the provisions of this Scheme to the non-resident shareholders will be subject to the approval, if any, of the Reserve Bank of India under the Foreign Exchange Management Act (FEMA) and on such terms and in such manner as the Reserve Bank of India may impose, provided that the approval of the Ministry of Finance, if required, has been received for the issue of the GDRs.
- 10.3 In case any member’s holding in the DEMERGED Company is such that the member becomes entitled to a fraction of an equity share of the RESULTING Company, the RESULTING Company shall not issue fractional certificates to such member(s) but shall consolidate such fractions and issue consolidated equity shares to a trustee nominated by the RESULTING Company in that behalf, who shall sell such shares and distribute the net sale proceeds (after deduction of the expenses incurred) to the shareholders respectively entitled to the same in proportion to their fractional entitlements.
- 10.4 The DEMERGED Company and the RESULTING Company shall make necessary applications before the High Courts of Judicature at Madras and Andhra Pradesh respectively for the sanction of this Scheme of Arrangement (Demerger) cum Amalgamation under Sections 391 and 394 of the Companies Act, 1956.
- 10.5 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the DEMERGED Company, the Board of Directors or any Committee thereof of the DEMERGED Company shall be empowered in appropriate cases, even subsequent to the Record Date or the Effective Date as the case may be, to effectuate such a transfer in the DEMERGED Company as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties as may arise in the course of implementation of the Scheme and registration of new members in the RESULTING Company on account of difficulties faced in the transaction period.

- 10.6 The issue and allotment of New Equity Shares in the RESULTING Company to the members of the DEMERGED Company as provided in this Scheme shall be deemed to have been carried out in compliance with the procedure laid down under Section 81 (1A) and other applicable provisions, if any, of the Act.
- 10.7 The RESULTING Company shall endeavour that the New Equity Shares of the RESULTING Company issued are listed and/or admitted to trading on the relevant stock exchanges where the equity shares of the DEMERGED Company are listed and/or admitted to trading in India. The RESULTING Company shall enter into such arrangement and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the relevant stock exchanges. On such formalities being fulfilled, all such stock exchanges shall list and/or admit the New Equity Shares also for the purpose of trading.

## 11. ACCOUNTING TREATMENT

- 11.1 The RESULTING Company shall, upon the Scheme becoming effective, record the assets and liabilities comprised in the DEMERGED Undertaking vested in it pursuant to this Scheme, at the respective book values thereof as appearing in the books of the DEMERGED Company at the close of business of the day immediately preceding the Appointed Date.
- 11.2 The RESULTING Company shall credit to its Share Capital Account in its books of account the aggregate face value of the New Equity Shares issued by it to the members of the DEMERGED Company pursuant to this Scheme.
- 11.3 Pursuant to the Scheme, the RESULTING Company shall record such an amount as its Debenture Redemption Reserve as is relatable to the Debenture liability of the DEMERGED Company transferred to the RESULTING Company.
- 11.4 The excess of assets over liabilities of the DEMERGED Undertaking remaining after recording (a) the Debenture Redemption Reserve created in terms of Clause 11.3 above and (b) the issue of the New Equity Shares in terms of Clause 10.1 above, shall be credited by the RESULTING Company to the Share Premium in the books of the RESULTING Company,
- 11.5 The excess of assets over liabilities of the DEMERGED Undertaking remaining after recording the amount of Debenture Redemption Reserve transferred to the RESULTING Company in terms of Clause 11.3 above, shall be debited by the DEMERGED Company to the Share Premium in the books of the DEMERGED Company. The reduction of the Share Premium Account of the DEMERGED Company as contemplated herein above, shall be deemed to be in compliance with the provisions of Section 78 read with Section 100 of the Act,
- 11.6 For the purpose of making up the accounts of both the DEMERGED Company and the RESULTING Company for the period from the Appointed Date to the Effective Date, common expenses/costs not specifically allocable (including common corporate employees cost) shall be allocated on the same basis hitherto followed for segmental reporting of DEMERGED Company.

## 12. DEBENTURES

### GENERAL/MULTIPURPOSE DEBENTURES

- 12.1 In so far as the general/multipurpose Debentures as described in Annexure C issued by the DEMERGED Company are concerned, the same shall be treated as follows:

- 12.1.1 Upon the coming into operation of the Scheme, the nominal value of the Debentures as on the Appointed Date (forming part of the general and a multipurpose loan) shall, without any further act or deed, be allocated between the DEMERGED Company and the RESULTING Company in the same proportion as the allocation of the assets of the DEMERGED Company between the two companies.
- 12.1.2 The nominal value of each of the Debentures issued by the DEMERGED Company shall stand reduced in the same proportion as the proportion in which the assets of the DEMERGED Company are being reduced consequent to the transfer of the DEMERGED Undertaking to the RESULTING Company pursuant to the Demerger.
- 12.1.3 Simultaneously and without any further act or deed (a) the aggregate of all amounts reduced on each of the Debentures issued by the DEMERGED Company shall stand automatically appropriated towards the creation of new Debentures by the RESULTING Company (the “New Debentures”) and (b) without the payment by the holders of the Debentures of any further amount to the RESULTING Company, the New Debentures shall be created and issued by the RESULTING Company to the holders of the Debentures in lieu of the amounts reduced on their existing Debentures of the DEMERGED Company.
- 12.1.4 Upon this Scheme becoming operative, the RESULTING Company shall, without any further application or deed, issue and allot to every person holding Debentures in the DEMERGED Company and whose name appears in the Register of Debenture Holders of the DEMERGED Company on such date (the “Debenture Holders’ Record Date”) as the Board of Directors of the DEMERGED Company determines, his/her heirs, executors, administrators or the successors in title as the case may be, in respect of every one (1) debenture held by him in the DEMERGED Company, one (1) New Debenture of the RESULTING Company of the proportionate value as determined in accordance with the foregoing Sub-Clauses of this Clause 12.1 and on the same terms and conditions as to interest, repayment and otherwise available on the original Debenture of the DEMERGED Company.
- 12.1.5 The Debenture Certificates held by the holders of the Debentures of the DEMERGED Company shall, if required by the DEMERGED Company, be surrendered to the DEMERGED Company and the DEMERGED Company shall thereon make an endorsement to reflect the reduced value thereof. In case of Debentures held in dematerialised form, the DEMERGED Company shall give appropriate instructions to the Depository to make necessary changes in its record to reflect the reduced value of the Debentures,
- 12.1.6 Upon the New Debentures being issued and allotted, as aforesaid, the RESULTING Company shall issue to each of the holders of the Debentures in the DEMERGED Company, Debenture Certificates in relation to the New Debentures issued and allotted to them under this clause and the stamp duty, if any payable, shall be paid by the RESULTING Company.
- 12.1.7 All other terms and conditions in respect of the reduced Debentures and the New Debentures shall remain unaltered and be the same as those applicable to the existing Debentures of the DEMERGED Company, subject however to the provisions of Clauses 4.2.1 to 4.2.4 of the Scheme.
- 12.1.8 In respect of the Debentures of the DEMERGED Company, the amount to be reduced on each of such Debentures and which is to be appropriated towards the creation of New Debentures by the RESULTING Company shall be rounded off to the nearest thousand.

- 12.1.9 For the purpose aforesaid, the RESULTING Company shall, if and to the extent required, apply for and obtain the required statutory approvals including approval of Reserve Bank of India and other concerned regulatory authorities for the issue and allotment by the RESULTING Company of the New Debentures to the holders of Debentures of the DEMERGED Company and shall also apply for listing of the New Debentures on the Wholesale Debt Market segment of the National Stock Exchange.

#### SPECIFIC DEBENTURES

- 12.2 In so far as Specific Debentures as described in Annexure C issued by the DEMERGED Company in respect of the DEMERGED Undertaking are concerned, the same shall be treated as follows:
- 12.2.1 Upon the coming into operation of the Scheme, the Debentures issued by the DEMERGED Company solely attributable to and utilised for the benefit of the DEMERGED Undertaking as on the Appointed Date (“Specific Debentures”) shall, without any further act or deed, stand extinguished and no further liability shall accrue or arise against the DEMERGED Company in respect of such Specific Debentures.
- 12.2.2 Simultaneously and without any further act or deed, (a) the aggregate of all amounts payable in respect of each of the Specific Debentures issued by the DEMERGED Company shall stand automatically appropriated towards the creation of new Debentures by the RESULTING Company (the “New Debentures”) and (b) without the payment by the holders of the Debentures of any further amount to the RESULTING Company, the New Debentures shall be created and issued by the RESULTING Company to the holders of the Specific Debentures in lieu of the existing Specific Debentures of the DEMERGED Company.
- 12.2.3 Upon this Scheme becoming operative, the RESULTING Company shall, without any further application or deed, issue and allot to every person holding Specific Debentures in the DEMERGED Company and whose name appears in the Register of Debenture Holders of the DEMERGED Company on such date (the “Debenture Holders’ Record Date”) as the Board of Directors of the DEMERGED Company determines, his/her heirs, executors, administrators or the successors in title as the case may be, in respect of every one (1) Specific Debenture held by him in the DEMERGED Company, one (1) New Debenture of the RESULTING Company on the same terms and conditions as to interest, repayment of principal, etc. as per the original Specific Debenture of the DEMERGED Company.
- 12.2.4 The Debenture Certificates held by the holders of the Specific Debentures of the DEMERGED Company shall, if required by the DEMERGED Company, be surrendered to the DEMERGED Company and cancelled prior to the issue of the New Debentures in their favour by the RESULTING Company.
- 12.2.5 Upon the New Debentures being issued and allotted, as aforesaid, the RESULTING Company shall issue to each of the holders of the Specific Debentures in the DEMERGED Company, Debenture Certificates in relation to the New Debentures issued and allotted to them under this clause and the stamp duty, if any payable, shall be paid by the RESULTING Company.
- 12.2.6 All other terms and conditions in respect of the New Debentures shall remain unaltered and be the same as those applicable to the Specific Debentures of the DEMERGED Company, subject however to the provisions of Clauses 4.2.1 to 4.2.4 of the Scheme.

- 12.2.7 For the purpose aforesaid, the RESULTING Company shall, if and to the extent required, apply for and obtain the required statutory approvals including approval of Reserve Bank of India and other concerned regulatory authorities for the issue and allotment by the RESULTING Company of the New Debentures to the holders of Specific Debentures of the DEMERGED Company and shall also apply for listing of the New Debentures on the Wholesale Debt Market segment of the National Stock Exchange.

### 13. FIXED DEPOSITS

In so far as the Fixed Deposits outstanding in the books of the DEMERGED Company ("Fixed Deposits") are concerned, the same shall be treated as follows:

- 13.1 Upon the coming into operation of the Scheme, the aggregate amounts of Fixed Deposits as on the Appointed Date shall, without any further act or deed, be allocated between the DEMERGED Company and the RESULTING Company in the same proportion as the allocation of the assets of the DEMERGED Company between the two companies,
- 13.2 The amount of each Fixed Deposit shall stand reduced in the same proportion as the proportion in which the assets of the DEMERGED Company are being reduced consequent to the transfer of the DEMERGED Undertaking to the RESULTING Company pursuant to the Demerger.
- 13.3 Simultaneously and without any further act or deed (a) the aggregate of all amounts reduced on each of the Fixed Deposits shall stand automatically appropriated towards the creation of new Fixed Deposits by the RESULTING Company (the "New Deposits") and (b) without the payment by the holders of the Fixed Deposits of any further amount to the RESULTING Company, the New Deposits be issued by the RESULTING Company to the holders of the Fixed Deposits in lieu of the amounts reduced on their existing Fixed Deposits.
- 13.4 Upon this Scheme becoming operative, the RESULTING Company shall, without any further application or deed, create in its books in the name of every person holding Fixed Deposits in the DEMERGED Company and whose name appears in the Register of Fixed Deposit Holders of the DEMERGED Company on such date (the "Deposit Holders' Record Date") as the Board of Directors of the DEMERGED Company will determine, his/her heirs, executors, administrators or the successors in title as the case may be, in respect of every Fixed deposit held by him/her/ it in the DEMERGED Company, a New Deposit of the proportionate amount (as determined in accordance with Clause 13.2) and on the same terms and conditions as to interest, repayment and otherwise available on the original Fixed Deposit with the DEMERGED Company.
- 13.5 The Fixed Deposit Receipts held by the holders of the Fixed Deposits shall, if required by the DEMERGED Company, be surrendered to the DEMERGED Company and the DEMERGED Company shall make an endorsement to reflect the reduced amount thereof or shall, at its discretion, issue fresh Fixed Deposit Receipts against surrender of the existing Fixed Deposit Receipts.
- 13.6 Upon the New Deposits being created, as aforesaid, the RESULTING Company shall issue to each of the holders of the Fixed Deposits of the DEMERGED Company, Fixed Deposit Receipts in relation to the New Deposits created in their names under Clause 13.2.

13.7 All other terms and conditions in respect of the reduced Fixed Deposits and the New Deposits shall remain unaltered and be the same as those applicable to the existing Fixed Deposits in the DEMERGED Company.

13.8 The amount of each Fixed Deposit with the DEMERGED Company to be reduced and appropriated towards the creation of New Deposits by the RESULTING Company pursuant to Clause 13.2 shall be rounded off to the nearest hundred.

#### 14. INCREASE IN BORROWING LIMIT

Upon the Scheme coming into effect, the authorised borrowing limit of the RESULTING Company in terms of Section 293 (1)(d) of the Act shall, without any further act or deed and without any requirement for further approval, stand enhanced by an amount equivalent to the amount of loans and borrowings transferred to the RESULTING Company (including an amount equivalent to the New Debentures issued and New Deposits created by the RESULTING Company) and the RESULTING Company is authorised to create security by way of mortgage and/or charge over the properties and assets of the RESULTING Company in favour of the concerned lenders and trustees for the holders of the New Debentures.

#### 15. REMAINING BUSINESS

15.1 The Remaining Business including all the properties and assets, investments, debts, liabilities and obligations of the DEMERGED Company excluding the DEMERGED Undertaking, shall continue to belong to and be vested in and be managed by the DEMERGED Company subject however to the provisions of the Scheme with respect to (a) the release of such properties and assets from encumbrances, charges and mortgages created thereon to secure the Transferred Liabilities; and (b) the release of properties and assets comprised in the DEMERGED Undertaking from the encumbrances, charges and mortgages created thereon to secure the debts, liabilities and obligations of the DEMERGED Company other than the Transferred Liabilities.

15.2 All legal, taxation and other proceedings of whatsoever nature before any court, tribunal, judicial or quasi-judicial by or against the DEMERGED Company, whether pending and/or arising at the Appointed Date or which may be instituted in future, whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Business (including those relating to any property, right, power, liability, obligation or duties of the DEMERGED Company in respect of the Remaining Business), shall be continued and enforced by or against the DEMERGED Company in the same manner and the RESULTING Company shall in no event be responsible or liable in relation to any such legal, taxation and other proceedings.

#### 16. APPLICATION TO HIGH COURT

The DEMERGED Company and the RESULTING Company shall, with all reasonable dispatch, make applications to the High Courts of Judicature at Madras and Andhra Pradesh under Section 391 of the Act, seeking orders for convening, holding and conducting or, as the case may be, dispensing with the meetings of the respective classes of the members and/or creditors of each of the DEMERGED Company and the RESULTING Company as may be directed by the respective High Courts.

#### 17. MODIFICATION OR AMENDMENT

17.1 The DEMERGED Company (by its Board of Directors) and the RESULTING Company (by its Board of Directors), either by themselves or through a Committee appointed by them in

this behalf, may, in their full and absolute discretion, assent to any alteration or modification to this Scheme which the Courts and/or any other Authority may deem fit to approve or impose.

- 17.2 The DEMERGED Company (by its Board of Directors) and the RESULTING Company (by its Board of Directors), either by themselves or through a Committee appointed by them in this behalf, may give such directions as they may consider necessary to settle any question or difficulty arising under the Scheme or in regard to and of the meaning or interpretation of the Scheme or implementation thereof or in any matter whatsoever connected therewith (including any question or difficulty arising in connection with any deceased or insolvent shareholders, depositors or debenture-holders of the respective Companies), or to review the position relating to the satisfaction of various conditions to the Scheme and if necessary, to waive any of those (to the extent permissible under law).
- 17.3 Any issue as to whether any asset or liability or employee pertains to the DEMERGED Undertaking or not shall be decided by the Board of Directors of the DEMERGED Company and the RESULTING Company, either by themselves or through a Committee appointed by them in this behalf, on the basis of evidence that they may deem relevant for the purpose (including the books and records of the DEMERGED Company).

### **PART III-AMALGAMATION**

#### **18. TRANSFER OF UNDERTAKINGS OF Parry and Company Limited, (Transferor Company 1) and The Mofussil Warehouse & Trading Company Limited (Transferor Company 2):**

- 18.1 With effect from the Appointed Date, upon the transfer of the DEMERGED Undertaking as contemplated in Part II herein above and subject to the provisions of this Scheme in relation to the mode of transfer and vesting, the Undertaking of Transferor Company 1 and the Undertaking of the Transferor Company 2 shall, without any further act, instrument or deed be and the same shall stand transferred to and vested in or deemed to have been transferred to and vested in the DEMERGED Company pursuant to the provisions of Sections 391 and 394 and other applicable provisions of the Act and the Scheme. The assets and liabilities of the undertakings of the Transferor Company 1 and the Transferor Company 2 will be transferred to the DEMERGED Company at book value.
- 18.2 The transfer and vesting as aforesaid, shall be, subject to existing charges/hypothecation/mortgage (if any, as may be subsisting) over or in respect of the said assets or any part thereof in favour of Banks and Financial Institutions, provided, however that any reference in any security documents or arrangements to which the Transferor Company 1 and/or 2 are a party, to such assets of the Transferor Company 1 and/or 2, as the case may be, offered or agreed to be offered as security for any financial assistance both availed and to be availed upto any limit for which sanctions have already been obtained by the DEMERGED Company, to the end and intent that such security, mortgage and/or charge shall not extend or be deemed to extend, to any of the assets or to any of the other units or divisions of the DEMERGED Company.
- 18.3 In respect of the floating charges created by the Transferor Companies 1 and 2 in favour of their respective bankers for all the movable assets, documents of title to goods, receivables, claims and other current assets that are acquired by the Transferor Companies 1 and 2 from the “Appointed Date” till the “Effective Date”, shall be deemed to be the security and shall

be available as security for the loans, cash credit and other working capital facilities, both fund based and non-fund based, which were sanctioned by the bankers of the Transferor Companies 1 and 2, either utilised fully or partly or unutilised by the Transferor Company, subject to the limits sanctioned by their respective bankers.

- 18.4 It is expressly provided that in respect of such of the said assets as are movable in nature or are otherwise capable of transfer by manual or constructive delivery and/or by endorsement and delivery, the same shall be so transferred by the Transferor Companies 1 and 2 and shall become the property of the DEMERGED Company in pursuance of the provisions of Sections 391 and 394 of the said Act, as an integral part of the undertaking, such transfer being deemed to have taken place at the location of the Registered Office of the DEMERGED Company, i.e., in the State of Tamil Nadu.
- 18.5 In respect of the said assets other than those referred to in Clauses 18.2 & 18.3 referred to above, the same shall, without any further act, instrument or deed, be transferred to and vested in and/or deemed to be transferred and vested in the DEMERGED Company on the “Appointed Date”, pursuant to the provisions of Sections 391 and 394 of the said Act.
- 18.6 The DEMERGED Company, may at any time, after the coming into the effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of the secured creditors of the Transferor Company 1 and/or 2 or in favour of any other party to any contract or arrangement to which the Transferor Company 1 and/or 2 is a party or any writings, as may be necessary, to be executed in order to give formal effect to the above provisions. The DEMERGED Company shall, under provisions of the Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Companies 1 and 2, implement or carry out all such formalities or compliance referred to above on the part of the Transferor Companies 1 and 2.
- 18.7 Transfer of Debts and Liabilities
- 18.7.1 With effect from the said “Appointed Date”, all debts, liabilities, duties and obligations of the Transferor Companies 1 and 2, including contingent liabilities not provided in their books (hereinafter referred to as “the said liabilities”) and any accretions and additions or reductions thereto after the “Appointed Date” shall also stand transferred or deemed to be transferred without any further act or instrument or deed to the DEMERGED Company so as to become as and from that date, the debts, liabilities, duties and obligations of the DEMERGED Company and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this clause. PROVIDED ALWAYS that nothing in this clause shall or is intended to enlarge the security for any loan, deposit or other indebtedness created by the Transferor Companies 1 and 2 prior to the “Appointed Date” which shall be transferred to and vested in the DEMERGED Company by virtue of the amalgamation and the DEMERGED Company shall not be required or obliged in any manner to create any further or additional security therefor after the “Appointed Date” or otherwise.
- 18.7.2 All the loans, advances and other facilities sanctioned to the Transferor Companies 1 and 2 by their bankers prior to the “Appointed Date”, which are partly drawn/utilised shall be deemed to be the loans and advances sanctioned to the DEMERGED Company and the said loans and advances shall be drawn/utilised either partly or fully by the Transferor Companies

1 and 2 from the “Appointed Date” till the “Effective Date” and all the advances/loans and or other facilities so drawn by the Transferor Companies 1 and 2 (within the overall limits sanctioned by their bankers) shall on the “Effective Date” be treated as advances and loans made available to the DEMERGED Company under any loan agreement shall be construed and shall become the obligation of the DEMERGED Company without any further act, or deed on the part of the DEMERGED Company.

- 18.7.3 Upon this Scheme coming into effect, any loan or other obligations due between or amongst the Transferor Companies 1 and 2 and the DEMERGED Company shall stand discharged and there shall be no liability in that behalf. In so far as any securities, debentures or notes issued by the Transferor Companies 1 and 2 and held by the DEMERGED Company, and vice versa, are concerned, the same shall, unless sold or transferred by the Transferor Companies 1 and 2 or the DEMERGED Company, as the case may be, at any time prior to the “Effective Date”, stand cancelled as on the “Effective Date” and shall be of no effect and the Transferor Companies 1 and 2 or the DEMERGED Company, as the case may be, shall have no further obligation outstanding in that behalf.
- 18.8 Subject to the other provisions contained in the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature to which the Transferor Companies 1 and 2 are a party subsisting or having effect immediately before the amalgamation, shall be, in full force and effect, against or in favour of the DEMERGED Company as the case may be, and may be enforced as fully and as effectively as if instead of the Transferor Companies 1 and 2, the DEMERGED Company had been a party thereto, The DEMERGED Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangement, confirmations or novations to which the Transferor Companies 1 and 2 will, if necessary, also be party in order to give formal effect to the provisions of this clause, if so required or become necessary. The DEMERGED Company will also be entitled to secure approvals of such authorities as may be necessary whenever any approvals are necessary for transfer of property from the Transferor Companies 1 and 2.
- 18.9 For the removal of doubts, it is expressly made clear that the dissolution of the Transferor Companies 1 and 2 without the process of winding up as contemplated hereinafter, shall not, except to the extent set out in the Scheme, affect the previous operation of any contract, agreement, deed or any instrument or beneficial interest to which the Transferor Companies 1 and 2 are a party thereto and shall not affect any right, privilege, obligations or liability acquired, deemed to have been acquired and all such reference in such agreements, contracts and instruments to the Transferor Companies 1 and 2 shall be construed as reference only to the DEMERGED Company with effect from the “Appointed Date”.
- 18.10 All employees of the Transferor Companies 1 and 2 in service on the Effective Date, shall become the employees of the DEMERGED Company on such date without any break or interruption in service and on terms and conditions as to remuneration not less favourable than those subsisting with reference to the Transferor Companies 1 and 2 as on the said date.
- 18.11 In so far as the Provident Fund, Gratuity Fund, Superannuation Fund or any other special scheme(s)/ fund(s) created or existing for the benefit of the Employees of the Transferor Companies 1 and 2 are concerned, from the Effective Date, the DEMERGED Company shall stand substituted for the Transferor Companies 1 and 2 for all the purposes whatsoever related to the administration or operation of such schemes or funds or in relation to the

obligation to make contributions to the said schemes/funds as per the terms provided in the respective Trust Deeds, to the end and intent that all the rights, duties, powers and obligations of the Transferor Companies 1 and 2 in relation to such schemes/funds shall become those of the DEMERGED Company. It is clarified that the service of the employees of the Transferor Companies 1 and 2 will be treated as having been continuous for the purposes of the aforesaid schemes/funds,

18.12 As on the Appointed Date, and subject to any corrections and adjustments as may, in the opinion of the Board of Directors of the DEMERGED Company be required, the reserves of the Transferor Companies 1 and 2 will be merged with those of the DEMERGED Company in the same form as they appear in the financial statements of the Transferor Companies 1 and 2.

18.13 In case of any differences in accounting policy, if any, between the Transferor Companies on amalgamation and the book values of the assets, liabilities and specific reserves vested with the DEMERGED Company on the Scheme becoming effective, will be reflected in the Revenue Reserve(s) of the DEMERGED Company.

18.14 Upon the coming into effect of this Scheme, all legal actions or other proceedings by or against the Transferor Companies 1 and 2, pending on the “Effective Date” or which may be instituted in future (whether before or after the Effective Date) in respect of any matter arising before the Effective Date (including property rights, powers, liabilities, obligations and duties) shall be continued and be enforced by or against the DEMERGED Company in the same manner and to the same extent as it would or might, have been continued and enforced by or against the Transferor Companies 1 and 2.

18.15 Allotment of Shares

As the Transferor Companies 1 and 2 are wholly owned subsidiaries of the DEMERGED Company, the shares of the Transferor Companies 1 and 2 shall be treated as cancelled on the Appointed Date and hence allotment of shares to the holders of Transferor Companies 1 and 2 does not arise.

18.16 CONDUCT OF BUSINESS BY TRANSFEROR COMPANIES 1 & 2 TILL THE EFFECTIVE DATE

Transferor Companies 1 and 2:

18.16.1 Shall be deemed to have been carrying on and shall carry on all business and activities relating to their respective businesses and stand possessed of the properties so to be transferred, for and on account of and in trust for the DEMERGED Company, including, but not limited to, operating and marketing activities, advance tax payments of income tax, sales tax, excise and other statutory payments, etc.

18.16.2 All profits or income accruing to the Transferor Companies 1 and 2 or losses or expenditure (including payment of penalty, damages or such litigations) arising or incurred by it relating to their businesses shall, for all purposes, be treated as the profits or income or losses or expenditure, as the case may be, of the DEMERGED Company.

18.16.3 Transferor Companies 1 and 2 hereby undertake, from the Appointed Date up to and including the Effective Date:

(a) To carry on their respective business with reasonable diligence, proper prudence and not to alienate, charge, encumber or otherwise deal with or dispose of the business

or any part thereof, nor conclude any settlement with union or employees nor to undertake any new business or a substantial expansion of its existing business other than the expansions which have already been commenced without the prior consent of DEMERGED Company except in the ordinary course of business or pursuant to any pre-existing obligation(s) undertaken by them prior to the Appointed Date. The Transferor Companies 1 and 2 shall not vary the terms and conditions of employment of its permanent employees except in the ordinary course of business.

- (b) Not to utilise the profits or income, if any, relating to their business for the purposes of declaring or paying any dividend or for any other purpose in respect of the period falling on and after the Appointed Date without the prior written consent of the DEMERGED Company.

18.16.4 The DEMERGED Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government and other related agencies, departments and other authorities concerned as are necessary under any law for such consents, approvals and sanctions which the DEMERGED Company may require to own and operate the businesses of the Transferor Companies 1 and 2.

18.16.5 The amalgamation of Transferor Companies 1 and 2 will be accounted for in the books of DEMERGED Company by adoption of Pooling of Interest method of accounting in accordance with the Accounting Standard 14 (AS 14) issued by the Institute of Chartered Accountants of India (ICAI) and the balance amount representing the excess of the values of assets over the liabilities shall be reflected as General Reserve in the books of the DEMERGED Company.

18.16.6 After coming into operation of the Scheme, the Transferor Companies 1 and 2 shall be dissolved without the process of winding up.

## **PART IV - GENERAL**

- 19.1 The Scheme is conditional upon and subject to:
  - 19.1.1 The Scheme being agreed to by the respective requisite majorities of the various classes of members and creditors, if applicable, of the DEMERGED Company, the RESULTING Company, the Transferor Companies 1 and 2 as required under the Act and the requisite orders of the High Courts of Judicature at Madras and Andhra Pradesh being obtained.
  - 19.1.2 The approval of the Ministry of Finance and/or Reserve Bank of India under the FEMA rules, if required, being obtained in relation to various matters referred to in terms of this Scheme for which such approval is necessary.
  - 19.1.3 The certified copies of the Court orders referred to in this Scheme being filed with the Registrar of Companies, Madras and Hyderabad.
- 19.2 “In the event that either Part II or Part III of this Scheme is found to be unworkable for any reason whatsoever, the same shall not affect the validity or implementation of the other Parts of the Scheme should the Demerged Company, Resulting Company and the Transferor Companies 1 and 2 so deem fit.”

## ANNEXURE A - PART I

### 1. ENNORE PROPERTY

#### i) FREEHOLD LAND - KATHIVAKKAM VILLAGE

All those pieces or parcels of land situate in No, 1, Kathivakkam Village, Ambattur Taluk, Tiruvallur District within the Registration District of Chennai (North) and within the Sub-Registration District of Tiruvottiyur, in the State of Tamil Nadu, comprising the Survey Numbers and being of the extent set out below, together with all buildings and structures standing thereon and such of the Plants and Machinery as are erected thereon:

Survey No.	Extent (Acres)
247/1 A, 247/2A, 247/3A, 247/3C	34.33
37/B(Part)	0.15
38/5A	1.55
39/B/1	1.37
39/B/6A	1.44
246/1A	1.01
246/1B	1.01
246/2	0.27
246/3	2.09
246/4	2.08
246/6	2.02
246/5	2.14
Total	<hr/> 49.46 <hr/>

#### ii) LEASEHOLD LAND - KATHIVAKKAM VILLAGE

All those pieces or parcels of land of Factory Site of an area of 3 Acres and 17 Cents in Survey No.38/2 and 9 Acres 85 Cents in Survey No.38/3 aggregating to 13 Acres and 02 Cents, situate in No.1, Kathivakkam Village, Ambattur Taluk, Tiruvallur District within the Registration District of Chennai (North) and within the Sub-Registration District of Tiruvottiyur in the State of Tamil Nadu, bounded on the

North by Survey No.38/4B, South by Ernavoor Village limits, East by Survey No.38/1, 38/2B, 38/2C, West by Survey No.39/B.

2) (i) HOUSING COLONY - ERNAVOOR VILLAGE

All those pieces or parcels of land situate in Ernavoor Village, Arnbattur Taluk, Tiruvallur District within the Registration District of Chennai (North) and within the Sub-Registration District of Tiruvottiyur, in the State of Tamil Nadu, comprising the Survey Numbers and being of the extent set out below, together with all buildings and structures standing thereon:

Survey No.	Extent (Acres)
33/2A	0.80
33/2C	6.78
37/1	1.77
37/2	0.58
37/4	0.63
39/1A	0.46
39/1C	8.56
39/3	0.08
41/1A	0.21
41/1C	6.24
41/3	0.55
42/1A	0.49
42/1C	7.81
42/2	1.35
42/4	1.22
43/1	0.45
43/4	0.48
Total	38.46

2) (ii) JYOTHI NAGAR - WIMCO - ERNAVOOR VILLAGE

- i) All those pieces or parcels of land situate in the Village of Ernavoor, in the Registration Sub-District of Tiruvottiyur, (earlier Sembiam) in the Registration District of Tiruvallur (earlier Chingleput) bearing old Survey Number 269/5B and New Survey No. 148/10 bounded on the North by Survey No. 154, on the East by Survey No. 148/5 and containing by admeasurement fifteen Cents (15 Cents) or thereabout,
- ii) All those pieces or parcels of land situate in the Village of Ernavoor, in the Registration Sub-District of Tiruvottiyur, (earlier Sembiam) in the Registration District of Tiruvallur (earlier Chingleput) bearing old Survey Number 270 and New Survey No. 148/8 of the extent of eight Cents (8 Cents); and old Survey No. 269/5 and New Survey No. 148/7 of the extent of 42 Cents bounded on the North by Survey No. 148, on the East by Survey No. 152 and the South by Survey No. 149 and 151 and on the West by 148/7.

- iii) All those pieces or parcels of land situate in the Village of Ernavoor, in the Registration Sub-District of Tiruvottiyur, (earlier Sembiam) in the Registration District of Tiruvallur (earlier Chingleput) bearing old Survey Number 270 and New Survey No. 151/1 of the extent of forty four Cents (44 Cents); and old Survey No.271/1 and New Survey No. 151/2 of the extent of eighty eight Cents (88 Cents) bounded on the North by Survey No. 148, on the East by Survey No. 152 and the South by Tiruvottiyur Village and on the West by Survey No. 149 and 150,
- iv) All those pieces or parcels of land situate in the Village of Ernavoor, in the Registration Sub-District of Tiruvottiyur, (earlier Sembiam) in the Registration District of Tiruvallur (earlier Chingleput) bearing old Survey Number 269/5B and New Survey No. 148/6 Part bounded on the North by Survey No. 154 on the East by Survey No. 148/5 and the South by 148/ 7 and 148/8 and on the West by Part of Survey No. 148/9 and containing by admeasurement 50 Cents or thereabouts.

#### **ANNEXURE A - PART II**

##### **RANIPET PROPERTY**

- i) Land measuring an extent of 4.02 Acres or thereabouts, out of the total extent of 11.50 Acres, situated in Town Survey No.28/3/1 (Part) bearing Ward B, Block No.28, Town Survey No.3/1 (comprised in the old Survey Numbers being 685B/6; 708/1; 708/2; 845/2) situate at Karai Village, Ranipet within the Registration Sub-District of Wallajapet, Wallaja Taluk, Vellore District in the State of Tamil Nadu.
- ii) Land measuring an extent of 7.69 Acres or thereabouts, out of the total extent of 9.32 Acres, situated in Town Survey No.29/1 (Part) bearing Ward B, Block No.29, Town Survey No.1 (comprised in the old Survey Numbers being 708/2B; 719) situate at Karai Village, Ranipet within the Registration Sub-District of Wallajapet, Wallaja Taluk, Vellore District in the State of Tamil Nadu.

#### **ANNEXURE A-PART III**

##### **THANE PROPERTY**

All that piece or parcel of lease hold land or ground situate lying and being at Village Savli and Village Thane, Taluk and Registration Sub-District Thane and District and Registration District Thane, in the State of Maharashtra, containing by admeasurement 73,600 sq. mts. and bearing New Plot No.22/1 in the Trans Thane Creek Industrial Area of Maharashtra Industrial Development Corporation (formerly being a portion of Plot No.22) together with all the buildings and structures standing thereon and together with such of the Plants & Machineries as are erected thereon.

#### **ANNEXURE A-PART IV**

##### **i) BANGALORE PROPERTY**

Flat No.501, on the 5th floor of the building known as Shah Sultan Complex admeasuring about 1525 sq. ft. inclusive of the share in the common area but excluding the area segregated as reserved car park situated at No. 17, All Asker Road, Bangalore in the State of Karnataka together with land of 549/ 14236 share of undivided interest in the property.

##### **ii) KOLKATA PROPERTY**

Flat No. 10 measuring 1825 sq. ft. super-built-up area situated on the first floor of the building at No.35, Ahiripukur Road, Kolkata - 700 019 and one uncovered car parking space for one car

identified by marking No. 1D and one Servant's Quarter identified by marking 1 D, both situated on the ground floor of the said building and together with undivided proportionate variable indivisible share in the land of premises No.35 Ahirpukur Road, Kolkata - 700 019 (within P.S. Kareya and under C.M.C. Ward No.69) in the State of West Bengal together with undivided proportionate share in common area and facilities of the said building,

iii) **METTUPALAYAM PROPERTY BUILDING DETAILS**

All those buildings alone situate in Kattur Road, Mettupalayam Town in the State of Tamil Nadu comprised in the Survey Nos. B32/24, B32/25; B32/26; B32/27/1; B32/27/2 and B35 bearing the Door Nos. and being of the extent of the buildings set out below:

Door No.	Description	Extent (sq. ft.)
40	Old Godown	13,165
41	Office	5,200
42	Gunny Godown	4,800
43	Club House	2,400
44	Feeds Godown	5,655
	<b>Total</b>	<b>31,220</b>

**ANNEXURE B- FERTILISERS**

**TRADE MARK**

Sl. No	Description	Trade Mark. Reg. No.
1.	Manures (Artificial & Natural) "PARAMFOS"	229231
2.	Fertiliser & Fertiliser Mixtures	169674
3.	Chemical Substances used in Agriculture, Horticulture & Forestry	443634
4.	Manures (Artificial & Natural)	497324
5.	Chemical products used in Industry	160130
6.	Chemical products used in Industry *	497323
7.	Fertiliser & Fertiliser Mixtures *	497322
8.	Chemical products used in Agriculture, Horticulture & Forestry *	497325
9.	Chemical substances used in Industry *	92263
10.	Chemical substances used in Industry - "RANI"*	92259
11.	Pharmaceutical preparations*	92249

\* Renewal Certificate Awaited

## ANNEXURE B - INSECTICIDES & PESTICIDES

Sl. No	Trade Mark	Registration No.
1	Insecticides	461988
2	“Parry’s” - SALVO	895362
3	Pesticides & Weedicides	443643
4	“Parry’s” - PARRYMET	925150
5	HEXANIL	337323
6	HEXAGOR	337324
7	HEXAZINE	337326
8	PHENDAL	336583
9	HEXAFURAN	336585
10	MICROSUL	336587
11	HEXASULFAN	336588
12	HEXAVIN	336589
13	MALAMAR	336590
14	HEXAKEL	336591
15	HEXAMITION	336592
16	HEXATIN	336594
17	MARVEX SUPER100	336596
18	HEXAPON	336597
19	HEXANEMA	337321
20	PARAMAR - M	337322
21	‘HEXAMAR-HEXATHION	934617
22	“HEXAMAR MARVIN	934618
23	‘HEXAMAR HEXATOX	925149
24	\$ Insecticides	497326
25	\$ Pesticides & Weedicides	497327

\* Trademark Applied for Registration

\$ Trade Mark - Renewal Certificate Awaited

## ANNEXURE C

### TERM LOANS, DEBENTURES AND OTHER BORROWINGS

		Amount in Rs. Lakhs	
		Sub-Total	Total
I.	SPECIFIC BORROWINGS		
1)	SECURED		
	Debentures-12.20%	2000	
	Debentures -11.40%	500	
	Term Loan from Financial Institutions	2125	
	Term Loans from Banks	109	
	Cash Credit from Bank	2510	
II.	UNSECURED		
	Short Term Loans from Banks	1329	
	Sales Tax Deferral	348	
	Security Deposit	1398	10319
II.	GENERAL/MULTIPURPOSE BORROWINGS		
i)	SECURED		
	Debentures-9.71%	556	
	Debentures - 14.25%	161	
	Term Loan from Banks	94	
ii)	UNSECURED		
	Fixed Deposits	224	1035
<b>Grand Total</b>			<b>11354</b>

Witness the Hon'ble Thiru Bollampally Subhashan Reddy, Chief Justice at Madras aforesaid, this the 30th day of September, 2003.

Sd/-  
DEPUTY REGISTRAR (O.S.)



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**SCHEME OF AMALGAMATION OF  
SANTHANA LAKSHMI INVESTMENTS PRIVATE LIMITED  
WITH  
E.I.D.- PARRY (INDIA) LIMITED**

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IN THE HIGH COURT OF JUDICATURE AT MADRAS

(ORIGINAL JURISDICTION)

Wednesday, the Twenty Eighth day of September 2005

THE HON'BLE MR. JUSTICE F.M. IBRAHIM KALIFULLA

Comp. Petn. No. 151/2005

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

And

In the matter of Section 391 394 of the Companies Act, 1956

And

In the matter of Scheme of Amalgamation of  
M/s. Santhana Lakshmi Investments Private  
Limited With M/s. E.I.D. - Parry (India) Limited

M/s. Santhanalakshmi Investments Private Limited  
having its registered office at  
'DARE HOUSE'  
Parry's Corner,  
Chennai - 600 001.  
Rep. by G. Jalaja, Director

.... Applicant / Transferor Company

- (a) This Company Application praying this Court to sanction the Scheme of Amalgamation between the Petitioner Company namely M/s. Santhanalakshmi Investments Private Limited and the Transferee Company namely M/s. E.I.D. - Parry (India) Limited and their respective shareholders, with effect from 01.05.2005, or such other date as determined in terms of the Scheme so as to be binding on all the shareholders and creditors of the Petitioner Company and on the said Petitioner Company namely "M/s. Santhanalakshmi Investments Private Limited".
- (b) to dissolve the petitioner company without being wound up.

This Company Petition coming on this day before this Court for hearing in the presence of Mr. K. Ramasamy, Advocate for the petitioner in the company petition No. 151/2005 and Mr. M.T. Arunan Additional Central Government Standing Counsel appearing for the Regional Director, Southern Region, Department of Company Affairs, Chennai, and upon reading the Company Petition No. 151/2005, and the advertisement of the Company Petition having been made in one issue of English daily "The Hindu Business Line", and in Tamil Daily "Dina Mani" dated 10.8. 2005 and the affidavit of R. Vasudevan, the Regional Director, Southern Region, Department of Company Affairs, Chennai filed herein, and this Court having dispensed with the convening, holding and conducting of the meeting of the shareholders of the said petitioner company by an order dated 21.7.2005 and made in C.A. No. 960/2005, and this Court doth hereby sanction the Scheme of Amalgamation Annexed hereunder with effect from 1.5.2005 and declare the same to be binding on all the shareholders and creditors of the said company and on the said companies, this Court doth further order as follows :

(1) That, the petitioner company herein do file with the Registrar of Companies, Chennai, a certified copy of the order within 30 days from this date.

(2) That, the parties to the Scheme of Amalgamation or other person interested shall be at liberty to apply to this Court for any directions that may be necessary in regard to carrying out the Scheme of Amalgamation Annexed hereunder.

(3) That the Transferor Company viz., M/s. Santhanalakshmi Investments Private Limited shall be dissolved without being wound up on filing of the report by the Official Liquidator, High Court, Madras pursuant to second proviso to Section 394 (1) of the Companies Act, 1956.

(4) That, the Transferee Company be and is hereby directed to handover the books of Account of the transferor company to the Official Liquidator, High Court, Madras to submit this report;

(5) That the Transferee Company here do within two weeks from this date i.e. on or before 12.10.2005 pay a sum of Rs. 5000/- (Rupees five thousand only) to Additional Central Government Standing Counsel.

(ANNEXURE - SCHEME OF AMALGAMATION)

**SCHEME OF AMALGAMATION**  
**OF**  
**M/S. SANTHANALAKSHMI INVESTMENTS PRIVATE LIMITED**  
**(TRANSFEROR COMPANY)**  
**WITH**  
**M/S. E.I.D. - PARRY (INDIA) LIMITED (TRANSFeree COMPANY)**  
**AND**  
**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**  
**Under Sections 391 to 394 of the Companies Act, 1956**

This Scheme of Amalgamation is presented for Amalgamation of Santhanalakshmi Investments Private Limited (hereinafter referred to as the “**Transferor Company**”), a Company incorporated under the Companies Act, 1956 and having its Registered Office at ‘Dare House’, Parrys Corner, Chennai - 600 001 with E.I.D. - Parry (India) Limited (hereinafter referred to as the “**Transferee Company**”), a Company incorporated under the Companies Act, 1956 and having its Registered Office at ‘Dare House’, Parry Corner, Chennai - 600 001.

**PART I – DEFINITIONS**

1. In this Scheme, unless repugnant to the context or meaning thereof, the following expressions shall have the following meanings:
  - 1.1. “**ACT**” means the Companies Act, 1956 and any statutory modification or re-enactments thereof, for the time being in force;
  - 1.2. “**Appointed Date**” means the 1st day of May, 2005 or such other date as may be approved by The High Court of Judicature at Madras.
  - 1.3. The “**Effective Date**” means the last of the dates on which (a) certified copies of the Order of the Honourable High Court of Judicature at Madras under Sections 391 and 394 of the Act sanctioning the Scheme are filed with the Registrar of Companies, Chennai, Tamil Nadu and (b) the consents, approvals, permissions, resolutions, agreements, sanctions and orders necessary therefor being obtained.

- 1.4 **“Transferor Company” or SIPL** means Santhanalakshmi Investments Private Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at ‘Dare House’, Parrys Corner, Chennai - 600 001.
- 1.5 **“Transferee Company” or EIDPIL** means E.I.D. - Parry (India) Limited, a Company incorporated under the Companies Act, 1956 and having its Registered Office at Dare House, Parrys Corner, Chennai - 600 001.
- 1.6 **“Undertaking of Transferor Company”** means the entire business of the Transferor Company and includes (without being limited to) the following :
- a. On and from the Appointed Date, the entire undertakings, properties (both movable and immovable and liabilities of the Transferor Company (if any) including all properties and assets, movable and immovable, real and personal, corporeal and incorporeal, in possession, or in reversion, present and contingent of whatsoever nature, wheresoever situated, rights, powers, interests, authorities, privileges (including benefits of all tax reliefs), liberties, contracts or deeds, as on the Appointed Date, including all lands & buildings, freehold and leasehold, vehicles, furniture, equipments, sundry debtors, investments, cash and bank balances, bills of exchange, deposits, loans and advances, of the Transferor Company and all other interests or rights together with all, powers, interests, charges, privileges, benefits, entitlements, registrations etc. if any, or to which the Transferor Company is entitled to, of whatsoever kind, nature or description held, applied for or as may be obtained thereafter or to which the Transferor Company is entitled to, together with the benefit of all contracts and engagements and all books, papers, documents and records.
  - b. All debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date, as appearing in the books of account of the Transferor Company and including liabilities on account of secured loans, unsecured loans, sundry creditors, income tax, other taxation and any other liability (including contingent liability), whether or not provided for in the books of account of the Transferor Company.
- 1.7 **“Scheme”** means this Scheme of Amalgamation for the amalgamation of the Transferor Company with the Transferee Company pursuant to the provisions of the Sections 391 and 394 and other applicable provisions of The Companies Act, 1956 in its present form or with any modification(s) approved, imposed or directed by the High Court of Judicature at Madras.

1.8 **“Stock Exchange”** means (i) The Stock Exchange, Mumbai, (ii) National Stock Exchange of India Limited, Mumbai, (iii) Madras Stock Exchange Limited and (iv) The Luxembourg Stock Exchange.

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

The Scheme set out herein in its present form or with any modification(s) or amendment(s) approved, imposed or directed by the High Court of Judicature at Madras shall be operataive from the Appointed Date but shall be effective from the Effective Date.

## 3. **SHARE CAPITAL**

### **AUTHORISED, ISSUED, SUBSCRIBED AND PAID UP CAPITAL AS ON 31st MARCH, 2005**

#### **(a) Santhanalakshmi Investments Private Limited (Transferor Company)**

<b>Authorised</b>	<b>Amount in Rs.</b>
1,00,00,000 Equity Shares of Rs. 10/- each	10,00,00,000
<b>ISSUED, SUBSCRIBED AND PAID UP</b>	
50,00,000 Equity Shares of Rs. 10/- each	5,00,00,000

#### **(b) E.I.D. - Parry (India) Limited, (Transferee Company)**

<b>Authorised</b>	<b>Amount in Rs.</b>
50,00,000 Redeemable Preference Shares of Rs. 100/- each	50,00,00,000
5,15,00,000 Equity Shares of Rs. 10/- each	51,15,00,000
<b>ISSUED, SUBSCRIBED AND PAID UP</b>	
1,78,49,703 Equity Shares of Rs. 10/- each	17,84,97,030

Note : Consequent to the approval of sub division of the equity shares from Rs. 10 per share to Rs. 2 per share by the shareholders through postal ballot on 28th April, 2005, with effect from 3rd June, 2005, the paid up equity capital of the company comprises of 89248515 equity shares of Rs. 2 each amounting to Rs. 17,84,97,030/-.

## **PART II – SCHEME**

### **4. TRANSFER OF UNDERTAKING OF SANTHANALAKSHMI INVESTMENTS PRIVATE LIMITED, (TRANSFEROR COMPANY) :**

- 4.1. With effect from the Appointed Date, and subject to the provisions of this Scheme in relation to the mode of transfer and vesting, the Undertaking of Transferor Company shall, without any further act, instrument or deed be and same shall stand transferred to and vested in or deemed to have been transferred to and vested in the Transferee Company pursuant to the provisions of Sections 391 and 394 and other applicable provisions of the Act and the Scheme. The assets and liabilities of the undertaking of the Transferor Company will be transferred to the Transferee Company at book value.
- 4.2. It is expressly provided that in respect of such of the said assets as are movable in nature or are otherwise capable of transfer by manual or constructive delivery and/or by endorsement and delivery, the same shall be so transferred by the Transferor Company and shall become the property of the Transferee Company in pursuance of the provisions of Sections 391 and 394 of the said Act, as an integral part of the undertaking, such transfer being deemed to have taken place at the location of the Registered Office of the Transferee Company, i.e., in the State of Tamil Nadu.
- 4.3. In respect of the said assets the same shall, without any further act, instrument or deed, be transferred to and vested in and/or deemed to be transferred and vested in the Transferee Company on the “Appointed Date”, pursuant to the provisions of Sections 391 and 394 of the said Act.
- 4.4. The Transferee Company, may at any time, after the coming into the 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 provisions of the Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company, implement or carry out all such formalities or compliance referred to above on the part of the Transferor Company.

### **5. TRANSFER OF DEBTS AND LIABILITIES**

- 5.1. With effect from the said “Appointed Date”, all debts, liabilities, duties and obligations of the Transferor Company, including contingent liabilities not provided in their books (hereinafter referred to as “the said liabilities”) and any accretions and additions or

reductions thereto after the “Appointed Date” shall also stand transferred or deemed to be transferred without any further act or instrument or deed to the Transferee Company so as to become as and from that date, the debts, liabilities, duties and obligations of the Transferee Company and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this clause. PROVIDED ALWAYS that nothing in this clause shall or is intended to enlarge the security for any loan, deposit or other indebtedness created by the Transferor Company prior to the “Appointed Date” which shall be transferred to and vested in the Transferee Company by virtue of the amalgamation and the Transferee Company shall not be required or obliged in any manner to create any further or additional security therefor after the “Appointed Date” or otherwise.

- 5.2 All the loans, advances and other facilities sanctioned to the Transferor Company by their bankers (if any) prior to the “Appointed Date”, which are partly drawn/utilised shall be deemed to be the loans and advances sanctioned to the Transferee Company and the said loans and advances shall be drawn/utilised either partly or fully by the Transferor Company from the “Appointed Date” till the “Effective Date” and all the advances/loans and or other facilities so drawn by the Transferor Company (within the overall limits sanctioned by their bankers) shall on the “Effective Date” be treated as advances and loans made available to the Transferee Company under any loan agreement shall be construed and shall become the obligation of the Transferee Company without any further act, or deed on the part of the Transferee Company.
- 5.3 Upon this Scheme coming into effect, any loan or other obligations due between the Transferor Company and the Transferee Company shall stand discharged and there shall be no liability in that behalf. In so far as any securities, debentures or notes issued by the Transferor Company and held by the Transferee Company, and vice versa, are concerned, the same shall, unless sold or transferred by the Transferor Company and held by the Transferee Company, as the case may be, at any time prior to the “Effective Date”, stand cancelled as on the “Effective Date” and shall be of no effect and the Transferor Company or the Transferee, as the case may be, shall have no further obligation outstanding in that behalf.
- 5.4 Subject to the other provisions contained in the Scheme, all contracts, deed, bonds, agreements and other instruments of whatsoever nature to which the Transferor Company is a party subsisting or having effect immediately before the amalgamation, shall be, in full force and effect, against or in favour of the Transferee Company as

the case may be, and may be enforced as fully and as effectively as if instead of the Transferor Company, the Transferee Company had been a party thereto. The Transferee Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangement, confirmations or novations to which the Transferor will, if necessary, also be party in order to give formal effect to the provisions of this clause, if so required or become necessary. The Transferee Company will also be entitled to secure approvals of such authorities as may be necessary whenever any approvals are necessary for transfer of property from the Transferor Company.

5.5 For the removal of doubts, it is expressly made clear that the dissolution of the Transferor Company without the process of winding up as contemplated hereinafter, shall not, except to the extent set out in the Scheme, affect the previous operations of any contract, agreement, deed or any instrument or beneficial interest to which the Transferor Company is a party thereto and shall not affect any right, privilege, obligations or liability acquired, deemed to have been acquired and all such reference in such agreements, contracts and instruments to the Transferor Company shall be construed as reference only to the Transferee Company with effect from the “Appointed Date”.

5.6 As on the Appointed Date, and subject to any corrections and adjustments as may, in the opinion of the Board of Directors of the Transferee Company be required, the reserves of the Transferor Company will be merged with those of the Transferee Company in the same form as they appear in the financial statements of the Transferor Company.

## **6. ALLOTMENT OF SHARES**

The entire paid up equity share capital of the Transferor Company is held by the Transferee Company and its nominees. As the Transferor Company is a wholly owned subsidiary of the Transferee Company, no shares of the Transferee Company need be allotted in respect thereof and upon the Scheme coming in to effect, the entire equity share capital of the Transferor Company shall stand cancelled and hence allotment of shares to the holders of Transferor Company does not arise.

## **7. CONDUCT OF BUSINESS BY TRANSFEROR COMPANY TILL THE EFFECTIVE DATE**

The Transferor Company :

7.1 Shall be deemed to have been carrying on and shall carry on all business and activities relating to its business and stand possessed of the properties so to be transferred, for

and on account of and in trust for the Transferee Company, including, but not limited to, operating and marketing activities, advance tax payments of income tax, sales tax, excise and other statutory payments, etc.

- 7.2 All profits or income accruing to the Transferor Company or losses or expenditure (including payment of penalty, damages or such litigations) arising or incurred by it relating to their businesses shall, for all purposes, be treated as the profits or income or losses or expenditure, as the case may be, of the Transferee Company.
- 7.3 Transferor Company hereby undertakes, from the Appointed Date up to and including the Effective Date :
- a. To carry on its business with reasonable diligence, proper prudence and not to alienate, charge, encumber or otherwise deal with or dispose of the business or any part thereof, not conclude any settlement with union or employees nor to undertake any new business or a substantial expansion of its existing business other than the expansions which have already been commenced without the prior consent of Transferee Company except in the ordinary course of business or pursuant to any pre-existing obligation(s) undertaken by it prior to the Appointed Date. The Transferor Company shall not vary the terms and conditions of employment of its permanent employees except in the ordinary course of business.
  - b. Not to utilise the profits or income, if any, relating to their business for the purposes of declaring or paying any dividend or for any other purpose in respect of the period falling on and after the Appointed Date without the prior written consent of the Transferee Company.
- 7.4 The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government and other related agencies, departments and other authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require to own and operate the businesses of the Transferor Company.
- 7.5 The Transferor and Transferee Companies shall have the liberty to apply to the High Court of Judicature at Madras for necessary direction to remove difficulties, if any, in implementing the Scheme.
- 7.6 The Board of Directors of the Transferor and Transferee Companies or any person authorised by them may assent on behalf of all concerned to any modification to the Scheme or to any condition which the High Court or the Government of other authority

may impose or which the said Board of Directors may in their sole discretion, think fit for the purpose of effectively carrying out the Scheme and the said Board of Directors may do all acts, things and deeds as may be necessary and/or expedient for the purpose of implementing the Scheme.

## **8. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFeree COMPANY**

8.1 On the Scheme becoming effective, the Transferee Company shall account for the merger in its books as per the “Pooling of Interest Method” of Accounting prescribed under the Accounting Standard 14 issued by the Institute of Chartered Accountants of Indis such that –

- i. All the assets and liabilities recorded in the books of othe Transferor Company shall stand transferred to and vested in the Transferee Company pursuant to the Scheme and shall be recorded by the Transferee Company at their book values as appearing in the books of the Transferor Company;
- ii. The balance amount representing the excess of the values of assets over the liabilities shall be reflected as General Reserve in the books of the Transferee Company;
- iii. The investments in the share capital of the Transferor Company appearing in the books of accounts of the Transferee Company will stand cancelled;

8.2 Further, in case of any differences in accounting policy between the Companies, the impact of the same till the amalgamation will be quantified and adjusted in the Profit and Loss Account mentioned earlier to ensure that the financial statements of the Transferee Company reflect the financial position on the bassis of consistent accounting policy.

8.3 To the extent that there are inter-company loans, deposits or balances as between the Transferor Company and the Transferee Company, the obligations in respect thereof shall come to an end and there shall be no liability in that behalf and corresponding effect shall be given in the books of accounts and records of the Transferee Company for the reduction of any assets or liabilities as the case may be and there would be no accrual of interest or any other charges in respect of any such inter-company loans, deposits or balances, with effect from the Appointed Date.

## **9. LEGAL PROCEEDINGS**

9.1 All legal proceedings of whatsoever nature by or against the Transferor Company pending and/or arising at 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 amalgamation or by anything contained in this Scheme but shall be continued and enforced by or against the Transferee Company in the manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company.

- 9.2 After the Appointed Date, if any proceedings are taken against the Transferor Company in respect of the matters referred to in sub-Clause 9.1 above, it shall defend the same at the cost of the Transferee Company and the Transferee Company shall reimburse and indemnify the Transferor Company against all liabilities and obligations incurred by the Transferor Company.
- 9.3 The Transferee Company undertakes to have all legal or other proceedings initiated by or against the Transferor Company referred to in Clause 9.1 above transferred into its name and to have the same continued, prosecuted and enforced by or against the Transferee Company.

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

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

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

- 11.1 If there are any employees of the Transferor Company, who are in service on the date immediately preceding the Effective Date shall, unless otherwise desired by any of the employees, become the employees of the Transferee Company on the Effective Date.
- 11.2 On the Scheme finally taking effect as hereinafter provided :
- a. The employees of the Transferor Company if any, shall become the employees of the Transferee Company, without any break or interruption in service and on terms and conditions not less favourable than those on which they are engaged by the Transferor Company as on the Effective Date.

Services of all employees with the Transferee Company up to the Effective Date shall be taken into account from the date of their respective appointment with the Transferor Company for purposes of all retirement benefits for which they may be eligible. The Transferee Company further agrees that for the purpose of payment of any retrenchment compensation, if any, such past services with the Transferor Company shall also be taken into account;

- b. The services of such employees shall not be treated as having been broken or interrupted for the purpose of Provident Fund or Gratuity or
- c. Superannuation or other statutory purposes and for all purposes will be reckoned from the date of their respective appointments with the Transferor Company.

11.3 It is provided that as far as the Provident Fund, Gratuity Fund and Pension and/or Superannuation Fund or any other special fund created or existing for the benefit of the staff, workmen and other employees of the Transferor Company are concerned, upon the Scheme becoming finally effective, the Transferee Company shall stand substituted for the Transferor Company in respect of the employees transferred with the Undertaking for all purposes whatsoever relating to the administration or operation of such Funds or Trusts or in relation to the obligation to make contribution to the said Funds or Trusts in accordance with the provisions of such Funds or Trusts as provided in the respective Trust Deeds or other documents. It is the aim and the intent of the Scheme that all the rights, duties, powers and obligations of the Transferor Company in relation to such Funds or Trusts shall become those of the Transferee Company. The trustees including the Board of Directors of the Transferor Company and the Transferee Company shall be entitled to adopt such course in this regard as may be advised provided however that there shall be no discontinuation or breakage in the service of the employees of the Transferor Company.

## **12. SAVING OF CONCLUDED TRANSACTIONS**

The transfer of properties and liabilities under Clause 4 above and the continuance of proceedings by or against the Transferor Company under Clause 9 above shall not affect any transaction or proceedings already concluded by the Transferor Company on or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of itself.

### **13. APPLICATION TO HIGH COURT**

The Transferor Company and the Transferee Company shall with all reasonable dispatch make applications, petitions under Section 391 and 394 of the Act and other applicable provisions of the Act to the Madras High Court for seeking approval of the Scheme.

### **14. MODIFICATION OR AMENDMENTS TO THE SCHEME**

14.1 The Transferor Company and the Transferee Company through their respective Boards of Directors in their full and absolute discretion, may assent to any modification or amendment to the Scheme which the High Court of Judicature at Madras, shareholders of the Transferor Company and/or the Transferee Company and/or any other competent authority may deem fit to approve / impose and effect any other modification or amendment which the Boards in the best interests of the Transferor Company of the Transferee Company may consider necessary or desirable and give such directions as they may consider necessary or desirable for settling any question, doubt or difficulty arising under the Scheme or in regard to its implementation or in any matter connected there with (including any question, doubt or difficulty arising in connection with any deceased or insolvent shareholder of the Transferor Company or the Transferee Company) and to do all acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect. In the event that any modification or amendment to the Scheme is unacceptable to the Transferor Company and/or the Transferee Company for any reason whatsoever, the Transferor Company and/or Transferee Company shall be at liberty to withdraw from the Scheme at any time.

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

### **15. CONDITIONALITY OF THE SCHEME**

The Scheme is conditional upon and subject to :

- a. Approval of the Scheme by the requisite majority of the members of the Transferor and Transferee Company or otherwise ordered by the Court.
- b. Sanction of the Scheme by the Hon'ble High Court of Judicature at Madras pursuant to Section 391 of the Act and appropriate orders being made by the said High Court pursuant to Section 394 of the Act for the amalgamation under the Scheme and for the implementation thereof.

- c. Any other sanction or approval of Appropriate Authorities concerned, as may be considered necessary and appropriate by the respective Board of Directors of the Transferor Company and Transferee Company, being obtained and granted in respect of any of the matters for which such sanction or approval is required.

## **16. FILING OF THE SCHEME WITH STOCK EXCHANGES**

As per the Listing Agreement entered in to with Stock Exchanges the Transferee Company shall file with the Stock Exchanges where the Company's shares are listed, about the Scheme of Amalgamation prior to the filing of the petition before the Honourable High Court of Judicature, Madras.

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

17.1 In the event of any of the approvals or conditions enumerated in the scheme not being obtained or complied, or for any other reason, this Scheme cannot be implemented in its present form, then the Board of Directors of the Transferee Company and Transferor Company shall mutually waive or modify such conditions as they consider appropriate to give effect as far as possible to this scheme and failing such mutual agreement or in case the sanctions and approvals referred to in the preceding Clause not being obtained and/or Scheme not being sanctioned by the High court at Madras and/or Order or Orders not being passed as aforesaid this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/or liabilities which might have 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. Each party shall bear and pay its respective costs, charges and expenses for and or in connection with the Scheme.

17.2 Without prejudice to Clause 17.1 herein above, if any portion of the scheme is found to be unworkable for any reason whatsoever, the same shall not affect the validity or implementation of the other Parts of the Scheme should the Board of Directors of the Transferee Company so deem fit.

## **18. DISSOLUTION**

On the Scheme becoming effective, the Transferor Company shall be dissolved without being wound-up.

**19. COSTS CHARGES & EXPENSES**

All costs, charges, taxes including duties, levies and all other expenses, if any arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be born by the Transferee Company.

\* \* \* \* \*

WITNESS, The Hon'ble Thiru MARKANDEY KATJU,  
The Justice of Madras High Court, aforesaid this the 29th day of  
September, 2005.

Sd/-  
S.T. Brindha  
DEPUTY REGISTRAR (c.s.)

Certified to be a true copy  
Dated this 1st day of October, 2005

Sd/-  
COURT OFFICER



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**SCHEME OF AMALGAMATION OF  
PARRY NUTRACEUTICALS LIMITED  
WITH  
E.I.D.- PARRY (INDIA) LIMITED**

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IN THE HIGH COURT OF JUDICATURE AT MADRAS

(ORIGINAL JURISDICTION)

Tuesday, the Seventeenth day of April 2007

THE HON'BLE MR. JUSTICE S. RAJESWARAN

Company Petition No. 38 of 2007

In the matter of Companies Act, 1 of 1956

And

In the matter of Schme of Amalgamation

Of

M/s. Parry Nutraceuticals Limited  
(Transferor Company)

With

M/s. E.I.D. - Parry (India) Limited  
(Transferee Company)

And

Their Respective Shareholders

M/s. Parry Nutraceuticals Limited  
having its registered office at  
'Parry House', 43, Moore Street,  
Chennai - 600 001.  
Rep. by Whole-time Director  
Mr. Sebastian K. Thomas

.... Petitioner / Transferor Company

- Vs -

M/s. E.I.D. - Parry (India) Limited  
having its registered office at  
'Dare House', Parry's Corner  
Chennai - 600 001.  
Rep. by its Company Secretary  
Ms. G. Jalaja

.... Respondent / Transferee Company

This company petition praying this Court :

a. To sanction the Scheme of Amalgamation between the Petitioner/Transferor Company, namely Parry Nutraceuticals Limited and the Respondent/Transferee Company, namely, E.I.D. - Parry (India) Limited be sanctioned by this Court so as to be binding on all the equity shareholders of the Petitioner Company and on the said Petitioner Company namely Parry Nutraceuticals Limited with effect from 1st September, 2006.

b. To dissolve the Petitioner/Transferor Company, namely, M/s. Parry Nutraceuticals Limited without the process of winding-up.

This Company Petition coming on this day before this Court for hearing in the presence of Mr. T.K. Seshadri, Senior Advocate for Mr. T.K. Bhaskar, Advocate for the Petitioner in the Company Petition No. 38 of 2007 and Mr. T. Sivagnanam, Senior Panel Counsel appearing for the Regional Director, Southern Region, Department of Company Affairs, Chennai, and Mr. M. Jayakumar, Assistant Official Liquidator, for Official Liquidator, High Court, Madras, and upon the reading the company petition No. 38 of 2007, and the affidavit of R. Vasudevan, the Regional Director, Southern Region, Department of Company Affairs, Chennai, and the Report dated 13/4/2007 filed by the Official Liquidator, High Court, Madras in C.P. No. 38 of 2007, and the advertisement of the company petition having been made in one issue of English daily "The Hindu Business Line" dated 12/03/2007 and also in one issue of Tamil daily "Daily Thanthi" dated 12/03/2007 and this Court having dispensed with the convening, holding and conducting of the meeting of the equity shareholders of the said Petitioner Company by an order dated 23/02/2007 and made in C.A. No. 383 of 2007 and the orders herein dated 02/03/2007 and 03/04/2007, and on perusal of the report of the Official Liquidator, High Court, Madras summarising the report of the Chartered Accountants, that the affairs of the Transferor Company had not been conducted in a manner prejudicial to the interest of its members, creditors or to public interest and the business had not been carried on with intent to defraud the creditors or any other person or for any fraudulent purpose attracting the penal provisions of Section 542 of the Companies Act, and no director or officer or any other person of the company misapplied or diverted or retained or became liable or accountable for any money or property of the Company or has been found guilty of any misappropriation, breach of trust in relation to the Company under Section 543 of the Companies Act, 1956, and they do not come across any act of misfeasance by the Directors attracting the provisions of Sections 542 and 543 of the Companies Act, 1956, and this Court taking note of the report by the Chartered Accountant as enclosed by the Official Liquidator, High Court, Madras.

This Court doth hereby sanction the Scheme of Amalgamation annexed hereunder with effect from 1/9/2006 and declare the same to be binding on all the equity shareholders of the said company and on the said company, THIS COURT DOTH FURTHER ORDER AS FOLLOWS :-

(1) That, the petitioner company herein do file with the Registrar of Companies, Chennai, a certified copy of the order within 30 days from this date.

(2) That, the parties to the Scheme of Amalgamation or any other person interested shall be at liberty to apply to this Court for any directions that may be necessary in regard to carrying out his Scheme of Amalgamation annexed hereunder.

(3) That the Transferor Company viz. M/s. Parry Nutraceuticals Limited shall be dissolved without being wound up.

(4) That Mr. T. Sivagnanam, Senior Panel Counsel shall be entitled to a fee of Rs. 2,500/- (Rupees Two Thousand and Five Hundred Only) from the Petitioner Company.

**ANNEXURE**  
**SCHEME OF AMALGAMATION**  
**OF**  
**M/S. PARRY NUTRACEUTICALS LIMITED**  
**(TRANSFEROR COMPANY)**  
**WITH**  
**M/S. E.I.D. - PARRY (INDIA) LIMITED**  
**(TRANSFeree COMPANY)**  
**AND**  
**THEIR RESPECTIVE SHAREHOLDERS**  
**Under Sections 391 to 394 of the Companies Act, 1956**

This Scheme of Amalgamation is presented for Amalgamation of Parry Nutraceuticals Limited (Transferor Company), a Company incorporated under the provisions of the Companies Act, 1956 and having its Registered Office at ‘Parry House’, 43, Moore Street, Chennai - 600 001 with E.I.D. - Parry (India) Limited (Transferee Company), a Company incorporated under the Companies Act, 1956 and having its Registered Office at ‘Dare House’, Parry’s Corner, Chennai - 600 001.

**PART I – DEFINITIONS**

1. In this Scheme, unless repugnant to the context or meaning thereof, the following expressions shall have the following meanings:
  - 1.1. **“ACT”** means the Companies Act, 1956 and any statutory modification or re-enactments thereof, for the time being in force.
  - 1.2. **“Appointed Date”** means the 1st day of September, 2006 or such other date as may approved by the Honourable High Court of Judicature at Madras.
  - 1.3. The **“Effective Date”** means the last of the dates on which (a) certified copy of the Order of the Honourable High Court of Judicature at Madras under Sections 391 and 394 of the Act sanctioning the Scheme are filed with the Registrar of Companies, Chennai, Tamil Nadu and (b) the consents, approvals, permissions, resolutions, agreements, sanctions and orders necessary therefor being obtained.

- 1.4 **“Transferee Company”** means E.I.D. - Parry (India) Limited, a Public Limited Company incorporated under the provisions of the Companies Act, 1956 and having its Registered Office at Dare House, Parrys Corner, Chennai - 600 001.
- 1.5 **“Transferor Company”** means Parry Nutraceuticals Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its Registered Office at ‘Parry House’, 43, Moore Steet, Chennai - 600 001.
- 1.6 **“Undertaking of Transferor Company”** means the entire business of the Transferor Company and includes (without being limited to) the following :
- (i) All the undertakings, properties (both movable and immovable and liabilities of the Transferor Company including all properties and assets, movable and immovable, real and personal, corporeal and incorporeal, in possession, or in reversion, present and contingent of whatsoever nature, wheresoever situated, rights, powers, interests, authorities, privileges (including benefits of all tax reliefs), liberties, contracts or deeds, as on the Appointed Date, including all lands & buildings, freehold and leasehold, vehicles, furniture, equipments, sundry debtors, investments of all kinds (including shares, scrips, stocks, bonds, debentures, debenture stock, units) inventories, cash and bank balances, bills of exchange, deposits, loans and advances, leases, hire purchase contracts and assets, tenancy rights and agencies of the Transferor Company and all other interests or rights in or arising out of or relating to such properties, together with all rights, powers, interests, charges, privileges, benefits, entitlements, industrial and other licenses, insurance policies, brands, registrations, trade marks, patents, copy rights, liberties, easements, industrial and advantages, sanctions, approvals, import entitlements and other quotas, if any, or to which the Transferor Company is entitled to, of whatsoever kind, nature or description held, applied for or as may be obtained thereafter or to which the Transferor Company is entitled to, together with the benefit of all contracts and engagements and all books, papers, documents and records.
  - (ii) All debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date, as appearing in the books of account of the Transferor Company and including liabilities on account of secured loans, unsecured loans, sundry creditors, bonus, sales tax, excise, income tax, other taxation and any other liability (including contingent liability), whether or not provided for in the books of account of the Transferor Company.
  - (iii) All employees of Transferor Company.

1.7 “**Scheme**” means this Scheme of Amalgamation in its present form or with any modification(s) approved, imposed or directed by the Honourable High Court of Judicature at Madras.

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

The Scheme set out herein in its present form or with any modification(s) or amendment(s) approved, imposed or directed by the High Court of Judicature at Madras shall be operative from the Appointed Date but shall be effective from the Effective Date.

## 3. **SHARE CAPITAL**

### ***AUTHORISED, ISSUED, SUBSCRIBED AND PAID UP CAPITAL AS ON 31st MARCH, 2006***

#### **(a) E.I.D. - Parry (India) Limited (Transferee Company)**

Amount in Rs. Lakhs

##### **Authorised**

<b>50,00,000 Redeemable Preference Shares of Rs. 100/- each</b>	<b>5000</b>
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25,75,00,000 Equity Shares of Rs. 2/- each	5150
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<b>Total</b>	<b><u>10150</u></b>
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##### **Issued, Subscribed and Paid up**

8,92,48,515 Equity Shares of Rs. 2/- each	1785
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#### **(b) Parry Nutraceuticals Limited (Transferor Company)**

##### **Authorised**

60,00,000 Equity Shares of Rs. 10 each	600
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18,00,000 Preference Shares of Rs. 100 each	1800
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##### **Issued, Subscribed and Paid up**

2050400 Equity Shares of Rs. 10/- each	205.04
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1411500 Preference Shares of Rs. 100 each	1411.5
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## **PART II – AMALGAMATION**

### **4. TRANSFER OF UNDERTAKING OF PARRY NUTRACEUTICALS LIMITED, (TRANSFEROR COMPANY) :**

- 4.1. With effect from the Appointed Date, subject to the provisions of this Scheme in relation to the mode of transfer and vesting, the Undertaking of Transferor Company shall, without any further act, instrument or deed be and same shall stand transferred to and vested in or deemed to have been transferred to and vested in the Transferee Company pursuant to the provisions of Sections 391 and 394 and other applicable provisions of the Act and the Scheme as a going concern so as to become as and from Appointed Date, the estate, assets, rights, title, interest and authorities of the Transferor Company will be transferred to the Transferee Company at book value.
- 4.2. The transfer and vesting as aforesaid, shall be, subject to existing charges/hypothecation/mortgage (if any, as may be subsisting) over or in respect of the said assets or any part thereof in favour of Banks and Financial Institutions. Provided however, that any reference in any security documents or arrangements to which the Transferor Company is a party, to such assets of the Transferor Company, offered or agreed to be offered as security for any financial assistance both availed and to be availed upto any limit for which sanctions have already been obtained by the Transferor Company shall be, construed as reference only to the assets pertaining to the Transferor Company as are vested in the Transferee Company by virtue of this Scheme, to the end and intent that such security, mortgage and/or charge shall not extend or be deemed to extend, to any of the assets or to any of the other units or divisions of the Transferee Company, unless specially agreed to by the Transferee Company with such secured creditors and subject to the consents and approvals of the existing Secured creditors of the Transferee Company.
- 4.3. In respect of the floating charges created by the Transferor Company in favour of their bankers for all the movable assets, documents of title to goods, receivable, claims and other current assets that are acquired by the Transferor Company from the “Appointed Date” till the “Effective Date”, shall be deemed to be the security and the same shall be available as security for the loans, cash credit and other working capital facilities, both fund based and non-fund based, which were sanctioned by the bankers of the Transferor Company, either utilised fully or partly or unutilised by the Transferor Company, subject to the limits sanctioned by its bankers.

- 4.4 It is expressly provided that in respect of such of the said assets as are movable in nature or are otherwise capable of transfer by manual or constructive delivery and/or by endorsement and delivery, the same shall be so transferred by the Transferor Company and shall become the property of the Transferee Company in pursuance of the provisions of Sections 391 and 394 of the said Act, as an integral part of the undertaking, such transfer being deemed to have taken place at the location of the Registered Office of the Transferee Company, i.e., in the State of Tamil Nadu.
- 4.5 In respect of the said assets other than those referred to in Clause 4.3 and 4.4 referred to above, the same shall, without any further act, instrument or deed, be transferred to and vested in and/or deemed to be transferred and vested in the Transferee Company on the “Appointed Date”, pursuant to the provisions of Sections 391 and 394 of the said Act.
- 4.6 The Transferee Company, may at any time, after the coming into the effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of the secured creditors of the Transferor Company or in favour of any other 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 provisions of the Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company, implement or carry out all such formalities or compliance referred to above on the part of the Transferor Company to be carried out or performed.

#### **4.7 Transfer of Debts and Liabilities**

- 4.7.1. With effect from the said “Appointed Date”, all debts, liabilities, duties and obligations of the Transferor Company, including contingent liabilities not provided in their books (hereinafter referred to as “the said liabilities”) and any accretions and additions or reductions thereto after the “Appointed Date” shall also stand transferred or deemed to be transferred without any further act or instrument or deed to the Transferee Company so as to become as and from that date, the debts, liabilities, duties and obligations of the Transferee Company and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this clause. PROVIDED ALWAYS that nothing in this clause shall or is intended to enlarge the security for any loan, deposit or other indebtedness created by

the Transferor Company prior to the “Appointed Date” which shall be transferred to and vested in the Transferee Company by virtue of the amalgamation and the Transferee Company shall not be required or obliged in any manner to create any further or additional security therefor after the “Appointed Date” or otherwise.

- 4.7.2 All the loans, advances and other facilities sanctioned to the Transferor Company by their bankers prior to the “Appointed Date”, which are partly drawn/utilised shall be deemed to be the loans and advances sanctioned to the Transferee Company and the said loans and advances shall be drawn/utilised either partly or fully by the Transferor Company from the “Appointed Date” till the “Effective Date” and all the advances/loans and or other facilities so drawn by the Transferor Company (within the overall limits sanctioned by their bankers) shall on the “Effective Date” be treated as advances and loans made available to the Transferee Company under any loan agreement shall be construed and shall become the obligation of the Transferee Company without any further act, or deed on the part of the Transferee Company.
- 4.7.3 Upon this Scheme coming into effect, any loan or other obligations due between the Transferor Company and the Transferee Company shall stand discharged and there shall be no liability in that behalf. In so far as any securities, debentures or notes issued by the Transferor Company and held by the Transferee Company, and vice versa, are concerned, the same shall, unless sold or transferred by the Transferor Company or the Transferee Company, as the case may be, at any time prior to the “Effective Date”, stand cancelled as on the “Effective Date” and shall be of no effect and the Transferor Company or the Transferee Company, as the case may be, shall have no further obligation outstanding in that behalf.
- 4.7.4. There is no likelihood that any secured or unsecured creditor of Transferor Company and the Transferee Company would loose or be prejudiced as a result of the proposed Scheme being passed. The latest audited accounts for the year ended 31st March, 2006 of the Transferor Company and the Transferee Company indicate that the companies are in a solvent position and would easily be able to meet liabilities as they arise in the course of the business. Hence, the amalgamation in no way will not cast any additional burden on the shareholders of either company nor will it affect the interests of any of the shareholders or any classes of creditors.

- 4.8. Subject to the other provisions contained in the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature to which the Transferor Company is a party subsisting or having effect immediately before the amalgamation, shall be, in full force and effect, against or in favour of the Transferee Company as the case may be, and may be enforced as fully and as effectively as if instead of the Transferor Company, the Transferee Company had been a party thereto. The Transferee Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangement, confirmations or novations to which the Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this clause, if so required or become necessary. The Transferee Company will also be entitled to secure approvals of such authorities as may be necessary whenever any approvals are necessary for transfer of property from the Transferor Company.
- 4.9. For the removal of doubts, it is expressly made clear that the dissolution of the Transferor Company without the process of winding up as contemplated hereinafter, shall not, except to the extent set out in the Scheme, affect the previous operations of any contract, agreement, deed or any instrument or beneficial interest to which the Transferor Company is a party thereto and shall not affect any right, privilege, obligations or liability acquired, deemed to have been acquired and all such reference in such agreements, contracts and instruments to the Transferor Company shall be construed as reference only to the Transferee Company with effect from the “Appointed Date”.
- 4.10. All employees of the Transferor Company in service on the Effective Date, shall become the employees of the Transferee Company on such date without any break or interruption in service and on terms and conditions as to remuneration not less favourable than those subsisting with reference to the Transferor Company as on the said date.
- 4.11. In so far as the Provident Fund, Gratuity Fund, Superannuation Fund or any other special scheme(s)/fund(s) created or existing for the benefit of the Employees of the Transferor Company is concerned, from the Effective Date, the Transferee Company shall stand substituted for the Transferor Company for all the purposes whatsoever related to the administration or operation of such schemes or funds or in relation to the obligation to make contributions to the said schemes/funds as per the terms provided in the respective Trust Deeds, to the end and intent that all the rights, duties, powers and obligations of the Transferor Company in relation to such schemes/funds shall become those of the Transferee Company. It is clarified that the service of the

employees of the Transferor Company will be treated as having been continuous for the purposes of the aforesaid scheme/funds.

- 4.12. As on the Appointed Date, and subject to any corrections and adjustments as may, in the opinion of the Board of Directors of the Transferee Company be required, the reserves of the Transferor Company will be merged with those of the Transferee Company in the same form as they appear in the financial statements of the Transferor Company.
- 4.13. In case of any differences in accounting policy, if any, between the Transferor Company on amalgamation and the book values of the assets, liabilities and specific reserves vested with the Transferee Company on the Scheme becoming effective, will be reflected in the Revenue Reserve(s) of the Transferee Company.
- 4.14. Upon the coming into effect of this Scheme, all legal actions or other proceedings by or against the Transferor Company, pending on the “Effective Date” or which may be instituted in future (whether before or after the Effective Date) in respect of any matter arising before the Effective Date (including property rights, powers, liabilities, obligations and duties) shall be continued and be enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued and enforced by or against the Transferor Company.

**4.15. Allotment of Shares**

As the Transferor Company is a wholly owned subsidiary of the Transferee Company, the shares of the Transferor Company shall be treated as cancelled on the Appointed Date and hence allotment of shares of the Transferee Company to the holders of Transferor Company does not arise.

**4.16. CONDUCT OF BUSINESS BY TRANSFEROR COMPANY TILL THE EFFECTIVE DATE**

Transferor Company :

- 4.16.1. Shall be deemed to have been carrying on and shall carry on all business and activities relating to their respective businesses and stand possessed of the properties so to be transferred, for and on account of and in trust for the Transferee Company, including, but not limited to, operating and marketing activities, advance tax payments of income tax, sales tax, excise and other statutory payments, etc.

- 4.16.2. All profits or income accruing to the Transferor Company or losses or expenditure (including payment of penalty, damages or such litigations) arising or incurred by it relating to their businesses shall, for all purposes, be treated as the profits or income or losses or expenditure, as the case may be, of the Transferee Company.
- 4.16.3. Transferor Company hereby undertakes, from the Appointed Date up to and including the Effective Date :
- (a) To carry on the business with reasonable diligence, proper prudence and not to alienate, charge, encumber or otherwise deal with or dispose of the business or any part thereof, not conclude any settlement with union or employees nor to undertake any new business or a substantial expansion of its existing business other than the expansions which have already been commenced without the prior consent of Transferee Company except in the ordinary course of business or pursuant to any pre-existing obligation(s) undertaken by it prior to the Appointed Date. The Transferor Company shall not vary the terms and conditions of employment of its permanent employees except in the ordinary course of business.
  - (b) Not to utilise the profits or income, if any, relating to its business for the purposes of declaring or paying any dividend or for any other purpose in respect of the period falling on and after the Appointed Date without the prior written consent of the Transferee Company.
- 4.16.4. The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government and other related agencies, departments and other authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require to own and operate the businesses of the Transferor Company.
- 4.16.5. The amalgamation of Transferor Company will be accounted for in the books of Transferee Company by adoption of Pooling of Interest method of accounting in accordance with the Accounting Standard 14 (AS 14) issued by the Institute of Chartered Accountants of India (ICAI) and the balance amount representing the excess of the values of assets over the liabilities shall be reflected as General Reserve in the books of the Transferee Company.

- 4.16.6. The Transferor Company and the Transferee Companies shall with all reasonable dispatch make applications/petitions under Sections 391 and 394 and other applicable provisions of the Act to the Honourable High Court of Judicature at Madras for sanctioning the Scheme and for dissolution of the Transferor Company without winding up under the provisions of law.
- 4.16.7. After coming into operation of the Scheme, the Transferor Company shall be dissolved without the process of winding up.

#### **4.17 MODIFICATION OR AMENDMENTS TO THE SCHEME**

- 4.17.1. The Transferor Company and the Transferee Company through their respective Boards of Directors in their full and absolute discretion, may assent to any modification or amendment to the Scheme which the High Court of Judicature at Madras, shareholders of the Transferor Company and/or the Transferee Company and/or any other competent authority may deem fit to approve / impose and effect any other modification or amendment which the Boards in the best interests of the Transferor Company or the Transferee Company may consider necessary or desirable and give such directions as they may consider necessary or desirable for settling any question, doubt or difficulty arising under the Scheme or in regard to its implementation or in any matter connected therewith (including any question, doubt or difficulty arising in connection with any deceased or insolvent shareholder of the Transferor Company or the Transferee Company) and to do all acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect. In the event that any modification or amendment to the Scheme is unacceptable to the Transferor Company and/or the Transferee Company for any reason whatsoever, the Transferor Company and/or Transferee Company shall be at liberty to withdraw from the Scheme at any time.
- 4.17.2. For the purpose of giving effect to the Scheme or to carry out any modification or amendment thereto, the Board of Directors of the Transferor Company and the Transferee Company or any Committee thereof is authorized to give such directions and/or to take such steps as may be necessary or desirable including any directions for settling any question, doubt or difficulty whatsoever that may arise.

### **PART III – GENERAL**

#### **5. Approvals / Sanctions**

5.1. The Scheme is conditional upon and subject to :

5.1.1. The Scheme being agreed to by the respective requisite majorities of the various classes of members of the Transferee Company and the Transferor Company as required under the Act and as may be directed by the Honourable High Court of Judicature at Madras.

5.1.2. The sanctions and orders under the provisions of Section 391 read with Section 394 of the Act being obtained by the Transferor Company and the Transferee Company from the Honourable High Court of Judicature at Madras.

5.1.3. The certified copy of the Court order referred to in this Scheme being filed with the Registrar of Companies, Chennai.

5.2. In the event that any Part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not affect the validity or implementation of the other Parts of the Scheme should the Transferee Company and the Transferor Company so deem fit.

#### **5.3. Expenses connected with the Scheme**

All costs, charges and expenses including any taxes and duties of the Transferor Company and Transferee Company in relation to or in connection with this Scheme and incidental to the completion of the amalgamation of the Transferor Company in pursuance of this Scheme shall be borne and paid by the Transferee Company.

#### **5.4. Effects of non receipt of approvals / sanctions**

In the event of the approvals and sanctions not being obtained and/or the Scheme not being sanctioned by the Honourable High Court of Madras and/or the order or orders not being passed as aforesaid or for any other reasons, the Scheme cannot be implemented, this Scheme shall become null and void and each party shall bear its respective costs, charges / and expenses in connection with this Scheme of Amalgamation.

\* \* \* \* \*

WITNESS, The Hon'ble Thiru AJIT PRAKASH SHAH,  
The Chief Justice of Madras High Court, aforesaid this the 17th day of  
April, 2007.

Sd/-  
DEPUTY REGISTRAR (O.S.) I/C.

Certified to be a true copy  
Dated this 2nd day of May, 2007

Sd/-  
COURT OFFICER (O.S.)



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**SCHEME OF ARRANGEMENT (DEMERGER)**  
**PARRYS SUGAR INDUSTRIES LIMITED**  
**WITH**  
**E.I.D.- PARRY (INDIA) LIMITED**

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IN THE HIGH COURT OF JUDICATURE AT MADRAS

(ORIGINAL JURISDICTION)

Monday, the 18th day of February, 2013

THE HON'BLE MR. JUSTICE V. RAMASUBRAMANIAN

COMP. PETN. No. 256 OF 2012

In the matter of Companies Act, 1956;

and

In the matter of Sections 391 to 394 of the  
Companies Act, 1956

And

In the matter of Scheme of Arrangement  
(Demerger) between  
Parrys Sugar Industries Limited and  
E.I.D. - Parry (India) Limited

**C.P. No. 256 / 2012 :**

E.I.D. - Parry (India) Limited  
a Company incorporated under the  
Companies Act, 1956, and having its  
Registered Office at  
'DARE HOUSE', Parry's Corner,  
Chennai - 600 001.  
represented by Suresh Krishnan,  
Vice President & Company Secretary

.... Petitioner / Transferee / Resulting Company

This Company Petition praying this Court that the Scheme of Arrangement (Demerger) between Parrys Sugar Industries Limited and E.I.D. - Parry (India) Limited, be sanctioned by the High Court with effect from 1st April, 2012 so as to be binding on all the shareholders and creditors of the petitioner company, namely, E.I.D. - Parry (India) Limited and on the said petitioner company.

This Company Petition coming on this day before this Court for hearing in the presence of Mr. P.H. Arvinth Pandian, Senior Advocate for Mr. Harishankarmani, Advocate for the Petitioner herein, and Smt. M. Christella, Additional Central Government Standing Counsel appearing for the Regional Director, Southern Region, Ministry of Corporate Affairs, Chennai, and upon reading the order dated 17.8.2012 and made in C.A. No. 581 of 2012 whereby the said company E.I.D. - Parry (India) Limited the petitioner company in C.P. No. 256 of 2012 herein was directed to convene a meeting of the equity shareholders of the above named company for the purpose of considering and if thought fit approving with or without modification of the proposed scheme of arrangement (demerger) and the advertisement having been made in one issue of English Daily, "The Hindu Business Line", dated 18.9.2012, and another issue of Tamil Daily "Malai Murasu", dated 18.9.2012, each containing the advertisement of the said meeting and the report of the chairman of the said meeting as to the result of the meeting and report as the scheme of Arrangement (demerger) had been approved unanimously, and upon reading the Company Petition No. 256/2012, and the affidavit of E. Selvaraj, Regional Director, Southern Region, Ministry of Corporate Affairs, Chennai, and the advertisement of the company petition having been made in one issue of English Daily "The Hindu Business Line" (Chennai Edition) dated 23.11.2012, and also in one issue of Tamil Daily "Makkal Kural" (Chennai Edition) dated 22.11.2012, and the demerged company has registered office at Venus Building, III Floor, 1/2, Kalayanamantapa Road, Jakkasandra, Koramangala, Bengaluru-34, Karnataka and had already filed a petition before the High Court of Karnataka, and it is stated by Senior Counsel that an order for approval of the Scheme had already been passed by the High Court of Karnataka, but the copy of the order is awaited and this Court doth hereby sanction the Scheme of Arrangement (demerger) annexed hereunder with effect from 1.4.2012 and declare the same to be binding on all the shareholders and creditors of the said company, and the said company, THIS COURT DOTH FURTHER ORDER AS FOLLOWS :

(1) That, the Petitioner Company herein do file with the Registrar of Companies, Chennai, a certified copy of the order within 30 days from this date.

(2) That, the parties to the Scheme of Arrangement (demerger) or any other person interested shall be at liberty to apply to this Court for any directions that may be necessary in regard to carrying out this Scheme of Arrangement (Demerger) annexed hereunder.

(3) That the learned Additional Central Government Standing Counsel be and is hereby entitled to a fee of Rs. 2500/- (Rupees two thousand and five hundred only) from the Resulting company.

#### **ANNEXURE**

**SCHEME OF ARRANGEMENT (DEMERGER)**  
**BETWEEN**  
**PARRYS SUGAR INDUSTRIES LIMITED (DEMERGED COMPANY)**  
**AND**  
**E.I.D.-PARRY (INDIA) LIMITED (RESULTING COMPANY)**  
**AND**  
**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**  
**Under Sections 391 to 394 of the Companies Act, 1956**

This Scheme of Arrangement (Demerger) is presented for transfer and vesting of the DEMERGED Undertaking (as hereinafter defined) of Parrys Sugar Industries Ltd. (the “DEMERGED Company”), a Company incorporated under the Companies Act, 1956, having its Registered Office at Venus Building, 3rd Floor, 1/2 Kalyanamantapa Road, Jakkasandra, Koramangala, Bengaluru - 560 034, as a going concern, to and in E.I.D.-PARRY (INDIA) LIMITED, (the “RESULTING Company”), a Company incorporated under the Companies Act, 1956, having its Registered Office at Dare House, Parrys Corner, Chennai – 600 001.

The DEMERGED Company has three manufacturing facilities and is engaged in the business of manufacturing of sugar, distillation of alcohol and generation of power. As part of an overall re-organization plan and in order to achieve greater efficiencies in its operations and with the intent of providing focus and greater attention to each of the manufacturing facilities, it is considered necessary, desirable and expedient to transfer the DEMERGED Undertaking to the RESULTING Company.

The transfer will provide growth and geographical spread to the RESULTING Company and the opportunities for creating additional production capacities in new cane rich locations. The transfer will provide opportunities for flexibility of fund raising capability for future growth and expansion and to create a business structure, which is geared to take advantage of possible growth opportunities;

The DEMERGED Company and the RESULTING Company post transfer and vesting of the DEMERGED Undertaking will have better operational prospects including but not limited to efficient management of costs, resources, better maintenance of the manufacturing facilities and improved administrative control of the DEMERGED Undertaking;

The businesses and activities of the respective companies will be carried on more economically, conveniently and advantageously under the proposed Scheme and the same will have beneficial results for the said companies, their shareholders, stakeholders and all concerned.

The Scheme shall be beneficial and be in the best interests of the shareholders, creditors and other stakeholders of both the DEMERGED Company and the RESULTING Company. The Scheme shall not be in any manner prejudicial to the interests of concerned members, creditors and other stakeholders.

The Scheme is divided into the following parts:

- (i) **Part I** – dealing with definitions and share capital;
- (ii) **Part II** – dealing with the demerger of the DEMERGED Undertaking (as defined hereunder) of the DEMERGED Company into the RESULTING Company and;
- (iii) **Part III** – dealing with general terms and conditions.

## PART I : DEFINITIONS

1. In this scheme, unless repugnant to the context/or meaning thereof, the following expressions shall have the following meanings:
  - 1.1 **“Act”** means the Companies Act, 1956 and any statutory modification or re-enactments thereof, for the time being in force.
  - 1.2 **“Annexure”** in relation to the Scheme means the Annexure attached hereto and forming part of the Scheme.
  - 1.3 **“Appointed Date”** means the 1<sup>st</sup> day of April, 2012 or such other date as may be approved by the Hon’ble High Court of Judicature at Madras and the Hon’ble High Court of Karnataka at Bangalore.
  - 1.4 **“DEMERGED Company”** means Parrys Sugar Industries Ltd. (a subsidiary of E.I.D.-Parry (India) Limited), a Public Limited Company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Venus Building, 3rd Floor, 1/2 Kalyanamantapa Road, Jakkasandra, Koramangala, Bengaluru - 560 034. The initial name of the DEMERGED Company was “Sree Sarada Ferro Alloys Ltd.” which was subsequently changed to “GMR Vasavi Industries Ltd.” on February 1, 1994. The name was further changed to “GMR Technologies & Industries Limited” on April 12, 2000 and to “GMR Industries Ltd.” on January 30, 2004. The name was further changed to “Parrys Sugar Industries Ltd.” on 15<sup>th</sup> November, 2010. The Company manufactures and markets Sugar, Power and Industrial Alcohol. The equity shares of the Company are listed on the Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd.
  - 1.5 **“DEMERGED Undertaking”** means the following pertaining to the DEMERGED Company:
    - (i) the manufacturing facility at Haliyal in the State of Karnataka together with all that pieces or parcels of freehold and leasehold lands, hereditaments and premises, situate lying and being at Haliyal in the state of Karnataka together with all property and assets whether moveable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible, present, contingent or future, any addition or accretion thereto, as a going concern together with all the buildings and structures standing thereon more particularly described in Part I of Annexure A (hereinafter referred to as the “Haliyal Unit”).
    - (ii) The manufacturing facility at Sankili in the state of Andhra Pradesh together with all that pieces or parcels of freehold and leasehold lands, hereditaments and premises situate, lying and being at Sankili, Srikakulam in the state of Andhra Pradesh and the Industrial Entrepreneur Memorandum for the proposed sugar factory at Jammu along all that pieces or parcels of freehold and leasehold lands, hereditaments and premises situate, lying and being at Jammu, Srikakulam in the State of Andhra Pradesh together with all property and assets whether moveable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible, present, contingent or future, any addition or accretion thereto, as a going concern together with all the buildings and structures standing thereon and more particularly described in Part II of Annexure A (hereinafter referred to as the “Sankili Unit”).
    - (iii) All the moveable and fixed plant and machinery, equipment, installations, appliances, pipes, tools, accessories, computers, furniture, fixtures, office equipment, power lines, water pipelines, whether owned by or leased to the DEMERGED Company and which may be lying or installed or erected at the Haliyal Unit and Sankili Unit or lying at any offices, depots or at any other locations or sites of the DEMERGED Company pertaining to the Haliyal Unit and Sankili Unit or which may be in transit to such locations or sites;

- (iv) All the vehicles and the current assets of the DEMERGED Company in relation to the Haliyal Unit and Sankili Unit including sundry debtors, receivables, cash, bank balances, loans and advances, actionable claims, bills, credit notes and all inventories, stock-in-trade, raw materials, work-in-progress, finished products, spares, stores, packing material, stock of coal or fuel, wheresoever the same may be lying or situate and whether at the Haliyal Unit or Sankili Unit or at any other location or sites of the DEMERGED Company or which may be in transit to such locations or sites.
- (v) All permits, authorizations, licences, consents, registrations, approvals, municipal permissions, industrial licences, Insurance Policies, registrations, import-export licences, bids, tenders, letters of intent, connections for water, electricity and drainage, sanctions, product registrations, quota rights, entitlements, CDM Benefits, allotments, interests, benefits, allocations, exemptions, concessions, remissions, subsidies, tax deferrals, CENVAT Credit, privileges, easements and advantages, facilities, rights, powers and interests (whether vested or contingent) relating to the Haliyal Unit and Sankili Unit.
- (vi) All earnest money and/or deposits including security deposits paid by the DEMERGED Company to third parties in connection with or relating to the Haliyal Unit and Sankili Unit.
- (vii) All agreements, contracts (including forward contracts), arrangements, understandings, bonds, engagements, deeds and instruments including hire purchase agreements (if any), lease agreements, tenancy rights, power purchase/sanction agreements, equipment purchase agreements, agreements with suppliers, agreements with clients/purchasers relating to the Haliyal Unit and Sankili Unit and all right, title, interest, claim and benefits thereunder.
- (viii) All intellectual property rights, trade marks, patents, copy rights, technical know-how, designs exclusively relating to the Haliyal Unit and Sankili Unit.
- (ix) Telephone, facsimile connections, e-mail connections, telexes and communication facilities and installations of the Haliyal Unit and Sankili Unit
- (x) Reserves, provisions and funds relating to the Haliyal Unit and Sankili Unit.
- (xi) All records, files, papers, engineering and process information, computer programs, manuals, data, catalogues, quotations, sales and advertisement materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records, whether in physical form or electronic form in connection with or relating to the Haliyal Unit and Sankili Unit.
- (xii) All liabilities, debts, dues and obligations (including Term Loans, working capital facilities including the Transferred Liabilities (as defined hereunder) pertaining or relatable to the Haliyal Unit and Sankili Unit.
- (xiii) All employees of the DEMERGED Company employed in or engaged at the manufacturing facilities at Haliyal unit, Sankili Unit and other locations including the corporate office at Bangalore and any other employee(s) as may be decided by the Board of the DEMERGED Company, who are to be transferred to the RESULTING Company pursuant to this Scheme as on the Effective Date. (**"Transferred Employees"**).
- (xiv) The assets. equipment, vehicles, installations, appliances, pipes, tools, accessories, computers, furniture, fixtures, office equipment, Telephone, facsimile connections, installations-mail connections, telexes and communication facilities whether owned by or leased to the

DEMERGED Company at the Corporate Office at Bangalore; along with all permits, authorizations, licenses, consents, registrations, approvals, Insurance Policies, records, files, papers, computer programs, manuals, data, catalogues, whether in physical form or electronic form.

- (xv) The investment being 1,02,222 equity shares of Rs. 100/- each held by the DEMERGED Company in Alagawadi Bireshwar Sugars Pvt Ltd., a Company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Venus Building, 3rd Floor, 1/2 Kalyanamantapa Road, Jakkasandra, Koramangala, Bengaluru - 560 034.

- 1.6 **“Effective Date”** means the last of the dates on which certified copies of the order of the Hon'ble High Court of Judicature at Madras and the Hon'ble High Court of Karnataka at Bangalore under Section 391 and 394 of the Act sanctioning the scheme are filed with the Registrar of Companies, Chennai, Tamil Nadu and Registrar of Companies, Karnataka, Bangalore, respectively. References in this Scheme to 'Upon the Scheme becoming effective' or 'effectiveness of the Scheme' shall mean the “ Effective Date”.
- 1.7 **“Record Date”** means the date to be fixed by the Board of Directors or Committee thereof of the DEMERGED and RESULTING Company, as applicable, for the purpose of determining the members of the DEMERGED Company to whom shares will be allotted pursuant to the Scheme.
- 1.8 **“RESULTING Company”** means E.I.D.-Parry (India) Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at “Dare House”, Parry's Corner, Chennai – 600 001. E.I.D.-Parry (India) Limited was incorporated as a public limited company on September 22, 1975. In January 1976, under a scheme of amalgamation, E.I.D.-Parry (India) Limited acquired the assets and liabilities of E.I.D. Parry Limited, a limited liability company incorporated under the Companies Act 1862-1893 of the United Kingdom which had its origins in the House of Parry established in Madras by Thomas Parry in 1788. The Company manufactures and markets Sugar, Power, Industrial Alcohol, Bio-Pesticides and Nutraceuticals. The equity shares of the Company are listed on the Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd.
- 1.9 **“Remaining Business”** means all the business and all properties, assets, investments and liabilities of the DEMERGED Company other than the DEMERGED Undertaking, as set out in Clause 13 of Part II of this Scheme.
- 1.10 **“Scheme”** means this Scheme of Arrangement (Demerger) in its present form or with any modification(s) approved, imposed or directed by the Hon'ble High Court of Judicature at Madras and the Hon'ble High Court of Karnataka at Bangalore.
- 1.11 **“Transferred Liabilities”** shall mean and include:
- (i) all liabilities, debts, dues and obligations, which have arisen or accrued or which may hereafter arise or accrue out of the activities or operations of the DEMERGED Undertaking.
  - (ii) Specific loans and borrowings (including term loans and working capital facilities) raised whether secured or not, incurred and utilised exclusively for the activities or operations of the DEMERGED Undertaking as detailed in Annexure B;
  - (iii) Loans and borrowings (including Term Loans and working capital facilities) other than those referred to in sub-clauses above, being the amounts of general or multipurpose borrowings of the DEMERGED Company, allocated to the DEMERGED Undertaking (as detailed in

Annexure B in the same proportion, which the value of the assets transferred under the Scheme bears to the total value of the assets of the DEMERGED Company immediately before the Appointed Date.

## 2. Date of Taking Effect and Operative Date

The Scheme set out herein in its present form or with any modification(s) or amendment(s) approved, imposed or directed by the Hon'ble High Court of Judicature at Madras and Hon'ble High Court of Karnataka at Bangalore shall be effective from the Appointed Date but shall be operative from the Effective Date.

## 3. SHARE CAPITAL

AUTHORISED, ISSUED, SUBSCRIBED AND PAID UP CAPITAL AS ON 31<sup>ST</sup> MARCH 2012

### (a) Parrys Sugar Industries Limited, (DEMERGED Company)

	<b>Amount Rs. in Lakhs</b>
<b>Authorised</b>	
2,10,00,000 Redeemable Non-Cumulative Preference Shares of Rs.11/- each	2,310.00
10,00,00,000 Redeemable Cumulative Preference Shares of Rs.10/- each	10,000.00
5,19,00,000 Equity Shares of Rs.10/- each	5190.00
<b>Issued, Subscribed and Paid up</b>	
1,99,61,707 Equity Shares of Rs. 10/- each fully paid up	1,996.17
1,28,31,880 Redeemable Non- Cumulative Preference Shares of Rs. 11/- each fully paid up	1,411.51
10,00,00,000 Redeemable Cumulative Preference Shares of Rs. 10/- each fully paid up	10,000.00
(Of the above 1,29,75,110 Equity Shares of Rs.10/- each and the entire issued, subscribed and Paid up Preference share capital are held by M/s E.I.D.-Parry (India) Ltd., the RESULTING Company.)	

### (b) E.I.D.-Parry (India) Ltd. (RESULTING Company)

<b>Authorised</b>	
50,00,000 Redeemable Preference Shares of Rs.100/- each	5000.00
51,50,00,000 Equity Shares of Re.1/- each	5150.00
<b>Issued, Subscribed and Paid up:</b>	
17,36,62,476 Equity Shares of Re.1/- each	1736.62

## **PART II :**

### **TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING**

4.1 Upon the Scheme becoming effective on the Effective Date, the whole of the DEMERGED Undertaking of the DEMERGED Company shall, subject to Clause 4.2.1 to Clause 4.2.4 below and in accordance with Section 2(19AA) of the Income Tax Act, 1961, and pursuant to Sections 391 and 394 of the Act, be DEMERGED and stand transferred to and vested in the RESULTING Company as a going concern, with effect from the Appointed Date, such that:

- (i) all the property of the DEMERGED Undertaking immediately before the demerger, being transferred by the DEMERGED Company, becomes the property of the RESULTING Company by virtue of the demerger;
- (ii) all the liabilities relatable to the DEMERGED Undertaking, immediately before the demerger, being transferred by the DEMERGED Company, becomes the liabilities of the RESULTING Company by virtue of the demerger;
- (iii) the property and the liabilities of the DEMERGED undertaking, being transferred by the DEMERGED Company, are transferred at values appearing in its books of account immediately before the demerger;
- (iv) the RESULTING Company issues, in consideration of the demerger, its shares to the shareholders of the DEMERGED Company in accordance with Clause 10, relating to Issue of Shares as detailed hereinbelow in the Scheme.
- (v) the shareholders holding not less than three-fourths in value of the shares in the DEMERGED Company (other than shares already held therein immediately before the demerger by, or by a nominee for, the RESULTING Company or, its subsidiary) becomes the shareholders of the RESULTING Company by virtue of the demerger otherwise than as a result of the acquisition of the property or assets of the DEMERGED Company or any Undertaking thereof by the RESULTING Company;
- (vi) the transfer of the DEMERGED Undertaking is on a going concern basis.

Without prejudice to the aforesaid, the whole of the DEMERGED Undertaking of the DEMERGED Company shall be demerged and transferred to and vested in the RESULTING Company, as a going concern, with effect from the Appointed Date, in the following manner:

4.1.1 All the properties and assets comprised in the DEMERGED Undertaking, except for the portions dealt with hereunder of whatsoever nature and wheresoever situate and which are incapable of passing by physical delivery, shall under the provisions of Section 391 and Section 394 of the Act and all other applicable provisions, if any, of the Act, without any further Act or deed, be demerged from the DEMERGED Company and be transferred to and vested in the RESULTING Company or be deemed to have been demerged from the DEMERGED Company and transferred to and vested in the RESULTING Company as a going concern so as to become as and from the Appointed Date, the property and assets of the RESULTING Company, subject however to the charges thereon in favour of banks and/or financial institutions as specified in Clause 4.2.1 to Clause 4.2.4 below.

4.1.2 In the event that the Board of Directors of the DEMERGED Company so desire, all moveable property and assets comprised in the DEMERGED Undertaking including cash in hand, capable of being passed by physical delivery or by endorsement and delivery shall be so delivered or endorsed and delivered by the DEMERGED Company to the RESULTING Company to the end and intent that

the property therein passes to the RESULTING Company without any deed or instrument or conveyance and the same shall not vest in the RESULTING Company by virtue of the order of the Court.

4.1.3 In respect of movables other than those dealt with in Clause 4.1.2 above including sundry debtors, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any government, semi-government, local or other authority or body or with any Company or other person, the following method shall to the extent possible be followed:

- (a) The DEMERGED Company shall give notice in such form as it may deem fit and proper, to each person, debtor or deposittee, as the case may be, that pursuant to the Hon'ble High Court of Judicature at Madras and the Hon'ble High Court of Karnataka at Bangalore having sanctioned the scheme of arrangement between the DEMERGED Company, the RESULTING Company and their respective shareholders under Sections 391 and 394 of the Act, the said debt, loan, advance, balance, or deposit be paid or made good or held on account of the RESULTING Company as the person entitled thereto to the end and intent that the right of the DEMERGED Company to recover or realise the same stands transferred to the RESULTING Company and that appropriate entry should be passed in its books to record the aforesaid change;
- (b) The RESULTING Company shall also give notice in such form as it may deem fit and proper, to each person, debtor or deposittee, as the case may be, that pursuant to the Hon'ble High Court of Judicature at Madras and the Hon'ble High Court of Karnataka at Bangalore having sanctioned the scheme of arrangement between the DEMERGED Company, the RESULTING Company and their respective shareholders under Sections 391 and 394 of the Act, the said debt, loan, advance, balance, or deposit be paid or made good or held on account of the RESULTING Company and that the right of the DEMERGED Company to recover or realise the same stands transferred to the RESULTING Company.

4.1.4 For the avoidance of doubt, it is clarified that upon the coming into effect of this Scheme, all permits, authorisations, licences, consents, registrations, approvals, municipal permissions, industrial licences, registrations, import-export licences, DEPB & advance licences, insurance policies, bids, tenders, letters of intent, connections for water, electricity and drainage, sanctions, product registrations, quota rights, CDM Benefits, entitlements, allotments, interests, benefits, allocations, exemptions, concessions, remissions, subsidies, tax deferrals, CENVAT Credit, obligations/benefits arising out of bank guarantees given with respect to any appeals with the relevant authorities, privileges, easements and advantages, facilities, rights, powers and interests (whether vested or contingent) and intellectual property rights comprised in the DEMERGED Undertaking shall stand transferred to and vested in or shall be deemed to be transferred to and vested in the RESULTING Company as if the same were originally given or issued to or executed in favour of the RESULTING Company, and the rights and benefits under the same shall be available to the RESULTING Company.

4.1.5 (i) With effect from the Appointed Date, all the Transferred Liabilities of the DEMERGED Company pertaining or relatable to the DEMERGED Undertaking shall also, under the provisions of Sections 391 and 394 of the Act, without any further act or deed, be transferred to or be deemed to be transferred to the RESULTING Company so as to become as from the Appointed Date the debts, liabilities, contingent liabilities, dues and obligations of the RESULTING Company as if it had raised or incurred such debts, liabilities, contingent liabilities, dues and obligations

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, dues and obligations have arisen, in order to give effect to the provisions of this Clause.

- (ii) Upon the coming into effect of the Scheme, the RESULTING Company alone shall be liable to perform or fulfill all the obligations in respect of the Transferred Liabilities as the borrower thereof, and the DEMERGED Company shall not have any obligations in respect of the Transferred Liabilities.
- (iii) It is expressly provided that, save as mentioned hereinbelow, no other terms and conditions of the Transferred Liabilities shall be modified except to the extent that such modifications as may be required by necessary implication or by any agreement entered into with the concerned lender/creditor.
- (iv) The provisions of this clause 4.1.5 and 4.2.1 to 4.2.4 shall operate notwithstanding anything to the contrary contained in any deed or writing or the terms of sanction or issue of any lending, loan or any security document, all of which instruments shall stand modified and/or superseded by the provisions of this Scheme.

4.2.1 The transfer and vesting of the DEMERGED Undertaking as provided in this Scheme shall be subject to all securities, encumbrances, charges and mortgages subsisting over or in respect of the properties and assets or any part thereof comprised in the DEMERGED Undertaking and transferred to and vested in or deemed to be transferred to and vested in the RESULTING Company only to the extent that such encumbrances, charges and mortgages are security for the Transferred Liabilities; provided however that any reference in any security document or arrangement (to which the DEMERGED Company is a party) to the property and assets comprised in the DEMERGED Undertaking offered or agreed to be offered as security for any of the Transferred Liabilities shall be construed as reference only to the properties and assets comprised in the DEMERGED Undertaking as transferred to and vested in the RESULTING Company by virtue of the aforesaid clauses, to the end and intent that such security, encumbrance, charge or mortgage shall not extend or be deemed to extend to any of the other assets of the RESULTING Company; And provided also that this Scheme shall not operate to enlarge the security for any Transferred Liabilities, which shall be transferred to and vested in the RESULTING Company by virtue of this Scheme and the RESULTING Company shall not be obliged to create any further or additional security therefor after this Scheme has become operative.

4.2.2 Notwithstanding anything herein or in any security document or arrangement to which the DEMERGED Company is a party, in so far as any security, encumbrance, charge or mortgage subsisting over or in respect of any of the properties and assets or any part thereof of the DEMERGED Company is security for or has been created to secure the Transferred Liabilities, such security, encumbrance, charge and mortgage shall, without any further act, instrument or deed, be modified to extend to and operate only against such of the properties and assets of the DEMERGED Company comprised in the DEMERGED Undertaking and transferred to the RESULTING Company as mutually agreed with the concerned secured creditors and shall cease to extend to and operate against the properties and assets not transferred to the RESULTING Company. It is further clarified that in so far as the properties and assets not transferred to the RESULTING Company are concerned, the same shall, without any further act or deed, be released and discharged from the security and charge over such properties and assets relating to any Transferred Liabilities, and such properties and assets shall no longer be available as security for the Transferred Liabilities.

- 4.2.3 Notwithstanding anything herein or in any security document or arrangement to which the DEMERGED Company is a party, in so far as any security, encumbrance, charge or mortgage subsisting over or in respect of any of the properties and assets or any part thereof of the DEMERGED Company is security for or has been created to secure loans, debts, liabilities and obligations, which are not transferred to the RESULTING Company, such security, encumbrance, charge and mortgage shall, without any further act, instrument or deed, be modified to extend to and operate only against such of the properties and assets of the DEMERGED Company, which are not transferred to the RESULTING Company as mutually agreed with the concerned secured creditors and shall cease to extend to and operate against the properties and assets comprised in the DEMERGED Undertaking. It is further clarified that in so far as the properties and assets comprised in the DEMERGED Undertaking are concerned, the same shall, without any further act or deed, be released and discharged from the security and charge over such properties and assets relating to any loans, borrowings of the DEMERGED Company, which are not transferred pursuant to this Scheme, and such properties and assets shall no longer be available as security for the loans, borrowings which are not transferred to the RESULTING Company.
- 4.2.4 For the purpose of giving effect to the vesting order passed under Sections 391 and 394 of the Act in respect of this Scheme, the RESULTING Company shall at any time pursuant to the orders on this Scheme be entitled to get the recording of the change in the title and appurtenant legal right(s) upon the vesting of the DEMERGED Undertaking of the DEMERGED Company in the RESULTING Company in accordance with the provisions of Sections 391 and 394 of the Act. Upon the Scheme becoming effective and with effect from the Appointed Date, the filing of certified copies of the order of Court sanctioning this Scheme shall constitute a creation / modification of charge in the name of the RESULTING Company in accordance with the provisions of Section 127 and other applicable provisions of the Act and satisfaction of charge in respect of the DEMERGED Company in accordance with Section 138 and other applicable provisions of the Act, if there are any existing charges attached to the DEMERGED Undertaking.
- 4.2.5 Without prejudice to the provisions of the foregoing Clauses, upon the Scheme becoming operative, the DEMERGED Company and the RESULTING Company shall execute all instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modifications of charge with the Registrar of Companies, Chennai and Bangalore, to give formal effect to the above provisions, if required, provided always that the absence of any formal amendment, which may be required by a lender or third party shall not affect the operation of the above.
- 4.3.1 Subject to the provisions of this Scheme, all agreements, contracts, arrangements, understandings, bonds, engagements, deeds and instruments of whatsoever nature relating to the DEMERGED Undertaking and to which the DEMERGED Company is a party or to the benefit of which the DEMERGED Company is eligible and subsisting or having effect on the Effective Date, shall continue to be in full force and effect against or in favour of the RESULTING Company and may be enforced by or against the RESULTING Company as fully and effectually as if, instead of the DEMERGED Company, the RESULTING Company had been a party or beneficiary or obligee thereto or thereunder.
- 4.3.2 With effect from the Appointed Date and upon the Scheme becoming effective, all permits, quotas, rights, entitlements, industrial and other licences, bids, tenders, privileges, powers, facilities, subsidies, rehabilitation schemes, special status and other benefits or privileges (granted by any Government body, local authority or by any other person) of every kind and description of whatsoever nature in relation to the DEMERGED Undertaking, or to the benefit of which the DEMERGED Undertaking may be eligible, or having effect immediately before the Effective Date, shall be and remain in full

force and effect in favour of or against the RESULTING Company, as the case may be, and may be enforced fully and effectually as if, instead of the DEMERGED Company, the RESULTING Company had been a beneficiary or obligee thereto.

- 4.3.3 Without prejudice to the transfer and vesting of the DEMERGED Undertaking to and in the RESULTING Company, the RESULTING Company may at any time after this Scheme becomes operative, if so required or becomes necessary, enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations with or in favour of any party to any agreements, contracts, arrangements, understandings, bonds, engagements, deeds and instruments to which the DEMERGED Company is a party and to which the DEMERGED Company will, if necessary, also be a party, in order to give formal effect to the provisions of this Scheme. The RESULTING Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the DEMERGED Company and to implement or carry out all formalities required on the part of the DEMERGED Company to give effect to the provisions of this Scheme.

## **5. LEGAL & TAXATION**

- 5.1 All legal, taxation and other proceedings of whatsoever nature before any court, tribunal, judicial or quasi-judicial authority by or against the DEMERGED Company pending and/or arising prior to the Appointed Date and relating to the DEMERGED Undertaking shall be continued and/or enforced until the Effective date as desired by the RESULTING Company and as from the Effective Date shall be continued and enforced by or against the RESULTING Company in the same manner and to the same extent as would or might have been continued and enforced by or against the DEMERGED Company, subject to a prior written consent being obtained by the RESULTING Company from the DEMERGED Company. On and from the Effective Date, the RESULTING Company may if required, initiate any legal proceedings in relation to the DEMERGED Undertaking in the name of the DEMERGED Company, subject to the prior written consent of the DEMERGED Company.
- 5.2 Any claims, liabilities or demands (including in relation to income tax, or otherwise) arising out of the activities or operations of the DEMERGED Undertaking which relates to the period prior to the Appointed Date but arises at any time including after the Effective Date shall be deemed to be part of the DEMERGED Undertaking and shall consequently be entirely borne by the RESULTING Company. In the event that such liability is incurred by or such claim or demand is made upon the DEMERGED Company (or any successor thereof), then the RESULTING Company shall indemnify the DEMERGED Company (or any successor thereof) for any payments made in relation to the same.
- 5.3 The RESULTING Company undertakes to have all taxation, legal or other proceedings initiated by or against the DEMERGED Company as referred to in Clause 5.1 above, transferred into its name and to have the same continued, prosecuted and enforced by or against the RESULTING Company to the exclusion of the DEMERGED Company.
- 5.4 The RESULTING Company undertakes to comply with all the terms and conditions of any tax deferment scheme and shall avail the balance, if any and repay the installments of deferral availed in the earlier period as and when it falls due as laid down in the relevant deferral schemes.
- 5.5 After the Appointed Date, if any proceedings are taken against the DEMERGED Company (with respect to the DEMERGED Undertaking) including but not limited to those in respect of Central Excise, Customs, Service Tax, Sales-tax, CENVAT Credit, Advance licenses, DEPB Licenses under EXIM Policy and other taxes and duties relating to the period prior to the Appointed Date, if the DEMERGED Company has taken any steps to defend the same and has incurred any liabilities or

obligations in respect thereof, the RESULTING Company shall reimburse and indemnify the DEMERGED Company against all such liabilities and obligations so incurred by the DEMERGED Company.

- 5.6 The RESULTING Company also undertakes to reimburse and indemnify the DEMERGED Company against invocation of Bank Guarantee, if any, provided by the DEMERGED Company in respect of the DEMERGED Undertaking, after the Appointed Date.
- 5.7 (a) Upon receipt of any notice or claim by the DEMERGED Company in respect of the DEMERGED Undertaking on or after the Appointed Date, the DEMERGED Company shall as soon as reasonably practicable provide notice thereof to the RESULTING Company. The RESULTING Company shall have the responsibility of acting in good faith and without unnecessary delay of contesting, defending, litigating or settling any claim by any third party for which the RESULTING Company may be obligated to indemnify the DEMERGED Company against all liabilities and obligations incurred by the DEMERGED Company in accordance with this clause hereof.
- (b) The DEMERGED Company shall have the right to participate in any such contest, defence, litigation or settlement provided that the RESULTING Company shall control the actions taken with respect to such contest, defence, litigation or settlement. The DEMERGED Company and the RESULTING Company shall to the extent possible co-operate with each other in respect of any such contest, defence, litigation or settlement arising in respect of the DEMERGED Undertaking or after the Appointed Date.
- 5.8 The DEMERGED Company and the RESULTING Company reserve their right to and are expressly permitted to revise their Income Tax returns and related TDS certificates and the right to claim refunds, advance tax credits, etc. upon this Scheme becoming effective

## **6. EMPLOYEES**

- 6.1 On the Scheme becoming effective, the Transferred Employees shall become and be deemed to have become the employees of the RESULTING Company on terms and conditions not less favourable than those on which they are engaged by the DEMERGED Company, without any break in their service and on the basis of continuity of service. The RESULTING Company shall continue to abide by any agreement/settlement entered into by the DEMERGED Company with any union/employees of the DEMERGED Company transferred to the RESULTING Company. The RESULTING Company agrees that for the purpose of payment of any compensation, gratuity and other terminal benefits, the past services of such employees with the DEMERGED Company shall also be taken into account, and agrees and undertakes to pay the same as and when payable.
- 6.2 It is expressly provided that, on the Scheme becoming effective, the accumulated balances lying to the credit of the Transferred Employees in Provident Fund created or existing for the benefit of the Transferred Employees of the DEMERGED Company shall be transferred to and form part of the corresponding funds of the RESULTING Company. In so far as transfer of funds attributable to the Transferred Employees with respect to Gratuity is concerned, the same shall be determined based on actuarial valuation basis. The RESULTING Company shall stand substituted for the DEMERGED Company 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 the DEMERGED Company in relation to such fund or funds shall become those of the RESULTING Company. It is clarified that the services

of the Transferred Employees under this Scheme will be treated as having been continuous for the purpose of the said fund or funds and until such time that the RESULTING Company creates or arranges for its own funds, the RESULTING Company may, subject to necessary approvals and permissions, if any, continue to make contributions pertaining to such employees to the relevant fund or funds of the DEMERGED Company. The contributions to any fund or funds pertaining to such Transferred Employees shall be transferred to the corresponding fund or funds created by the RESULTING Company on creation of such fund or funds by the RESULTING Company.

## **7. CONDUCT OF BUSINESS**

- 7.1 As and from the date of acceptance of this scheme by the Board of Directors of the DEMERGED Company and the Board of Directors of the RESULTING Company and till the Effective Date:
- (a) the DEMERGED Company shall carry on the business of the DEMERGED Undertaking with reasonable diligence and in the same manner as it had been doing hitherto, and the DEMERGED Company shall not alter or expand the business of the DEMERGED Undertaking except with the concurrence of the RESULTING Company.
  - (b) the DEMERGED Company shall not, without the written concurrence of the RESULTING Company, alienate, charge or encumber any of its properties and assets comprised in the DEMERGED Undertaking, except in the ordinary course of business or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the respective Board of Directors of the DEMERGED Company and the RESULTING Company.
  - (c) the DEMERGED Company shall not vary or alter, except in the ordinary course of its business, the terms and conditions of employment of any of the Transferred Employees.
  - (d) Neither the RESULTING Company nor the DEMERGED Company shall alter its capital structure other than alterations pursuant to commitments, obligations or arrangements subsisting prior to the Appointed Date, either by fresh issue of shares or convertible securities (on a rights basis or by way of bonus shares or ESOP or otherwise) or by any decrease, reduction, reclassification, sub-division, consolidation, re-organization or in any other manner which may in any way affect the share exchange ratio prescribed hereunder, except by the consent of the Board of Directors of both the companies. It is hereby clarified that the RESULTING Company is hereby permitted to alter its share capital to give effect to the provisions of this Scheme without the consent of the Board of Directors of the DEMERGED Company.
- 7.2 The RESULTING Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government or any State Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals, sanctions which the RESULTING Company may require to own and carry on the business of the DEMERGED Undertaking.
- 7.3 With effect from the Effective Date, the RESULTING Company shall commence and carry on and shall be authorised to carry on the business of the DEMERGED Undertaking carried on by the DEMERGED Company.

## **8. BUSINESS AND PROPERTY HELD IN TRUST**

- 8.1 As and from the Appointed Date and till the Effective Date:
- (a) the DEMERGED Company shall carry on and be deemed to have carried on the business and activities in relation to the DEMERGED Undertaking and shall stand possessed of all assets

and properties comprised in the DEMERGED Undertaking above in trust for the RESULTING Company and shall account for the same to the RESULTING Company.

- (b) any income or profit accruing or arising to the DEMERGED Company in relation to the DEMERGED Undertaking and all costs, charges, expenses and losses incurred by the DEMERGED Company in relation to the DEMERGED Undertaking shall for all purposes be treated as the income, profits, costs, charges, expenses and losses, as the case may be, of the RESULTING Company and shall be available to the RESULTING Company.
- (c) The DEMERGED Company shall not utilize the profits or income, if any, arising out of the DEMERGED Undertaking during the period falling on or after the Appointed Date for the purposes of declaring or paying any dividend or for any purpose (other than operating the DEMERGED Undertaking in the ordinary course) without the prior written consent of the RESULTING Company.

8.2 All Transferred Liabilities as on the close of the business on the date preceding the Appointed Date, whether or not provided in the books of the DEMERGED Company, and all Transferred Liabilities, which arise or accrue on or after the Appointed Date, shall be deemed to be the debts, liabilities, dues and obligations of the RESULTING Company.

## **9. SAVING OF CONCLUDED TRANSACTIONS**

The transfer of assets and liabilities as under Clause 4 above and the continuance of proceedings by or against the RESULTING Company as under Clause 5 above shall not affect any transaction or proceedings already concluded by the DEMERGED Company on or before the Appointed Date and after the Appointed Date till the Effective Date, to the end and intent that the RESULTING Company accepts and adopts all acts, deeds and things done and executed by the DEMERGED Company in respect thereto as done and executed on behalf of itself.

## **10. ISSUE OF SHARES**

10.1 Upon this Scheme becoming operative, in consideration of the transfer and vesting of the DEMERGED Undertaking of the DEMERGED Company to and in the RESULTING Company in terms of this Scheme, the RESULTING Company shall, without any further application or deed, issue and allot to every member of the DEMERGED Company holding equity shares in the DEMERGED Company and whose name appears in the Register of Members of the DEMERGED Company on the Record Date, his/her heirs, executors, administrators or successors-in-title, as the case may be, and in case of shares held in dematerialised form, as per the details furnished by the depositories as on the Record Date, five (5) Equity Shares of Re.1/- each of the RESULTING Company (hereinafter called the "New Equity Shares") credited as fully paid-up, for every nineteen (19) Equity Share of Rs.10/- each held by them in the DEMERGED Company.

In respect of the shares held by the RESULTING Company in DEMERGED Company, no shares shall be issued.

10.1.1 The New Equity Shares to be issued and allotted by the RESULTING Company shall rank pari passu in all respects from the date of allotment in terms of this Scheme, with the existing equity shares of the RESULTING Company, with all rights attached thereto.

10.1.2 The New Equity Shares to be issued and allotted by the RESULTING Company shall be entitled to full dividend, if any, which may be declared after the effective date by the RESULTING Company, in respect of the financial year commencing on the first day of April 2012.

- 10.2 In case any member's holding in the DEMERGED Company is such that the member becomes entitled to a fraction of an equity share of the RESULTING Company, the RESULTING Company shall not issue fractional certificates to such member(s) but shall consolidate such fractions and issue consolidated equity shares "to a trustee" nominated by the RESULTING Company in that behalf, who shall sell such shares and distribute the net sale proceeds (after deduction of the expenses incurred) to the shareholders respectively entitled to the same in proportion to their fractional entitlements.
- 10.3 The DEMERGED Company and the RESULTING Company shall make necessary applications before the Hon'ble High Court of Karnataka at Bangalore and the Hon'ble High Court of Judicature at Madras respectively for the sanction of this Scheme of Arrangement (Demerger) under Sections 391 and 394 of the Companies Act, 1956.
- 10.4 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the DEMERGED Company, the Board of Directors or any Committee thereof of the DEMERGED Company shall be empowered in appropriate cases, even subsequent to the Record Date or the Effective Date as the case may be, to effectuate such a transfer in the DEMERGED Company as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties as may arise in the course of implementation of the Scheme and registration of new members in the RESULTING Company on account of difficulties faced in the transition period.
- 10.5 The issue and allotment of New Equity Shares in the RESULTING Company to the members of the DEMERGED Company as provided in this Scheme shall be deemed to have been carried out in compliance with the procedure laid down under Section 81 (1A) and other applicable provisions, if any, of the Act.
- 10.6 The New Equity Shares of the RESULTING Company issued in terms of Clause 10.1 above shall, subject to payment of the appropriate fee and approval of the respective stock exchange(s), be listed and/or admitted to trading on the stock exchanges where the equity shares of the DEMERGED Company are listed and/or admitted to trading in India. The RESULTING Company shall enter into such arrangement and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the relevant stock exchanges. On such formalities being fulfilled all such stock exchanges shall list and/or admit the New Equity Shares also for the purpose of trading.

## **11. ACCOUNTING TREATMENT**

### **In the books of the RESULTING Company**

- 11.1 The RESULTING Company shall record the assets and liabilities, pertaining to the DEMERGED Undertaking, at the respective book values as appearing in the books of the DEMERGED Company on the opening of business hours on the appointed date.
- 11.2 The RESULTING Company shall reduce the cost of investment held in the DEMERGED Company as appearing in the books of the RESULTING Company in the proportion that the Net Book value of the assets of the DEMERGED undertaking bears to the Net worth of the DEMERGED Company immediately before the appointed date. The 10,00,00,000, 8% Redeemable Cumulative Preference Shares of Rs.10/- each held by the RESULTING Company in the DEMERGED Company shall stand cancelled.

- 11.3 RESULTING Company shall credit to its Share Capital Account, the aggregate face value of the equity shares issued by it pursuant to Clause 10 of this Scheme.
- 11.4 The excess of book value of assets over liabilities after giving effect to the Clauses 11.1,11.2 and 11.3 above and after making adjustments, if any, for Deferred Tax Liability required to be created in respect of the DEMERGED Undertaking shall be credited to Capital Reserve Account. In case of there being a shortfall, the same shall be debited to the Goodwill Account.
- 11.5 Such Goodwill (as per Clause 11.4 above) shall be adjusted first against the balance to the credit of the "Capital Reserve Account", to the extent permissible, and the balance to the "General Reserve Account".

#### **In the books of the DEMERGED Company**

- 11.6 As on the Appointed Date, the book values of the assets and liabilities pertaining to DEMERGED Undertaking transferred to the RESULTING Company, shall be reduced from the book values of the assets and liabilities appearing in the books of DEMERGED Company.
- 11.7 1,28,31,880, 8% Redeemable Non- Cumulative Preference Shares of Rs.11/- each appearing in the books of the DEMERGED Company shall be extinguished in the proportion, that the value of the assets transferred under the Scheme bears to the total value of the assets of the DEMERGED Company immediately before the Appointed Date. 10,00,00,000 8% Redeemable Cumulative Preference shares of Rs.10/- each and the arrears of dividend (contingent liability) thereon appearing in the books of the DEMERGED Company shall be extinguished.
- 11.8 The excess of book values of the liabilities over assets after giving effect to 11.7 above shall be credited to the Capital Reserve account.

### **12. INCREASE IN BORROWING LIMIT**

Upon the Scheme coming into effect, the authorised borrowing limit of the RESULTING Company in terms of Section 293 (1)(d) of the Act shall, without any further act or deed and without any requirement for further approval, stand enhanced by an amount equivalent to the amount of loans and borrowings transferred to the RESULTING Company and the RESULTING Company is authorised to create security by way of mortgage and/or charge over the properties and assets of the RESULTING Company in favour of the concerned lenders.

### **13. REMAINING BUSINESS**

- 13.1 The Remaining Business being all the properties and assets, investments, debts, liabilities and obligations of the DEMERGED Company excluding the DEMERGED Undertaking, shall continue to belong to and be vested in and be managed by the DEMERGED Company subject however to the provisions of the Scheme with respect to (a) the release of such properties and assets from encumbrances, charges and mortgages created thereon to secure the Transferred Liabilities; and (b) the release of properties and assets comprised in the DEMERGED Undertaking from the encumbrances, charges and mortgages created thereon to secure the debts, liabilities and obligations of the DEMERGED Company other than the Transferred Liabilities.
- 13.2 All legal, taxation and other proceedings of whatsoever nature before any court, tribunal, judicial or quasi-judicial by or against the DEMERGED Company whether pending and/or arising at the Appointed Date or which may be instituted in future whether or not in respect of any matter arising

before the Effective Date and relating to the Remaining Business (including those relating to any property, right, power, liability, obligation or duties of the DEMERGED Company in respect of the Remaining Business) shall be continued and enforced by or against the DEMERGED Company in the same manner and the RESULTING Company shall in no event be responsible or liable in relation to any such legal, taxation and other proceedings.

### **Part III : GENERAL**

#### **14. APPLICATION TO HIGH COURT**

The DEMERGED Company and the RESULTING Company shall with all reasonable dispatch, make applications to the Hon'ble High Court of Karnataka at Bangalore and the Hon'ble High Court of Judicature at Madras under Section 391 to 394 of the Act read with Section 78 and 100 to 103 and other applicable provisions of the Act, seeking orders for convening, holding and conducting or as the case may be dispensing with the meetings of the respective classes of the members and/or creditors of each of the DEMERGED Company and the RESULTING Company as may be directed by the respective High Courts.

#### **15. MODIFICATION OR AMENDMENT**

- 15.1 The DEMERGED Company (by its Board of Directors) and the RESULTING Company (by its Board of Directors), either by themselves or through a Committee appointed by them in this behalf, may, in their full and absolute discretion, assent to any alteration or modification to this Scheme which the Courts and/ or any other Authority may deem fit to approve or impose or which may otherwise be considered necessary, desirable or appropriate by them for carrying out the Scheme and do all acts, deeds and things necessary for putting the Scheme into effect.
- 15.2 The DEMERGED Company (by its Board of Directors) and the RESULTING Company (by its Board of Directors), either by themselves or through a Committee appointed by them in this behalf, may, give such directions as they may consider necessary to settle any question or difficulty arising under the Scheme or in regard to and of the meaning or interpretation of the Scheme or implementation thereof or in any matter whatsoever connected therewith (including any question or difficulty arising in connection with any deceased or insolvent shareholders, depositors or debenture-holders of the respective Companies), or to review the position relating to the satisfaction of various conditions to the Scheme and if necessary, to waive any of those (to the extent permissible under law).
- 15.3 Any issue as to whether any asset or liability or employee pertains to the DEMERGED Undertaking or not shall be decided by the Board of Directors of the DEMERGED Company and the RESULTING Company, either by themselves or through a Committee appointed by them in this behalf, on the basis of evidence that they may deem relevant for the purpose (including the books and records of the DEMERGED Company).

#### **16.1 The Scheme is conditional upon and subject to:**

- 16.1.1 The Scheme being agreed to by the respective requisite majorities of the various classes of members and Creditors, if applicable, of the DEMERGED Company, the RESULTING Company and the requisite orders of the Hon'ble High Courts of Judicature at Madras and the Hon'ble High Court of Karnataka at Bangalore being obtained.

16.1.2 The requisite consent, approval or permission of the Central Government or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.

16.1.3 The certified copies of the Court orders referred to in this Scheme being filed with the Registrar of Companies, Chennai, Tamilnadu and Registrar of Companies, Karnataka, Bangalore.

## **17. EFFECT OF NON-RECEIPT OF APPROVALS/SANCTIONS**

In the event of the Scheme not being sanctioned by the Court and/or the order or orders not being passed as aforesaid, the Scheme shall become null and void and in that event, no rights and liabilities shall, inter se, accrue between the parties in terms of the Scheme, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/or liabilities which might have 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. Each party shall bear and pay its respective costs, charges and expenses for and/or in connection with the Scheme.

## ANNEXURE A

### Part - I

#### HALIYAL UNIT

All those pieces or parcels of land or grounds admeasuring 226 Acres and 17 Guntas in Village, Hullatti, Village Alliolli:HaliyalTaluk within the Sub-registration District of Uttar Kannada District in the State of Karnataka comprising and including the Survey Numbers and being of the extent set out below, together with all buildings and structures standing thereon and such of the Plants and Machinery as are erected thereon:-

#### Haliyal Village

Sl. No.	Survey Nos.	Extent	Sl. No.	Survey Nos.	Extent
1	6/1 Part	0-17	22	19	4-15
2	6/2 Part	4-29	23	20/1	6-36-8
3	7/1 Part	1-07	24	20/2	6-36-8
4	7/2	4-23-8	25	21/1	6-38
5	9 Part	6-28	26	21/2	5-22
6	10	3-20	27	22	2-31
7	11 Part	6-25	28	23	4-19
8	12/1	2-00	29	24	1-17
9	12/2	0-12	30	25	4-00
10	12/3	2-00	31	26	4-25
11	13/1	1-00	32	27/1	11-10
12	13/2	1-00	33	27/2A	3-23-8
13	13/3	1-00	34	27/2B	3-23-8
14	13/4	11-07	35	28	12-04
15	14/1 Part	4-15	36	30	9-22
16	14/2 Part	0-13	37	31/1	4-33
17	16/1	16-10	38	31/2	3-00
18	17	2-24	39	80 Part	5-18
19	18/1	2-00	40	81/1	2-01
20	18/2	1-01	41	81/2A	5-06
21	18/3	3-06	42	81/2B	1-11

Sl. No.	Survey Nos.	Extent
43	81/2C	1-00
44	81/2D	1-00
45	82	2-02
46	83/1	1-24
47	86 Part	1-27
48	90 Part	2-05
49	115/3	1-31
50	122/A3	1-00

Sl. No.	Survey Nos.	Extent
51	123/2 Part	0-15
52	124 Part	0-36
53	125/1A Part	1-15
54	125/1B Part	0-0-8
55	126 Part	1-18
<b>Allioli Village</b>		
56	18/1	14-18
57	18/2	9-36

## ANNEXURE A

### Part - II

### SANKILI UNIT

#### PART-A

All those pieces or parcels of land admeasuring 215.55 1/4 acres in Village Sankili, Regidi Amadalavalasa and other places within the Sub-Registration District of Srikakulam District in the State of Andhra Pradesh comprising and including the Survey Numbers and being of the extent set out below, together with all buildings and structures standing thereon and such of the Plants and Machinery as are erected thereon:-

Sl. No.	SURVEY NUMBER	EXTENT AC. / CENTS
1	298/3, 5, 7, 20, 16, 19, 295/12, 18, 296/4, 394/18	1.89 1/2
2	315/2, 8, 384/16P, 394/19	0.34
3	308/4, 379/5, 18	0.92
4	291/21, 394/5	0.26 1/2
5	394/5, 291/19	0.19
6	314/6	0.35
7	294/15, 17, 296/6, 295/15, 302/11, 12, 290/1, 303/5, 298/10, 18	2.64 1/2
8	317/12	0.27
9	398/3	0.54
10	398/11	0.47 1/2
11	295/7, 393/10	0.46 1/2

Sl. No.	SURVEY NUMBER	EXTENT AC. / CENTS
12	316/8	0.25
13	317/5	0.23
14	386/15	0.15
15	315/13, 380/11	0.66
16	317/5, 8	0.23
17	380/8, 9, 381/7, 8, 315/7	1.66 1/2
18	308/1	0.27 1/2
19	398/6, 308/10, 312/11, 293/13, 15	0.62
20	312/3P, 6, 12, 392/9	0.88 1/4
21	381/5, 384/1, 395/11	0.98
22	308/7, 6, 394/10, 11	1.00 1/2
23	381/5, 384/1, 395/11P	0.97 1/2

SI. No.	SURVEY NUMBER	EXTENT AC. / CENTS	SI. No.	SURVEY NUMBER	EXTENT AC. / CENTS
24	308/10, 312/1, 8, 9, 12P, 302/6	1.96	55	399/2, 389/10, 389/1	0.96
25	398/4, 392/23	0.50	56	384/1	0.25
26	381/5	0.27	57	379/19	0.27 1/2
27	395/9, 396/5, 314/7	1.06	58	306/12, 306/11	0.50
28	315/6	0.29	59	389/12, 389/15, 384/11	1.45 1/2
29	314/5	0.25	60	303/1, 316/14, 312/3	0.67 1/2
30	293/2	0.17	61	379/11	0.28
31	384/2, 389/3, 384/14, 384/18, 389/9, 392/4	0.85	62	303/1, 318/17, 308/15, 312/17P, 302/8	0.71 1/2
32	306/11	0.21	63	312/3P, 8, 14	0.52
33	291/1, 292/5, 290/11, 306/5, 303/18, 316/13, 317/7, 304/2, 316/11	2.79 1/2	64	392/12, 7, 389/8	0.90
34	292/12	0.34	65	306/6, 306/13	0.46
35	316/16, 312/2	0.72 1/2	66	302/2	0.20
36	392/8	0.34	67	389/1	0.25
37	315/10	0.25	68	389/13P	0.27
38	290/5	0.62 1/2	69	392/11	0.19
39	384/1P, 380/10P	0.51 1/2	70	392/19P	0.20
40	315/13	0.25	71	389/13P	0.25
41	384/6P, 381/11, 389/5	0.80	72	304/12, 295/13, 296/7, 298/6, 394/4 & 12	1.48
42	293/7, 5	0.14	73	384/7	0.46
43	380/7P, 380/3P	0.58	74	306/12	0.29
44	395/4	0.72	75	289/2	0.48
45	380/14, 381/10	0.54 1/2	76	291/5, 302/10	1.25
46	384/8, 9, 384/4, 5	0.85 1/2	77	381/5	0.27
47	293/3, 6, 317/1	0.84	78	294/2, 294/5, 292/4, 291/3	0.34
48	381/4, 379/2	0.41	79	380/7	0.25
49	389/5	0.21	80	298/2, 12, 295/11, 304/16	0.74
50	389/15, 389/12, 384/11	0.66 1/2	81	316/12	0.25
51	315/4	0.25	82	315/10	0.27
52	384/1P, 380/10P	0.27	83	290/12, 11, 317/7, 304/2, 306/5, 316/11, 12	2.23 1/2
53	395/8, 396/15	1.46	84	381/15	0.25
54	384/1P, 380/10P, 381/15P	0.61	85	293/9, 294/6, 292/9, 304/14	0.40

SI. No.	SURVEY NUMBER	EXTENT AC. / CENTS
86	384/6P, 16P, 399/4, 5	0.46
87	389/4, 389/13 392/6, 399/1	0.81
88	392/10, 399/3, 6, 398/5	0.57
89	306/15, 16, 389/5P, 306/14	0.75
90	389/12, 15	0.54
91	381/5P	0.67
92	392/11	0.19
93	314/1	1.09
94	303/4P	0.44
95	316/8	0.25
96	295/14	0.30
97	304/16, 304/3	0.53
98	308/18, 19, 20, 11P, 316/4P, 316/17P	0.54
99	296/8, 290/10, 296/1	0.67
100	312/7, 312/10, 308/9, 308/5, 304/11	0.89 1/2
101	394/3, 394/18, 296/10, 295/10	0.52
102	290/9, 296/9, 298/11, 304/6P	1.05
103	308/3P	0.05
104	304/4	0.75
105	298/21	1.28
106	396/4	0.31 1/2
107	303/3	0.43
108	315/3	0.26
109	315/3P	0.24
110	389/7	0.41 1/2
111	306/2, 306/3	0.52
112	318	1.08
113	306/1	0.33
114	308/3, 306/17	0.41 1/2
115	396/4	0.60
116	306/8	0.17

SI. No.	SURVEY NUMBER	EXTENT AC. / CENTS
117	306/9, 308/2	0.79
118	395/10P	0.25
119	395/10	0.66 1/2
120	290/8, 289/7P, 395/2, 394/21, 394/15, 312/16, 308/16	2.40
121	312/3	0.25
122	308/13, 312/4	0.61
123	290/8, 295/15, 296/3, 291/10, 291/8, 298/4, 298/15, 298/14, 294/1, 292/6, 312/13, 308/11, 302/9	2.92
124	317/13	0.29
125	312/5, 394/20, 396/11, 308/12	0.87 1/2
126	316/7, 316/15, 316/8	1.31
127	317/2, 317/5, 317/9, 317/7	0.55
128	296/12, 295/16, 295/2, 298/13, 298/9, 304/12, 18, 394/14, 394/6, 7, 394/8 & 9, 393/9	2.79
129	313/5, 8P, 9, 316/1, 314/7	2.80
130	292/13, 303/15, 292/14, 292/18, 295/5, 294/10, 294/13, 15P	1.44
131	315/13, 313/7, 316/3, 313/9	1.86
132	316/1	0.30
133	317/2	0.37
134	315/6	0.25
135	381/8	0.37
136	292/1, 292/11, 398/9, 398/10	0.21 1/2
137	292/3, 296/2	0.55
138	291/16, 290/2, 303/10	0.24
139	315/10	0.25
140	306/7	0.17

SI. No.	SURVEY NUMBER	EXTENT AC. / CENTS
141	313/7, 314/7P	0.50
142	315/11P	0.25
143	314/6	0.25
144	315/10, 393/8, 394/1 & 4	0.99
145	314/3	0.23
146	315/5	0.63
147	317/4, 317/8, 317/12	0.64
148	290/4, 293/10, 294/18, 303/13	0.50
149	379/1P, 381/6P	0.61
150	289/6, 289/4	0.36
151	293/13	0.06
152	306/10, 291/20, 394/5	0.60 1/2
153	315/11P	0.25
154	302/3, 291/13, 289/5P	0.39
155	315/3	0.25
156	317/2 & 9, 317/7	0.56
157	293/14, 291/15, 306/18	0.27 1/2
158	308/21, 312/15	0.65 1/2
159	291/9, 296/5, 308/14	0.35
160	317/3	0.47
161	317/2, 317/9	0.59
162	308/6, 7, 4	0.53
163	314/6	0.25
164	317/2, 317/4, 317/9P	0.62
165	317/15	0.32
166	315/3	0.25
167	399/7, 399/9	0.34
168	298/5, 298/17, 294/14, 308/20, 397/4	0.55
169	314/3	0.23
170	313/7, 313/8	1.09
171	317/10	0.31
172	395/5, 396/14, 396/15	1.38 1/2
173	313/1, 313/5, 313/6, 313/6P	1.49

SI. No.	SURVEY NUMBER	EXTENT AC. / CENTS
174	379/9, 380/4, 5P, 380/7	1.24
175	289/5 & 6, 304/19, 296/11	0.72 1/2
176	295/8, 290/3, 293/20, 302/5, 306, 18 & 293/8, 9	0.83
177	316/8	0.25
178	379/10	0.30
179	315/11	0.50
180	303/1, 312/3, 308/3, 303/12, 293/4, 294/3	1.64 1/2
181	395/11P	0.25
182	314/6	1.41 1/2
183	316/9, 313/5, 3, 6P, 7, 314/7	1.37
184	389/16, 392/14	0.23
185	293/1	0.84
186	313/10	0.17
187	290/6, 295/1, 9, 304/5, 13	1.08
188	293/17, 18, 292/2, 302/4, 291/11, 393/7, 398/8, 291/4, 294/19, 393/11, 398/7, 303/7, 291/12, 291/17	1.81 1/2
189	318	0.71
190	399/10	0.36
191	379/5, 8, 15 & 386/16	0.52
192	396/6, 395/6	0.50
193	380/3 & 7	0.26
194	317/6	0.60 1/2
195	379/5 & 18	0.29
196	294/16, 379/6	0.24
197	294/9, 291/2, 295/4 & 6	1.01 1/2
198	379/3 & 12, 381/14 & 20	0.77
199	379/1 & 381/5	0.66
200	317/2P	0.36
201	303/16, 17, 243/21, 292/15, 20, 303/2, 302/10P	1.66 1/2

SI. No.	SURVEY NUMBER	EXTENT AC. / CENTS
202	314/2, 379/1	0.48
203	313/2	0.25
204	314/7P	0.25
205	317/13	0.27
206	381/5	0.27 1/2
207	315/2	0.25
208	314/4	0.25
209	290/13	0.16 1/2
210	381/2, 3, 6	0.32
211	315/7	0.48 1/2
212	306/20, 21	0.83
213	293/17, 18, 292/2, 302/4, 291/11, 393/7, 398/8	0.75
214	389/9P, 384/18, 15, 392/1, 5, 398/2	0.80
215	379/1	0.25
216	317/6	0.60 1/2
217	295/3, 4, 293/19	0.60 1/2
218	396/9, 10	0.20
219	289/4P, 394/16, 17, 298/1	0.37
220	303/2P	0.20 1/2
221	291/7, 294/8	0.57
222	304/7, 8, 306/19, 292/10, 11	0.57
223	315/11, 314/7, 313/2, 9	2.27
224	395/3, 396/7 & 8	0.68
225	315/1	0.39
226	314/7P	0.44
227	392/19	0.19
228	392/20	0.25
229	315/12, 379/5, 18	0.73
230	293/16, 393/12	0.27
231	381/5, 384/1, 395/11	0.98
232	315/13	0.25
233	314/4, 379/1, 380/12, 13, 379/7, 15, 380/2, 381/1	1.41 1/2

SI. No.	SURVEY NUMBER	EXTENT AC. / CENTS
234	317/5	0.29
235	293/12, 292/16, 292/16P, 294/7, 11, 295/17, 291/6, 296/13, 289/3, 315/9 & 10, 298/8, 304/1, 394/2, 394/16, 303/9, 303/11P, 304/9, 304/10	5.98
236	316/4P, 316/17P, 308/18, 19, 20, 11P	0.54
237	316/13	0.25
238	317/7	1.75
239	316/13, 11, 10, 12, 306/5, 290/11	2.32
240	314/5, 315/3	0.31
241	314/7	0.25
242	314/4	0.48
243	314/4P	0.25
244	392/10	0.30
	399/3,6	0.19
	398/5	0.08
245	291/14	0.46
	294/12	0.26
	303/8	0.14
	292/19	0.18
246	298/6	0.06
247	389/14	0.83
	389/11	0.86
	384/10	1.24
248	387/2	0.3
	380/12	0.35
	380/7	0.12
	380/3	0.26
	380/1	0.09
	381/15	0.17
	381/5p	0.27
	381/21	0.27

SI. No.	SURVEY NUMBER	EXTENT AC. / CENTS
249	385/3	0.09
	379/20	0.25
	381/1	0.58
250	379/15	0.15
	379/17	0.22
	379/19	0.22
	379/20p	0.09
251	395/7	0.24
252	77/3	0.135
253	77/3p	0.265
254	380/11	0.12
	384/2	2.04
255	381/22	0.21
256	163/6	0.16
	257/4	0.34
257	255	4.92
258	384/12	0.96
	384/13	0.3
259	395/11	0.77
	396/1	2.68
260	384/3	0.86
	389/6	0.26
	389/13	0.03
	384/3	0.86
261	389/6	0.26
	392/3	0.3
	302/1	0.2
	290/11	0.06
	302/7	0.09
	303/11	0.04
	303/19	0.09
	304/15	0.18
	308/8	0.41
	308/17	0.22

SI. No.	SURVEY NUMBER	EXTENT AC. / CENTS
262	306/4	0.6
	380/12	0.01
	381/12	0.27
	381/13	0.16
	381/16	0.09
	381/17	0.04
	381/18	0.05
	380/19	0.12
	384/17	0.06
	389/12	0.05
	392/2	0.1
	290/1	0.47
	291/18	0.09
	292/7	0.1
	292/8	0.07
	292/17	0.62
	293/21	0.18
	294/4	0.04
	303/16	0.08
263	316/2	0.29
	316/5	0.16
	316/6	0.32
	316/18	0.13
	317/11	0.26
	317/14	0.28
	379/13	0.07
	379/14	0.09
	379/16	0.09
	380/15	0.1
264	380/16	0.14
	109/10	0.6
265	109/12	0.13
	109/15	0.36
266	109/14	0.35

SI. No.	SURVEY NUMBER	EXTENT AC. / CENTS
266	109/13	0.21
267	109/11	0.24
268	51/3,5	0.77
269	289/1	0.14
270	57/5,6,19,20	3.01
271	272/4	0.18
272	6	2.32
273	297	4.30
274	301	2.34
275	307	2.70
276	313/4	1.12
277	396/13	0.88
278	289/1	0.24

SI. No.	SURVEY NUMBER	EXTENT AC. / CENTS
279	293/11	0.07
280	302/13	0.56
281	303/6	1.68
282	304/20	1.46
283	305	0.42
284	309	0.58
285	310	0.15
286	311	0.25
287	381/9	0.44
288	395/1	0.42
289	399/17	0.05
	<b>TOTAL</b>	<b>215.55 1/4</b>

#### PART - B

All those pieces or parcels of land admeasuring 158.47 1/2 acres situated at Jammu Revenue Village, Narasannapet Mandal, Srikakulam District in the State of Andhra Pradesh comprising and including the Survey Numbers and being of the extent set out below, together with all buildings and structures standing thereon and such of the Plants and Machinery as are erected thereon:-

SI.No.	Survey No.	Extent as per the Reg. Sale Deed
1	3-05	0.20
	3-06	0.35
	3-11	0.84
	3-12	0.62
	3-13	0.35
	4-14	0.27
	94-4	0.50
2	3-1	1.48
	3-18	0.49
	35-8	0.04
	35-9	0.16
	35-10	0.19
	35-11	0.13
	35-12	0.31

SI.No.	Survey No.	Extent as per the Reg. Sale Deed
3	97-1	0.78 1/2
	97-2	1.52 1/2
	2-1	1.61
	2-2	0.25
	2-6	0.52
	4-12	0.28
	4-16	0.70
	5-1	0.46
	5-2	0.50
	5-9	0.31
	6-2	0.56
	6-3	0.61
	6-11	0.30
	8-2	0.18

Sl.No.	Survey No.	Extent as per the Reg. Sale Deed
4	8-3	0.20
	8-7	0.20
	8-10	0.27
	27-2	0.15
	33-7	0.11
	33-10	0.43
	33-11	0.24
	33-12	0.25
	34-9	0.43
	34-10	0.31
	35-14	0.09
	36-2	0.42
	37-5	0.90
	39-1B	0.22
	34-2	0.93
	3-3	0.44
	3-4	0.45
	208-5	0.16
	208-6B	2.08
	5	
	3-17	0.30
	3-20	0.16 1/2
	5-10	0.23
	8-4	0.16 ½
	8-5	0.18
	8-6	0.19
	34-6	0.40
	34-8	0.56
	35-18	0.38
	36-1	0.26
	36-4	0.12
	64-1	0.42
	64-2	0.06
	64-4	0.45

Sl.No.	Survey No.	Extent as per the Reg. Sale Deed
6	64-5	0.12
	1-2	0.35
	4-17	0.20
	36-8	0.13
	38-3	0.56
7	33-8	0.24
	33-9	0.17
	1-2	0.28
	1-3	0.50
	1-4	0.48
	1-5	0.19
	1-6	0.26
	2-4	0.19
	4-1	0.29
	7-7	0.07
8	36-8	0.30
9	7-11	0.25
	34-5	0.40
	35-7	0.23
	35-20	0.15
	38-6	0.47
10	38-10	0.30
	94-3	0.52
	208-11	0.34
	2-2	0.63
	5-1	0.67
11	5-6	0.37
	27-4	0.13
	1-2	0.35
	3-7	0.28
	3-5	0.43
12	3-8	0.30
	35-19	0.16
13		

Sl.No.	Survey No.	Extent as per the Reg. Sale Deed
14	38-6	0.47
	38-7	0.25
15	3-16	0.31
	3-19	0.29
	4-1	0.46
	10-2	0.47
	28-4	0.19
	28-5	0.19
	28-6	0.19
	28-8	0.13
	38-2	0.90
16	28-2	0.20
	28-9	0.56
	208-7	0.54
	208-9	1.02
	208-10	0.32 1/2
17	4-6	0.35
	4-7	0.31
	9-1	0.19
	27-5	0.30
18	27-17	0.52
19	4-3	0.51
20	1-1	0.94
	1-2	0.22
	7-7	0.07
	208-10	0.30
21	38-2	0.50
22	4-16	0.73
23	1-1	0.74
24	5.3	0.16
	5.5	0.10
	5.7	0.25
	10.1	0.20

Sl.No.	Survey No.	Extent as per the Reg. Sale Deed
	33-5	0.15
	33-6	0.17
	35-3	0.39
	35-13	0.24
	35-15	0.08
	35-23	0.20
	38-2	0.82
25	26-6	0.38
	26-7	0.03
	26-8	0.02
	26-9	0.10
	26-10	1.29
	27-12	0.11
	27-13	0.06
26	37-3	0.62
27	7-7	0.07
28	27-14	0.16
	27-15	0.02
29	10-1	0.20
30	28-3	0.22
31	27-11	0.08
	27-16	0.46
32	1-90	0.25
	4-17	0.22
	5-4	0.16
	27-3	0.16
	35-17	0.09
33	24-7	0.28
	24-8	0.31
	29-4	0.18
	29-5	0.21
34	26-11	0.11
	26-13	0.62

Sl.No.	Survey No.	Extent as per the Reg. Sale Deed
35	28-13	0.27
	3-6	0.18
	3-10	0.31
36	26-3	0.23
	33-1	0.22
	35-4	0.04
37	35-20	0.11
	94-1	0.50
	26-11	0.11
38	26-13	0.62
	27-5	0.30
	96-12	0.10
39	96-13	0.10
	96-14	0.05
	96-16	0.10
40	96-17	0.05
	96-18	0.13
	6-4	0.06 1/2
41	6-17	0.28
	6-22	0.02
	8-8	0.12
42	8-9	0.09
	36-3	0.22 1/2
	36-10	0.12
43	37-4	0.30
	37-5	0.40
	37-6	0.15
44	38-9	0.15
	35-5	0.13
	35-6	0.12
45	35-21	0.09
	35-22	0.08
	6-4	0.06 1/2

Sl.No.	Survey No.	Extent as per the Reg. Sale Deed
46	6-10	0.37
	6-19	0.15
	6-20	0.07
47	6-21	0.05
	6-22	0.03
	8-8	0.12
48	8-9	0.09 1/2
	36-3	0.22 1/2
	36-10	0.12
49	36-13	0.09
	37-4	0.32
	37-05	0.40
50	37-06	0.13
	38-09	0.15
	1/1	0.63
51	2/1	0.54
	6/6	0.18
	6/14	0.37
52	6/15	0.05
	6/16	0.05
	7/6	0.18
53	7/8	0.56
	26/3	0.23
	33/1	0.22
54	35/4	0.04
	35/20	0.11
	10/1	0.11
55	3/2	0.61
	37/5	0.40
	8/7	0.22
56	8/10	0.84
	9/3	0.22
	33/2	0.36

Sl.No.	Survey No.	Extent as per the Reg. Sale Deed
47	33/3	0.20
	33/13	0.30
	34/11	0.14
	34/12	0.14
	35/2	0.39
	36/5	0.15
	36/6	0.33
	36/9	0.31
	36/11	0.55
	36/7	0.44
	39/5	0.48
	64/2	0.48
	64/5	0.56
	7/1	2.46
	7/9	0.33
48	39/6	1.05
49	7/2	0.19
50	7/10	0.23
	34/1	0.53
	38/5	0.85
	38/7	0.48
51	25/1	0.57
	29/3	1.07
52	25/1	1.14 1/2
52	1/1	0.50
	1/1	0.12
	1/1	0.20
	2/1	0.32
	2/1	0.22
	2/3	0.03
	4/9	0.87
	4/10	0.24
	4/18	0.07

Sl.No.	Survey No.	Extent as per the Reg. Sale Deed
53	6/6	0.18
	6/13	0.37
	6/15	0.04 1/2
	6/16	0.05
	6/18	0.29
	7/4	0.17
	7/5	0.18
	7/8	0.03
	36/12	0.21
	36/13	0.25
	1/1	0.63
	2/1	0.53
	2/3	0.04
	4/8	0.55
	6/6	0.19
54	6/12	0.29
	6/13	0.15
	6/14	0.21
	6/15	0.04 1/2
	6/16	0.05
55	7/8	0.03
	26/1	0.18
	26/2	0.48
	39/1B	0.94
	38/4	0.62
56	38/7	0.25
	38/8	0.45
	38/9	0.15
	96/19	0.10
	96/20	0.15
	4/4	0.49
	4/5	0.84
	4/18	0.08

Sl.No.	Survey No.	Extent as per the Reg. Sale Deed
57	8/1	0.21
	9/2	0.19
	9/4	0.24
	27/1	0.15
	34/7	0.33
	34/13	0.16
	35/8	0.39
	35/16	0.10
	37/2	0.10
	37/3	0.62
	39/4	0.32
	96/1	0.11
	96/2	0.27
	96/3	0.70
58	4/11	0.24
	6/1	0.18 1/2
	38/2	1.14
	7/3	0.07 1/2
	10/1	0.40
59	26/5	0.16
	28/11	0.24
	34/3	0.62
	34/4	0.71
	34/5	0.18
	2/5	0.47
	4/2	0.68
	4/13	0.66
	6/7	0.53
	28/1	0.21
	33/4	0.31
	38/7	0.10
	11/2	0.33
	12/3	0.42
60		
61		

Sl.No.	Survey No.	Extent as per the Reg. Sale Deed
62	14/2	0.57
	25/5	0.25
	25/6	0.18
	27/8	0.12
	39/3B	1.04
	39-1B	0.44
	13-8	0.071/2
	13/9	0.05
	13-19	0.11 ½
	13-8	0.071/2
	13/9	0.05
	13-19	0.11 ½
	18-2	0.14
	24-4	0.18
	29-7	0.59
63	15-6	0.47
	15-7	0.12
	15/6	0.53
	13-5	0.24 ½
	13-16	0.19
64	13-8	0.15
	13-12	0.11
	13-13	0.03
	13-19	0.23
	37/5	0.48
65	96-3	1.08
	11-2	0.32
	11-7	0.24
	14-2	0.34
	27-8	0.12
66	28-12	0.44
	28-16	0.12
	38-9	0.13
67		
68		
69		
70		
71		
72		
73		

Sl.No.	Survey No.	Extent as per the Reg. Sale Deed
74	38-10	0.44
	38-11	0.13
	35-1	0.48
	4-17	0.41
	6-1	0.15 1/2
	7-3	0.07 ½
	34-5	0.17
75	38-2	0.30
	28-11	0.24
	28-10	0.32
76	15-3	0.86
77	15-8	1.03
	3-20	0.16 1/2
	35-18	0.38
78	36-4	0.12
	37-2	0.15
	13/1	0.22
	13/2	0.53
79	11/9	0.64
	12/4	0.14
	12/6	0.13
80	12/10	0.75
	25/4	0.05
	25/7	0.15
	27/9	0.12
	28/15	0.12
	28/17	0.14
	34/15	0.26
	39/2B	0.03
	39/7	0.67
	13-3	0.25
81	13-4	0.14
	13-5	0.24 1/2

Sl.No.	Survey No.	Extent as per the Reg. Sale Deed
82	13-6	0.19
	13-1	0.42
	13-2	0.84
83	18/2	0.14
	24/4	0.17
84	27/7	0.33
	28/14	0.15
	11/5	0.33
	11/5	0.36
85	12/7	0.13
	34/14	0.20
	5-11	0.64
	5-8	0.06
86	5/11	0.64
	1/8	0.02
	5/11	0.32
87	2/3	0.11
	5/11	0.63
	1/8	0.02
88	5/11	0.32
	2/3	0.12
	5/11	0.63
89	6/5	0.31
	208-3C	0.10
	208-4B	0.13
90	4-18	0.08
91	29/6	0.22
92	4-18	0.07
93	2/3	0.04
94	5/11	0.63
95	6/23	1.95
96	7-1	2.45
	7-9	0.33

Sl.No.	Survey No.	Extent as per the Reg. Sale Deed
97	15/6	0.06
98	24-1	1.00
99	11-9	0.63
	12-4	0.14
	25-8	0.87
	27-9	0.12
	27-18	0.29
	34-15	0.26
100	11-3	0.56
	29-1	0.16
	12-2	0.13
	12-7	0.12
	34-14	0.21
101	24/2	0.38
	25/1	0.57 1/2
102	18-10	0.20
	18-11	0.15
103	18-10	0.20
	18-11	0.15
104	18-1	0.47
	18-12	0.32
	18-13	0.34

Sl.No.	Survey No.	Extent as per the Reg. Sale Deed
105	11-3	0.15
	11-5	0.40
	25-4	0.14
	25-7	0.26
	29-1	0.16
	12-7	0.13
	34-14	0.20
106	24-2	0.36
	29-6	0.22
107	11/4	0.33
	12/5	0.18 1/2
	25/2	0.05
	25/3	0.44
108	13/15	0.29
109	3/9	0.58
	3/14	0.48
	3/15	0.47
110	1/7	0.29
111	94/5,94/6, 94/7,94/8	1.93
112	94/5	0.28
113	29/2	1.75
114	24/9	0.51
	<b>TOTAL</b>	<b>158.47 1/2</b>

**ANNEXURE B**  
**TERM LOANS AND OTHER BORROWINGS**

Particulars	Rs. in Lakhs	
<b>Specific Borrowings</b>		
SDF	2912.50	
Banks	20500.00	
Inter Corporate	8901.76	<b>32314.26</b>
<b>General/Multipurpose Borrowings</b>		
Banks	16921.79	
Inter Corporate	2427.31	<b>19349.10</b>
<b>Grand Total</b>		<b>51663.36</b>

WITNESS, The Hon'ble Thiru RAJESH KUMAR  
AGRAWAL, Acting Chief Justice of Madras High Court, aforesaid this  
the 18th day of February, 2013.

Sd/-  
DEPUTY REGISTRAR (O.S.)

CERTIFIED TO BE A TRUE COPY  
Dated this the 6th day of March, 2013.

Sd/-  
COURT OFFICER

From 25th September 2008 the Registry is issuing certified copies of  
the Orders / Judgments / Degree in this format.



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**SCHEME OF AMALGAMATION  
SADASHIVA SUGARS LIMITED  
WITH  
E.I.D.- PARRY (INDIA) LIMITED**

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IN THE HIGH COURT OF KARNATAKA AT BANGALORE

DATED THIS THE 04TH DAY OF APRIL, 2014

BEFORE:

THE HONOURABLE MR. JUSTICE ANAND BYRAREDDY

COMPANY PETITION No.280 OF 2013

BETWEEN:

Sadashiva Sugars Limited,  
Registered office at Venus Building,  
3rd Floor, 1/2 Kalyanamantapa Road,  
Jakkasandra, Koramangala,  
Bangalore - 560 034.

... PETITIONER

(By Shri. Saji P John, Advocate)

AND:

Nil.

... RESPONDENT

(By Shri. K.S. Mahadevan, Advocate for Official Liquidator Smt. Soubhagya, C.G.C., for Registrar of Companies)

This Company Petition filed under Section 391 to 394 of the Companies Act, 1956, praying to Sanction the Scheme of Amalgamation as per Annexure-A hereto, so as to be binding on the petitioner company, its shareholders, creditors and also on the Transferee Company and its shareholders and creditors and etc;

This Company Petition coming on for Orders this day, the Court made the following: -

### **ORDER**

This petition is filed by Sadashiva Sugars Limited (hereinafter referred to as 'the Transferor Company', for brevity) seeking sanction of the scheme of amalgamation with E.L.D.-Parry (India) Limited (hereinafter referred to as 'the Transferee Company', for brevity).

2. The petitioner - Transferor Company was incorporated in the year 2002 to carry on the business of manufacturing and supplying of sugar. Its registered office is situated at Jakkasandra, Koramangala, Bangalore-560 034.
3. The Transferee Company was incorporated in the year 1975 under the provisions of the Companies Act, 1956 under the name and style of "E.I.D.-Parry (India) Limited" with the Registrar of Companies, Tamil Nadu at Madras, with the objects to acquire, takeover and amalgamate as a going concern the undertaking of E.I.D.-Parry Limited, a company incorporated in England with its registered office at London and Head office at Chennai.

The registered office of the Transferee Company is situated at Dare House, Parrys Comer, Chennai.

4. The Board of Directors of the Transferor and the Transferee Companies had approved and adopted the Scheme of Amalgamation at its respective Board meetings held on 10.06.2013.
5. The Transferor Company had filed C.A.No.1996/2013 for dispensation of the meetings of its shareholders, secured and unsecured creditors for approving the scheme of amalgamation, which was allowed by this Court on 5.11.2013.
6. This petition was filed on 10.12.2013 and this Court, vide order dated 17.01.2014, issued notice to the Regional Director and to the Official Liquidator and also had directed the petitioner to take out notice of the petition in “The Hindu” - English daily and “Udayavani” - Kannada daily. The notice of the petition was published in the newspapers on 23.01.2014 as directed by this Court.

Thereafter, on 14.02.2014, this Court appointed M/s. N. Swaminathan, Chartered Accountants to verify the books and accounts of the petitioner - Transferor Company. The Official Liquidator has filed his report based on the report filed by the Chartered Accountant. The Registrar of Companies, Kamataka, has also submitted by his affidavit dated 2.4.2014 that the Regional Director has no objection to the scheme. The Transferor company had also served a copy of the petition to the Commissioner of Income Tax as directed by the Registrar of Companies and has filed a memo on 20.03.2014 to that effect.

Insofar as the objection raised by the Official Liquidator, the petitioner has also filed a report with the BIFR under Section 23( 1) of the Sick Industrial Companies (Special Provisions) Act, 1985, intimating the potential sickness of the Transferor company, a copy of which is also produced.

Therefore, there is no impediment for the scheme of amalgamation being sanctioned. Hence, the scheme of amalgamation is hereby sanctioned. Accordingly, the petition is allowed.

The office is directed to draw up a decree in terms of this order. On the scheme becoming effective, the Transferor company shall be deemed to be dissolved without a winding up order and the petitioner shall file copy of the order before the Registrar of Companies and the BIFR, within 30 days.

Sd/-

**JUDGE**

**SCHEME OF AMALGAMATION  
OF  
SADASHIVA SUGARS LIMITED WITH  
E.I.D. - PARRY (INDIA) LIMITED UNDER SECTIONS 391 TO 394 OF  
THE COMPANIES ACT, 1956**

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**GENERAL**

This Scheme of Amalgamation is presented for the amalgamation of Sadashiva Sugars Limited (hereinafter referred to as “the Transferor Company” or “SSL”) with E.I.D.-Parry (India) Limited (hereinafter referred to as “the Transferee Company” or “E.I.D.”). The Transferor Company is a wholly owned subsidiary of the Transferee Company. This Scheme is made pursuant to the provisions of section 391 to 394 and other relevant provisions of the Companies Act, 1956.

**PART - I.**

**1. DEFINITION**

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

- 1.1 “*Act*” means the Companies Act, 1956 or any statutory modification or re-enactment thereof.
- 1.2 “*Appointed Date*” means the date from which this Scheme shall become operative viz., 1<sup>st</sup> April 2013 or if the Boards of Directors of the Transferor Company and the Transferee Company require any other date subsequent to 1<sup>st</sup> April 2013 and/or the Hon’ble High Court of Karnataka modify the Appointed Date to such other date, then the same shall be the Appointed Date.
- 1.3 “*Court*” means the Hon’ble High Court of Karnataka or Company Law Tribunal empowered to sanction the Scheme as per the provisions of the Act.
- 1.4 “*Effective Date*” means the date or last of the dates on which the certified copy of the order of the Court sanctioning this Scheme is filed with the respective Registrar of Companies by the Transferor and the Transferee Company.
- 1.5 “*Scheme of Amalgamation*” or “*Scheme*” or “*The Scheme*” or “*This Scheme*” means this Scheme of Amalgamation in its present form or with any modification) approved, imposed, or directed by the Court.
- 1.6 “*Transferee Company*” means E.I.D.-Parry (India) Limited, a Company incorporated under the provisions of the Act, having its registered office at Dare House, Parrys Corner, Chennai - 600001,
- 1.7 “*Transferor Company*” means Sadashiva Sugars Limited, a Company incorporated under the provisions of the Act, having its registered office at Venus Building, 3<sup>rd</sup> Floor, 1/2 Kalyanamantapa Road, Jakkasandra, Koramangala, Bangalore-560034.
- 1.8 “*Undertaking*” shall mean and include the whole of the undertaking of the Transferor Company, as a going concern, including their businesses, 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, investments, reserves, provisions, funds, licenses, registrations, copyrights, patents, trade names, trade marks and other rights and licenses in respect thereof, applications for copyrights, patents, trade

names, trade marks, leases, licenses, tenancy rights, premises, ownership flats, hire purchase and lease arrangements, lending - arrangements, benefits of security arrangements, computers, office equipment, telephones, telexes, facsimile connections, internet connections, communication facilities, equipment and installations and utilities, electricity, water and other service connections, benefits of agreements, contracts and arrangements, powers, authorities, permits, allotments, approvals, consents, privileges, liberties, advantages, easements and all the right, title, interest, goodwill, benefit and advantage, deposits/ reserves, provisions, advances, receivables, deposits, funds, cash, bank balances, accounts and all other rights, benefits of all agreements, subsidies, grants, tax credits (including but not limited to credits in respect of income tax, sales tax, value added tax, turnover tax, service tax, etc), Software License, Domain / Websites etc., in connection / relating to the Transferor Company 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 the Transferor Company, as on the Appointed Date.

- 1.9 All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning as ascribed to them under the Act and other applicable laws, rules, regulations and byelaws as the case may be, including any statutory modification or re-enactment thereof from time to time.

## 2. SHARE CAPITAL

- 2.1 The Authorized, Issued, Subscribed and Paid up Share Capital of the Transferor Company as on 31<sup>st</sup> March 2013 is as under:

<u>AUTHORISED SHARE CAPITAL:</u>	Amount (in Rs.)
11,10,00,000 Equity Shares of Rs.10/- each	111,00,00,000/-
<u>ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL:</u>	
11,02,70,018 Equity Shares of Rs.10/- each fully paid up	110,27,00,180/-

All the Equity Shares issued by the Transferor Company, *as* above, are held by the Transferee Company and its nominees. Accordingly, the Transferor Company is a wholly owned subsidiary of the Transferee Company.

- 2.2 The Authorised, Issued Subscribed and Paid up Share Capital of the Transferee Company as on 31<sup>st</sup> March 2013 is as under:

<u>AUTHORISED SHARE CAPITAL:</u>	Amount (in Rs.)
50,00,000 Redeemable Preference Shares of Rs.100/- each	50,00,00,000/-
51,50,00,000 Equity Shares of Rs.1/- each	51,50,00,000/-
Total	<u>101,50,00,000/-</u>
<u>ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL:</u>	
17,57,72,364 Equity Shaves of Re.1/- each fully paid up	Rs.17,57,72,364/-

## **PART II**

### **TRANSFER AND VESTING**

#### **3. TRANSFER OP UNDERTAKING**

The Undertaking shall be transferred to and vested in or be deemed to be transferred to and vested in the Transferee Company in the following manner:

- 3.1 With effect from the Appointed Date, the whole of the Undertaking of the Transferor Company comprising its businesses, all assets and liabilities of whatsoever nature and wheresoever situated, shall, under the provisions of Section 391 read with Section 394 and all other applicable provisions, if any, of the Act, without any further act or deed (save as provided in Sub-clauses (3.2), (3.3) and (3.4) below), be transferred to and vested in and/ or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become, as from the Appointed Date, the Undertaking of the Transferee Company and to vest in the Transferee Company all the rights, title, interest or obligations of the Transferor Company therein.

Provided that for the purpose of giving effect to the vesting order passed under Section 391 to 394 in respect of this Scheme, the Transferee Company shall at any time pursuant to the orders on this Scheme be entitled to get the recording of the change in the title and the appurtenant legal right(s) upon the vesting of such assets of the Transferor Company in accordance with the provisions of Section 391 to 394 of the Act, at the office of the respective Registrar of Assurances or any other concerned authority, where any such property is situated.

- 3.2 All the movable assets including cash in hand, if any, of the Transferor Company, capable of passing by manual delivery or by endorsement and delivery, shall be so delivered or endorsed and delivered, as the case may be, to the Transferee Company. Such delivery shall be made on a date mutually agreed upon between the Board of Directors of the Transferor Company and the Transferee Company.
- 3.3 In respect of movables other than those specified in sub-clause 3.2 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, the following modus operandi for intimating to third parties shall to the extent possible be followed;
- (i) The Transferee Company shall give notice in such form as it may deem fit and proper, to each person, debtor, loanee or deposittee as the case may be, that pursuant to the Court having sanctioned the Scheme, the said debts, loans, advances, bank balances or deposits be paid or made good or held on account of the Transferee Company as the person entitled thereto to the end and intent that the right of the Transferor Company to recover or realize the same stands extinguished and that appropriate entry should be passed in its books to record the aforesaid change;
  - (ii) The Transferor Company shall also give notice in such form as it may deem fit and proper to each person, debtor, loanee or deposittee that pursuant to the Court having sanctioned the Scheme the said debt, loan, advance or deposit be paid or made good or held on account of the Transferee Company and that the right of the Transferor Company to recover or realize the same stands extinguished.
- 3.4 In relation to the assets, if any, belonging to the Transferor Company, which require separate documents of transfer, the Transferor Company and the Transferee Company will execute necessary documents, as and when required.
- 3.5 With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature, description, whether or not provided for in the books of accounts and whether

disclosed or not in the balance sheet of the Transferor Company shall also, under the provisions of Section 391 read with Section 394 of the Act, without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company so as to become as from the Appointed Date, the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company 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.

However, the Transferee Company may, at any time, after the coming into effect of this Scheme in accordance hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of the secured creditors of the Transferor Company or in favour of any other party to the contract or arrangement to which the Transferor Company is a party or any writing, as may be necessary, in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of the Scheme be deemed to be authorized to execute any such writings on behalf of the Transferor Company as well as to implement and carry out all such formalities and compliances referred to above.

- 3.6 The transfer and vesting of the Undertaking of the Transferor Company as aforesaid shall be subject to the existing securities, charges and mortgages, if any subsisting, over or in respect of the property and assets or any part thereof of the Transferor Company.

Provided however that any reference in any security documents or arrangements (to which the Transferor Company is a party) pertaining to the assets of the Transferor Company offered, or agreed to be offered, as security for any financial assistance or obligations, shall be construed as reference only to the assets pertaining to the Undertaking of the Transferor Company as are vested in the Transferee Company by virtue of the aforesaid Clauses, to the end and intent that, such security, charge and mortgage shall not extend or be deemed to extend, to any of the other assets of the Transferor Company or any of the assets of the Transferee Company.

Provided further that the securities, charges and mortgages (if any subsisting) over and in respect of the assets or any part thereof of the Transferee Company shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges or mortgages to the end and intent that such securities, charges and mortgages shall not extend or be deemed to extend, to any of the assets of the Transferor Company vested in the Transferee Company.

Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Company which shall vest in the Transferee Company by virtue of the amalgamation of the Transferor Company with the Transferee Company and the Transferee Company shall not be obliged to create any further or additional security therefore, after the amalgamation has become operative.

- 3.7 In so far as the various incentives, subsidies, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person and availed of by the Transferor Company are concerned, the same shall vest with, and be available to, the Transferee Company on the same terms and conditions.
- 3.8 Loans or other obligations, if any, due between the Transferor Company and the Transferee Company shall stand discharged and there shall be no liability in that behalf. In so far as any shares, securities, debentures or notes issued by the Transferor Company, and held by the Transferee Company, the same shall, unless sold or transferred by the Transferee Company, at any time prior to the Effective Date, stand cancelled as on the Effective Date, and shall have no effect and the Transferor Company, shall have no further obligation outstanding in that behalf,
- 3.9 Where any of the liabilities and obligations/assets attributed to the Transferor Company on the "Appointed Date" has been discharged/sold by the Transferor Company after the "Appointed Date"

and prior to the “Effective Date”, such discharge/sale shall be deemed to have been for and on behalf of the Transferee Company.

- 3.10 From the “Effective Date” and till such time that the names of the respective bank accounts of the Transferor Company is replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company, in its name, in so far as may be necessary.

#### **4. BENEFITS OF AMALGAMATION**

- 4.1 The Transferor Company and the Transferee Company are engaged in the same line of business. The resources available with both the companies could be pooled together and the Transferee Company will be able to effectively utilise the same for the benefit of the Transferee company on a larger scale.
- 4.2 By the amalgamation, the operational costs will be reduced and the management will be able to operate and run the Transferee Company as a single unit more effectively and economically resulting in better turnover and profits.
- 4.3 It will make available to the Undertaking of the Transferor Company, the benefit of financial resources, and managerial, technical and marketing expertise of the Transferee Company.
- 4.4 The amalgamation would bring in greater economies in scale of operations and will help in reducing expenditure considerably.
- 4.5 The amalgamation will be conducive to better and more efficient and economic control and conduct of the business of the Transferee Company.
- 4.6 There will be operational synergy in terms of procurement benefits, common license, and reduction of administration work etc., for the Transferee Company,
- 4.7 The Transferee Company will have the benefit of the combined reserves, assets, man-power and cash flows of both the companies.
- 4.8 With the enhanced capabilities and resources at its disposal, the Transferee Company will have greater flexibility to market and meet consumer needs more effectively.
- 4.9 A larger growing company will mean enhanced financial and growth prospects for the people and organizations connected with the company and will be in public interest.

#### **5. LEGAL PROCEEDINGS**

- 5.1 All suits/ actions and proceedings of whatsoever nature by or against the Transferor Company on the Appointed Date shall be transferred to the name of the Transferee Company and the same shall be continued and enforced by or against the Transferee Company, to the exclusion of the Transferor Company, as the case may be.
- 5.2 If proceedings are taken against the Transferor Company, in respect of matters referred to above, it shall defend the same in accordance with the advice of, and at the cost of, the Transferee Company, as the case may be from Appointed Date till Effective Date,

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

- 6.1 Subject to the other provisions contained in the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature to which the Transferor Company is a party subsisting or having effect-immediately before this, arrangement under this Scheme, shall be, in full force and effect, against or in favour of the Transferee Company, and may be enforced as fully and as effectively as if instead of the Transferor Company, the Transferee Company had been a party thereto. The Transferee Company shall enter into and / or issue and / or execute deeds, writings or confirmation or enter into

any tripartite arrangement, confirmations or novations to which the Transferor Company as the case may be, if necessary, also be party in order to give formal effect to the provisions of this clause, if so required or become necessary.

- 6.2 As a consequence of the amalgamation of the Transferor Company with the Transferee Company in accordance with this Scheme, the recording of change in name from the Transferor Company, as the case may be, to the Transferee Company, whether for the purposes of any licence, permit, approval or any other reason, or whether for the purposes of any transfer, registration, mutation or any other reason, shall be carried out by the concerned statutory or regulatory or any other authority without the requirement of payment of any transfer or registration fee or any other charge or imposition whatsoever.
- 6.3 The Transferee Company may, at any time, after the coming into the 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 the Scheme be deemed to be authorized to execute any such writings on behalf of the Transferor Company, implement or carry out all such formalities or compliances referred to above on the part of the Transferor Company, as the case may be, to be carried out or performed.
- 6.4 For the removal of doubts, it is expressly made clear that the dissolution of the Transferor Company without the process of winding up as contemplated hereinafter, shall not, except to the extent set out in the Scheme, affect the previous operation of any contract, agreement, deed or any instrument or beneficial interest to which the Transferor Company is a party thereto and shall not affect any right, privilege, obligations or liability, acquired, or deemed to be acquired prior to Appointed Date and all such references in such agreements, contracts and instruments to the Transferor Company shall be construed as reference only to the Transferee Company with effect from, the Appointed Date.

## **7. EMPLOYEES**

- 7.1 All the executives, staff, workmen, and other employees in the service of the Transferor Company, immediately before the Effective Date, under this Scheme shall become the executives, staff, workmen, and other employees of the Transferee Company, on the basis that:
- a) Their services shall have been continuous and shall not have been interrupted by reason of such transfer as if such transfer is effected under Section 25 FF of the Industrial Disputes Act, 1947;
  - (b) The terms and conditions of service applicable to the said staff, workmen, and other employees after such transfer shall not in any way be less favourable to them than, those applicable to them immediately before the transfer;
  - (c) In the event of retrenchment of such staff, workmen, or other employees, the Transferee Company shall be liable to pay compensation in accordance with law on the basis that the services of the staff, workmen, or other employees shall have been continuous and shall not have been interrupted by reason of such transfer; and
  - (d) In so far as the existing provident fund trusts, gratuity fund and pension and / or superannuation fund trusts created by the Transferor Company for their employees are concerned, the part of the funds referable to the employees who are being transferred shall be continued for the benefit of the employees who are being transferred to the Transferee Company pursuant to the Scheme in the manner provided hereinafter. In the event that the Transferee Company has its own funds in respect of any of the funds referred to above, the amounts in such funds in respect of contributions pertaining to the employees of the Transferor Company, shall, subject to the necessary approvals and permissions, be transferred to the relevant funds of the Transferee Company. In the event that the Transferee Company does not have its own fund, in respect of any of the aforesaid

matters, the Transferee Company may, subject to necessary approvals and permissions, continue to contribute to the relevant funds of the Transferor Company, as the case may be, until such time that the Transferee Company creates its own fund, at which time the contributions pertaining to the employees of the Transferor Company shall be transferred to the funds created by the Transferee Company.

## **8. SAVING OF CONCLUDED TRANSACTIONS**

8.1 The transfer of Undertaking under Clause 3 above, the continuance of proceedings by or against the Transferee Company under Clause 5 above and the effectiveness of contracts and deeds under Clause 6 above shall not affect any transaction or proceedings or contracts or deeds already concluded by the Transferor Company on or before the Appointed Date and after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of itself.

## **9. CONDUCT OF BUSINESS OF THE TRANSFEROR COMPANY TILL EFFECTIVE DATE**

With effect from the Appointed Date and up to and including the Effective Date:

- 9.1 The Transferor Company shall carry on and be deemed to have been carrying on, all business activities and shall be deemed to have been held for and on account of, and in trust for, the Transferee Company.
- 9.2 All profits or income or income tax accruing or arising to the Transferor Company, or losses arising or expenditure incurred by them, on and from Appointed Date upto the Effective Date, shall for all purposes be treated as, and be deemed to be treated as, the profits or income or losses or expenditure or income tax of the Transferee Company.
- 9.3 The Transferor Company shall carry on their business activities with proper prudence and diligence and shall not, without prior written consent of the Transferee Company, alienate, charge or otherwise deal with or dispose off any part of the undertaking (except in the ordinary course of business or pursuant to any pre-existing obligations undertaken by the Transferor Company prior to the Appointed Date).
- 9.4 The Transferor Company shall continue to comply with the provisions of the Act including those relating to preparation, presentation, circulation and filing of accounts as and when they become due for compliance.
- 9.5 The Transferor Company shall not declare any dividend, between the Appointed Date and the Effective Date, without the prior written consent of the Transferee Company.
- 9.6 The Transferor Company shall not make any modification to their capital structure, either by an increase (by issue of rights shares, bonus shares, convertible debentures or otherwise), decrease, reclassify, sub-divide or reorganize or in any other manner, whatsoever, except by mutual consent of the Board of Directors of the Transferor Company and of the Transferee Company.
- 9.7 The Transferor Company shall not vary, except in the ordinary course of business, the terms and conditions of the employment of their employees without the consent of the Board of Directors of the Transferee Company.

## **10. CONSIDERATION**

The Transferor Company is a wholly owned subsidiary of the Transferee Company. Upon the Scheme becoming effective, the shares held by the Transferee Company and its nominees in the Transferor Company shall be cancelled and extinguished and no share shall be issued by the Transferee Company in consideration for this scheme of amalgamation.

## **11. AUTHORIZED SHARE CAPITAL**

- 11.1 Upon the Scheme becoming effective, the authorized share capital of the Transferor Company shall stand combined with the authorized share capital of the Transferee Company. Filing fees and stamp duty, if any, paid by the Transferor Company on its authorized share capital, shall be deemed to have been so paid by the Transferee Company on the combined authorized Share capital and accordingly, the Transferee Company shall not be required to pay any fee/stamp duty for its increased authorized share capital.
- 11.2 'Clause V of the Memorandum of Association of the Transferee Company shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 94 to 97 and other applicable provisions of the Act by deleting the existing Clause and replacing it by the following:
- “The Authorized Share Capital of the company is Rs, 212,50,00,000/-CRupees Two Hundred and Twelve Crores and Fifty Lakhs Only) divided into 162,50,00,000 (One Hundred and Sixty Two Crores and Fifty lakhs) Equity Shares of Re.1/- each and 50,00,000 (Fifty Lakhs) Redeemable Preference Shares of Rs.100/- each and, with the rights, privileges and conditions attaching thereto as are provided by the regulations of the Company for the time being, with power to increase and reduce the Capital of the Company and to divide the shares in the Capital for the time being into several classes and to attach thereto respectively such preferential rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company “,*
- 11.3 The approval of this Scheme under sections 391 and 394 of the Act, shall be deemed to have the approval under sections 16, 31, 94, 97 and other applicable provisions of the Act and any other consents and approvals required in this regard.

## **12. ACCOUNTING TREATMENT**

- 12.1 The amalgamation being “amalgamation in the nature of merger” as defined in the Accounting Standard 14, Accounting for Amalgamations” (AS 14) shall be accounted for under the pooling of interest method in accordance with the said AS 14. Further the Board of Directors of the transferee company is authorized to account for this amalgamation in a manner as may be deemed fit, in accordance with the Accounting Standards prescribed under the Companies Act, 1956 issued by the Institute of Chartered -Accountants of India and Generally Accepted Accounting Principles in India.
- 12.2 The Transferee Company shall, upon the Scheme coming into effect, record the assets and liabilities of the Transferor Company vested in it pursuant to this Scheme at their respective book values,
- 12.3 The Transferee Company shall record all the Reserves of the Transferor Company, in the same form and at the same values as they appear in the financial statements of the Transferor Company at the close of business of the day immediately preceding the Appointed Date i.e., 31<sup>st</sup> March 2013,
- 12.4 The Debit balance in Profit and Loss Account of the Transferor Company as per the audited accounts as at the close of business of the day immediately preceding the Appointed Date i.e., 31<sup>st</sup> March 2013 shall be adjusted against the General Reserves of the transferee Company on amalgamation. The difference between amount recorded as Investments in transferor company in the books of Transferee company and the amount of share capital of the transferor company shall be adjusted against the General reserve of the Transferee company on amalgamation.
- 12.5 To the extent there are inter-corporate loans or balances between the Transferor Company and the Transferee Company, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of accounts and records of the Transferee Company for the reduction of any assets or liabilities, as the case may be.

- 12.6 it is clarified that *all* taxes payable by the Transferor Company from the Appointed Date onwards including all or any refunds and claims shall, for all purposes be treated as the tax liabilities or refunds and claims of the Transferee Company. Accordingly, upon the Scheme becoming effective, the Transferee Company is expressly permitted to revise its Sale Tax returns/ Excise and Modvat/Cenvat returns, other tax returns, and to claim refunds/credits, pursuant to the provisions of this Scheme. Upon the Scheme becoming effective, the Transferee Company is also expressly permitted to revise its income-tax returns and to claim refunds, advance tax and withholding tax credits, tax losses/unabsorbed depreciation as the case may be, pursuant to the provisions of this Scheme.

### **PART III**

#### **GENERAL TERMS AND CONDITIONS APPLICABLE TO THE TRANSFEROR COMPANY AND THE TRANSFEE COMPANY**

##### **13. APPLICATION TO COURT**

- 13.1 The Transferor Company shall, with reasonable dispatch, apply to the Court for necessary orders or directions for holding meetings of the members or creditors of the Transferor Company for sanctioning this Scheme of Amalgamation under Section 391 of the Act or for dispensing the holding of such meeting and orders under Section 394 of the Act, for carrying this Scheme into effect and for dissolution of the Transferor Company without winding up. Since the Transferor Company is a wholly owned subsidiary of the Transferee Company, there is no need for filing application/petition by the Transferee Company for sanctioning the Scheme of Amalgamation,

##### **14. DISSOLUTION OF TRANSFEROR COMPANY**

- 14.1 Subject to an order being made by the Court under Section 394 of the Act the Transferor Company shall be dissolved without the process of winding up on the Scheme becoming effective in accordance with the provisions of the Act and the Rules made thereunder.

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

- 15.1 The Transferor Company and the Transferee Company through their respective Board of Directors including Committee of Directors or other persons, duly authorized by the respective Boards in this regard, may make or assent to any alteration or modification to this Scheme or to any conditions or limitations, which the Court or any other Competent Authority may deem fit to direct, approve or impose and may give such directions including an order of dissolution of the Transferor Company without process of winding up as they may consider necessary, to settle any doubt, question or difficulty, arising under the Scheme or in regard to its implementation or in any manner connected therewith and to do and to execute all such acts, deeds, matters and things necessary for putting this Scheme into effect, or to review the portion relating to the satisfaction of the conditions to this Scheme and if necessary, to waive any of those (to the extent permitted under law) for bringing this Scheme into effect.
- 15.2 If any part or provision of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Transferor Company and the Transferee Company, affect the validity of implementation of the other parts and/or provisions of the Scheme.

##### **16. DATE OF TAKING EFFECT**

- 16.1 The Scheme set out herein in its present form or with any modification(s) or amendment(s) approved, imposed or directed by the Court shall be effective from the Effective Date but shall be operative from the Appointed Date,

## **17. SCHEME CONDITIONAL ON APPROVALS/ SANCTIONS**

This Scheme is conditional on and subject to - .

- 17.1 The sanction or approval under any law of the Central Government, State Government, or any other agency, department or authorities concerned being obtained and granted in respect of any of the matters in respect of which such sanction or approval is required.
- 17.2 The approval of and agreement to the scheme by the requisite majority of such classes of persons of the Transferor Company as may be directed by the Court on the applications made for directions under Section 591 of the Act for calling meetings or for dispensing with their holding.
- 17.3 The sanction by the Court under Sections 391 and 394 and other applicable provisions of the Act being obtained by the Transferor Company.
- 17.4 Filing with the respective Registrar of Companies the certified copy of order, sanctioning the Scheme by the Transferor Company mid the Transferee Company.

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

- 18.1 In the event of the Scheme not being sanctioned by the Court and/or the order or orders not being passed as aforesaid before 31<sup>st</sup> December 2014 or within such further period or periods as may be agreed upon between the Transferor and Transferee Companies who are hereby empowered and authorized, to agree to and extend the aforesaid period from time to time without any limitations in exercise of their powers through and by their respective Board of Directors, the Scheme shall become fully null and void and in that event no rights and liabilities shall accrue to or be inter-se by the parties in terms of the Scheme.

## **19. EXPENSES CONNECTED WITH THE SCHEME**

- 19.1 All costs, charges, levies, fees, duties and expenses of the Transferor Company and the Transferee Company respectively in relation to or in connection with negotiations leading up to the Scheme and of carrying out and completing the terms and provisions of this Scheme and in relation to or in connection with the Scheme shall be borne and paid by the Transferee Company.

## **20. LIBERTY TO APPLY FOR DIRECTIONS**

The Transferor Company or Transferee Company shall be at liberty to apply to the Court for such directions as it may deem necessary for the purpose of implementing the Scheme or for the proper working of the Scheme.



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**SCHEME OF AMALGAMATION  
PARRY PHYTOREMEDIES PRIVATE LIMITED  
WITH  
E.I.D.- PARRY (INDIA) LIMITED**

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HIGH COURT, BOMBAY  
IN THE HIGH COURT OF JUDICATURE AT BOMBAY  
ORDINARY ORIGINAL CIVIL JURISDICTION  
COMPANY SCHEME PETITION NO. 136 OF 2015  
CONNECTED WITH  
COMPANY SUMMONS FOR DIRECTION NO. 85 OF 2015  
Parry Phytoremedies Private Limited... Petitioner Company

In the matter of the Companies Act, 1956

(1 of 1956);

And

In the matter of Sections 391 to 394 of the  
Companies Act, 1956;

And

In the matter of Scheme of Amalgamation  
of Parry Phytoremedies Private Limited with  
E.I.D.-Parry (India) Limited

**Called for Hearing**

Mr. Hemant Sethi i/b M/s. Hemant Sethi & Co., Advocates for the Petitioner  
Company

Ms. S.V. Bharuch, i/b Mr. A.A. Ansari for Regional Director.

Mr. S. Ramakantha, Official Liquidator Present

CORAM : S.J. Kathawalla, J.

DATE : 30th April 2015

1. Heard the learned counsel for the Petitioner. 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 to the Scheme of Amalgamation of Parry Phytoremedies Private Limited with E.I.D.-Parry (India) Limited.
3. The Petitioner / Amalgamating Company is engaged in the business of manufacturing anti oxidants which are required by the Nutraceuticals industry. The transferee Company is presently engaged, inter-alia, in the business of manufacturing of sugar with interests in Bio-pesticides and Nutraceuticals.
4. The Learned Counsel for the Petitioner states that with a view to integrate the operation from manufacturing to marketing, flexibility in moving the operation to one place, provide Administrative convenience and savings on administrative cost, it is desirable to merge and amalgamate the whole of the undertaking of the Amalgamating Company with the Amalgamated Company. The amalgamation of the undertakings of the Amalgamating Company with the Amalgamated Company shall facilitate consolidation of all the undertakings

in order to enable effective management and unified control of operations. Further, the amalgamation would create economies in administrative and managerial costs by consolidating operations and would substantially reduce duplication of administrative responsibilities and multiplicity of records and legal and regulatory compliances.

5. The Amalgamating Company and the Amalgamated Company has approved the said Scheme of Amalgamation by passing the Board Resolutions which are annexed to the Company Scheme Petition filed by the Petitioner Company.
6. The learned Advocate for the Petitioner Company further states that, the Petitioner Company have complied with all the directions passed in Company Summons for Director and that the Company Scheme Petition has been filed in consonance with the order passed in Summons for Directions.
7. The Learned Counsel appearing on behalf of the Petitioner Company stated that the Petitioner Company has complied with all requirements as per the directions of this Court and filed necessary Affidavits of compliance in this behalf. The Petitioner Company further undertake to comply with all statutory requirements if any, as required under the Companies Act, 1956 and Companies Act, 2013, as may be applicable, and the made there under. The said undertaking is accepted.
8. The Official Liquidator has filed his report on 17th April 2015 stating therein that the Affairs of the Petitioner / Amalgamating Company has been conducted in a proper manner and that the Petitioner / Amalgamating Company may be ordered to be dissolved by this Hon'ble Court.
9. The Regional Director has filed an Affidavit on 23rd April, 2015 stating therein that save and except as stated in paragraph 6(a) and 6(c) of the said Affidavit, it appears that the Scheme is not prejudicial to the interest of shareholders and public. In paragraph 6(a) and 6(b) of the said Affidavit, the Regional Director has stated that :
  6. The Deponent further states that :-
    - (a) The Registered Office of the Transferee Company is situated in the State of Tamil Nadu. Hence the Transferee Company has to file similar petition before the High Court of Madras for approving the Said Scheme.
    - (b) 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 to scrutinize the tax returns filed by the Petitioner Company after giving effect to the amalgamation. The decision of the Income Tax Authority is binding on the Peitioner Company.
10. In response to the aforesaid observation in paragraph 6(a) of the Affidavit of Regional Director is concerned, the learned counsel for the Petitioner-Company states that the Petitioner Company is a wholly owned subsidiary of the Transferee Company, which is situated in the state of Tamilnadu and the Petitioner Company is sisutated within the jurisdiction of this Curt and where as in the case of Mahaamba Investment Limited v/s IDI Limited (2001) 105 Company Cases page 16 to 18, this Court, inter-alia, observed and held that if the Scheme of Amalgamation provides for no issue of Equity Shares to the members of the Transferor Company, being wholly owned swubsubsidiary of the Transferee Company and there is no reorganization of share capital of the Transferee Company, filing of separate Application / Petition by the Transferee Company is not necessary. Learned Counsel for the Petitioner further submits that similar view has been taken by this Court in the Scheme of Amalgamation of Damini Multitrade Private Limited and Dhaneshwar Solution Private Limited and Sapan Holdings and Trading Private Limited and Sambhaw Holdings Limited with Binani Metals Limited (Company Scheme Petition Nos. 210 to 213 of 2013), wherein the registered offices of all the Transferor Companies were situated in the State of Maharashtra and the registered office of the Transferee Company was situated in the State of West Bengal and the argument of not filing separate Application / Petition by the Transferee Company was accepted and also in Umapathi Trading Private Limited (Company Scheme Petition No. 832 of 2013) where the registered office of the Transferor Company was situated in the State of

Maharashtra and the Registered Office of the Transferee Company was situated in the state of Andhra Pradesh and the objection raised by the Regional Director was withdrawn. Similar view has been taken by this Court in Company Scheme Petition No. 522 of 2014 and the same has been explained to the Regional Director and relying upon the same, the Regional Director is not pressing for objection as raised in paragraph 6(a) of his Affidavit.

11. As far as observations made in paragraph 6(b) of Affidavit of the Regional Director is concerned, the Petitioner Company submits that the Petitioner Company is bound to comply with all applicable provisions of the Income Tax Act and all tax issues arising out of the Scheme of Arrangement will be met and answered in accordance with law.
12. The Counsel for the Regional Director on instructions of Mr. M Chandanamuthu, Joint Director (Legal) in the office of Regional Director, Ministry of Corporate Affairs, Western Region, Mumbai, states that they are satisfied with the undertaking given by the Petitioner Company. The said undertaking given by the Petitioner Company is accepted.
13. From the material on record, the Scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy.
14. Since all the requisite statutory compliances have been fulfilled, Company Scheme Petition No. 136 of 2015, filed by the Petitioner Company is made absolute in terms of prayer clause (a) of the Petition.
15. The Petitioner Company is directed to file a copy of this order and the 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 the order.
16. Petitioner Company is 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 the physical copy as per the relevant provisions of Companies Act, 1956 / 2013 Act, whichever is applicable.
17. The Petitioner Company to pay costs of Rs. 10,000/- each to the Regional Director and to the Official Liquidator, High Court, Bombay. The costs to be paid within four weeks, from the date of the Order.
18. Filing and issuance of the drawn up order is dispensed with.
19. 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.

(S.J. Kathawalla, J.)  
Section Officer  
High Court, Appellate xxx  
Bombay

SCHEME OF AMALGAMATON  
OF  
PARRY PHYTOREMEDIES PRIVATE LIMITED  
WITH  
E.I.D.-PARRY (INDIA) LIMITED

under Sections 391 to 394 of the Companies Act, 1956

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**General**

This Scheme of Amalgamation is presented for the amalgamation of Parry Phyto Remedies Private Limited (hereinafter referred to as “the Transferor Company” or “the Amalgamating Company” or “Phyto”) with E.I.D.-Parry (India) Limited (hereinafter referred to as “the Transferee Company” or “the Amalgamated Company” or “E.I.D.”). The Transferor Company is a wholly owned subsidiary of the Transferee Company. This Scheme is made pursuant to the provisions of Section 391 to 394 and other relevant provisions of the Companies Act, 1956.

**Part-I**

**1. Definition**

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

- 1.1 “Act” means the Companies Act, 1956, or the Companies Act, 2013 as in force from time to time. As on the date of approval of this Scheme by the respective Board of Directors of the Transferor Company and the Transferee Company, Section 391 and 394 of the Companies Act, 1956 continue to be in force with the corresponding provisions of the Companies Act, 2013 not having been notified. References in this Scheme to particular provisions of the Act are references to particular provisions of the Companies Act, 1956 unless stated otherwise. Upon such provisions standing re-enacted by enforcement of provisions of the Companies Act, 2013, such references shall unless different intention appears be construed as references to the provisions so re-enacted.
- 1.2 “Appointed Date” For the purpose of this Scheme and for Income Tax Act, 1961, the “Appointed Date” means 1st April, 2014.
- 1.3 “Court” means the Hon’ble High Court of Judicature at Bombay or Company Law Tribunal empowered to sanction the Scheme as per the provisions of the Act.
- 1.4 “Effective Date” means the date or last of the dates on which the authenticated / certified copy of the order of the Court sanctioning this Scheme is filed with the respective Registrar of Companies by the Transferor and the Transferee Company, if required.
- 1.5 “Scheme of Amalgamation” or “Scheme” or “The Scheme” or “This Scheme” means this Scheme of Amalgamation in its present form or with any modification(s) approved, imposed, or directed by the Court.
- 1.6 “Transferee Company” means E.I.D.-Parry (India) Limited, a Company incorporated under the provisions of the Act, having its registered office at Dare House, Parrys Corner, Chennai - 600 001.
- 1.7 “Transferor Company” means Parry Phyto Remedies Private Ltd., a Company incorporated under the provisions of the Act, having its registered office at Survey No. 79/2, Near Agrawal Godown, Shivane Industrial Estate, Warje-NDA Road, Shivane, Pune, Maharashtra-411 023.

- 1.8 “Undertaking” shall mean and include the whole of the undertaking of the Transferor Company, as a going concern, including their businesses, 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, investments, reserves, provisions, funds linceses, registrations, copyrights, patents, trade name, trade marks and other rights and licenses in respect thereof, applications for copyrights, patents, trade names, trade marks, leases, licenses, tenancy rights, premises, ownership flas, hire purchase and lease arrangements, lending arrangements, benefits of security arrangements, computers, office equipment, telephones, telexes, facsimile connections, internet connections, communication facilities, equipment and installations and utilities, electricity, water and other service connections, benefits of agreements, contracts and arrangements, powers, authorities, permits, allotments, approvals, consents, privileges, libnerties, advantages, easements and all the right, title interest, goodwill, benefit and advantage, deposits, reserves, provisons, advances, receivables, deposits, funds, cash, bank balances, accounts and all other rights benefits of all agreements, subsidies, grants tax credits (including but not limited to credits in respect of income tax, sales tax, value added tax, turnover tax, service tax, etc.), Software License, Domain / Websites etc., in connection / relating to the Transferor Company 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 the Transferor Company, as on the Appointed Date.
- 1.9 All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning as ascribed to them under the Act and other applicable laws, rules, regulations and byelaws as the case may be, including any statutory modification or re-enactment thereof from time to time.

## 2. Share Capital

- 2.1 The Authorized, Issued, Subscribed and Paid up Share Capital of the Transferor Company as on 31st March 2014 is as under:

<u>AUTHORISED SHARE CAPITAL :</u>	<u>Amount (in Rs.)</u>
20,00,000 Equity Shares of Rs. 100/- each	20,00,00,000/-

### ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL :

18,69,800 Equity Shares of Rs. 100/- each fully paid up 18,69,80,000/-

Subsequent to the balance sheet date there is no change in the Capital Structure of the Transferor Company. All the Equity Shares issued by the Transferor Company, as above, are presently held by the Transferee Company and its nominees. Accordingly, the Transferor Company is a wholly owned subsidiary of the Transferee Company.

- 2.2 The Authored, Issued Subscribed and Paid up Share Capital of the Transferee Company as on 31st March 2014 is as under :

<u>AUTHORISED SHARE CAPITAL :</u>	<u>Amount (in Rs.)</u>
50,00,000 Redeemable Preference Shares of Rs. 100/- each	50,00,00,000/-
1,62,50,00,000 Equity Shares of Re.1/- each	1,62,50,00,000/-
Total	2,12,50,00,000/-

ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL:

17,57,85,996 Equity Shares of Re. 1/- each fully paid up Rs.17,57,85,996/-

Subsequent to the balance sheet date there is no change in the Capital Structure of the Transferor Company.

**PART-II**

**TRANSFER AND VESTING**

**3. TRANSFER OF UNDERTAKING**

The Undertaking shall be transferred to and vested in or be deemed to be transferred to and vested in the Transferee Company in the following manner:

- 3.1 With effect from the Appointed Date, the whole of the Undertaking of the Transferor Company comprising its businesses, all assets and liabilities of whatsoever nature and wheresoever situated, shall, under the provisions of Section 391 read with Section 394 and all other applicable provisions, if any, of the Act, without any further act or deed (save as provided in Sub-clauses (3.2), (3.3) and (3.4) below), be transferred to and vested in and or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become, as from the Appointed Date, the Undertaking of the Transferee Company 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.

However, the Transferee Company may, at any time, after the coming into effect of this Scheme in accordance hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of the secured creditors of the Transferor Company or in favour of any other party to the contract or arrangement to which the Transferor Company is a party or any writing, as may be necessary, in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of the Scheme be deemed to be authorized to execute any such writing on behalf of the Transferor Company as well as to implement and carry out all such formalities and compliances referred to above.

- 3.6 The transfer and vesting of the Undertaking of the Transferor Company as aforesaid shall be subject to the existing securities, charges and mortgages, if any subsisting, over or in respect of the property and assets or any part thereof of the Transferor Company.

Provided however that any reference in any security documents or arrangements (to which the Transferor Company is a party) pertaining to the assets of the Transferor Company offered, or agreed to be offered, as security for any financial assistance or obligations, shall be construed as reference only to the assets pertaining to the Undertaking of the Transferor Company as are vested in the Transferee Company by virtue of the aforesaid clauses, to the end and intent that, such security, charge and mortgage shall not extend or be deemed to extend to any of the assets of the Transferee Company.

Provided further that the securities, charges and mortgages (if any subsisting) over and in respect of the assets or any part thereof of the Transferee Company shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges or mortgages to the end and intent that such securities, charges and mortgages shall not extend or be deemed to extend, to any of the assets of the Transferor Company vested in the Transferee Company.

Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Company which shall vest in the Transferee Company by virtue of the

amalgamation of the Transferor Company with the Transferee Company and the Transferee Company shall not be obliged to create any further or additional security therefore, after the amalgamation has become operative.

- 3.7 In so far as the various incentives, subsidies, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person and availed of by the Transferor Company are concerned, the same shall vest with, and be available to the Transferee Company on the same terms and conditions.
- 3.8 Loans or other obligations, if any, due between the Transferor Company and the Transferee Company shall stand discharged and there shall be no liability in that behalf. In so far as any shares, securities, debentures or notes issued by the Transferor Company, and held by the Transferee Company, the same shall stand cancelled as on the Effective Date, and shall have no effect and the Transferor Company, shall have no further obligation outstanding in that behalf.
- 3.9 Where any of the liabilities and obligations / assets attributed to the Transferor Company on the “Appointed Date” has been discharged / sold by the Transferor Company after the “Appointed Date” and prior to the “Effective Date” subject to clause 9.3 of this scheme, such discharge / sale shall be deemed to have been for and on behalf of the Transferee Company.
- 3.10 From the “Effective Date” and till such time that the names of the respective bank accounts of the Transferor Company is replaced with that of the name of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company, in its name, in so far as may be necessary, as if the said accounts were opened in the name of the Transferor Company.

#### **4. BENEFITS OF AMALGAMATION**

- 4.1 The Transferor Company and the Transferee Company are engaged in the similar line of business. The resources available with both the companies could be pooled together and the Transferee Company will be able to effectively utilise the same for the benefit of the Transferee company on a larger scale.
- 4.2 By the amalgamation, the operational costs ,will be reduced and the management will be able to operate and run the Transferee Company and the Transferor Company as a single unit more effectively and economically resulting in better turnover and profits.
- 4.3 It will make available to the Undertaking of the Transferor Company, the benefit of financial resources, and managerial, technical and marketing expertise of the Transferee Company.
- 4.4 The amalgamation would bring in greater economies in scale of operations and win help in reducing expenditure considerably.
- 4.5 The amalgamation will be conducive to better and more efficient and economic control and conduct of the business of the Transferee Company.
- 4.6 There will be operational synergy in terms of procurement benefits, common license, and reduction of administration work etc., for the Transferee Company.
- 4.7 The Transferee Company will have the benefit of the combined reserves, assets, man-power and cash flows of both the companies.
- 4.8 With the enhanced capabilities and resources at its disposal, the Transferee Company will have greater flexibility to market and meet consumer needs more effectively.
- 4.9 A larger growing company will mean enhanced financial and growth prospects for the people and organizations connected with the company and will be in public interest.

## **5. LEGAL PROCEEDINGS**

- 5.1 All suits, actions and proceedings of whatsoever nature by or against the Transferor Company on the Appointed Date shall be transferred to the name of the Transferee Company and the same shall be continued and enforced by or against the Transferee Company, to the exclusion of the Transferor Company, as the case may be.
- 5.2 If proceedings are taken against the Transferor Company, in respect of matters referred to above, it shall defend the same in accordance with the advice of, and at the cost of, the Transferee Company, as the case may be from Appointed Date till Effective Date.

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

- 6.1 Subject to the other provisions contained in the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature to which the Transferor Company is a party subsisting or having effect immediately before this arrangement under this Scheme, shall be, in full force and effect, against or in favour of the Transferee Company, and may be enforced as fully and as effectively as if instead of the Transferor Company, the Transferee Company had been a party thereto. The Transferee Company shall enter into and / or issue and / or execute deeds, writings or confirmations or enter into any tripartite arrangement, confirmations or novations to which the Transferor Company as the case may be will, if necessary, also be party in order to give formal effect to the provisions of this clause, if so required or become necessary.
- 6.2 As a consequence of the amalgamation of the Transferor Company with the Transferee Company in accordance with this Scheme, the recording of change in name from the Transferor Company, as the case may be, to the Transferee Company, whether for the purposes of any licence, permit, approval or any other reason, or whether for the purposes of any transfer, registration, mutation or any other reason, shall be carried out by the concerned statutory or regulatory or any other authority without the requirement of payment of any transfer or registration fee or any other charge or imposition whatsoever.
- 6.3 The Transferee Company may, at any time, after the coming into the 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 the Scheme be deemed to be authorized to execute any such writings on behalf of the Transferor Company, implement or carry out all such formalities or compliances referred to above on the part of the Transferor Company, as the case may be, to be carried out or performed.
- 6.4 For the removal of doubts, it is expressly made clear that the dissolution of the Transferor Company without the process of winding up as contemplated hereinafter, shall not, except to the extent set out in the Scheme, affect the previous operation of any contract, agreement, deed or any instrument or beneficial interest to which the Transferor Company is a party thereto and shall not affect any right, privilege, obligations or liability, acquired, or deemed to be acquired prior to Appointed Date and all such references in such agreements, contracts and instruments to the Transferor Company shall be construed as reference only to the Transferee Company with effect from the Appointed Date.

## **7. EMPLOYEES**

- 7.1 All the executives, staff, workmen; and other employees in the service of the Transferor Company, immediately before the Effective Date, under this Scheme shall become the executives, staff, workmen, and other employees of the Transferee Company, on the basis that:

- (a) Their services shall have been continuous and shall not have been interrupted by reason of such transfer as if such transfer is effected under Section 25 FF of the Industrial Disputes Act, 1947;
- (b) The terms and conditions of service applicable to the said staff, workmen, and other employees after such transfer shall not in any way be less favourable to them than those applicable to them immediately before the transfer;
- (c) In the event of retrenchment of such staff, workmen, or other employees, the Transferee Company shall be liable to pay compensation in accordance with law on the basis that the services of the staff, workmen, or other employees shall have been continuous and shall not have been interrupted by reason of such transfer; and
- (d) In so far as the existing provident fund trusts, gratuity fund and pension and / or superannuation fund trusts created by the Transferor Company for their employees are concerned, the part of the funds referable to the employees who are being transferred shall be continued for the benefit of the employees who are being transferred to the Transferee Company pursuant to the Scheme in the manner provided hereinafter. In the event that the Transferee Company has its own funds in respect of any of the funds referred to above, the amounts in such funds in respect of contributions pertaining to the employees of the Transferor Company, shall, subject to the necessary approvals and permissions, be transferred to the relevant funds of the Transferee Company. In the event that the Transferee Company does not have its own fund, in respect of any of the aforesaid matters, the Transferee Company may, subject to necessary approvals and permissions; continue to contribute to the relevant funds of the Transferor Company, as the case may be, until such time that the Transferee Company creates its own fund, at which time the contributions pertaining to the employees of the Transferor Company shall be transferred to the funds created by the Transferee Company.

## **8. SAVING OF CONCLUDED TRANSACTIONS**

- 8.1 The transfer of Undertaking under Clause 3 above, the continuance of proceedings by or against the Transferee Company under Clause 5 above and the effectiveness of contracts and deeds under Clause 6 above shall not affect any transaction or proceedings or contracts or deeds already concluded by the Transferor Company on or before the Appointed Date and after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of itself.

## **9. CONDUCT OF BUSINESS OF THB TRANSFEROR COMPANY TILL EFFECTIVE DATE**

With effect from the Appointed Date and up to and including the Effective Date:

- 9.1 The Transferor Company shall carry on, and be deemed to have been carrying on, all business activities and shall be deemed to have been held for and on account of, and in trust for, the Transferee Company.
- 9.2 All profits or income or income tax accruing or arising to the Transferor Company, or losses arising Of expenditure incurred by them, on and from Appointed Date upto the Effective Date, shall for all purposes be treated as, and be deemed to be treated as, the profits or income or losses or expenditure or income tax of the Transferee Company.
- 9.3 The Transferor Company shall carry on their business activities with proper prudence and diligence and shall not, without prior written consent of the Transferee Company, alienate, charge or otherwise deal with or dispose off any part of the undertaking (except in the ordinary course of business or pursuant to any pre-existing obligations undertaken by the Transferor Company prior to the Appointed Date).

- 9.4 The Transferor Company shall continue to comply with the provisions of the Act including those relating to preparation, presentation, circulation and filing of accounts as and when they become due for compliance.
- 9.5 The Transferor Company shall not declare any dividend, between the Appointed Date and the Effective Date, without the prior written consent of the Transferee Company.
- 9.6 The Transferor Company shall not make any modification to their capital structure, either by an increase (by issue of rights shares, bonus shares, convertible debentures or otherwise), decrease, reclassify, subdivide or reorganize or in any other manner, whatsoever, except by mutual consent of the Board of Directors of the Transferor Company and of the Transferee Company.
- 9.7 The Transferor Company shall not vary, except in the ordinary course of business, the terms and conditions of the employment of their employees without the consent of the Board of Directors of the Transferee Company.

## **10. CONSIDERATION**

The Transferor Company is a wholly owned subsidiary of the Transferee Company. Upon the Scheme becoming effective, the shares held by the Transferee Company and its nominees in the Transferor Company shall be cancelled and extinguished and no share shall be issued by the Transferee Company in consideration for this scheme of amalgamation.

## **11. AUTHORIZED SHARE CAPITAL**

- 11.1 Upon the Scheme becoming effective, the authorized share capital of the Transferor Company shall stand combined with the authorized share capital of the Transferee Company. Filing fees and stamp duty, if any, paid by the Transferor Company on its authorized share capital, shall be deemed to have been so paid by the Transferee Company on the combined authorized Share capital and accordingly, the Transferee Company shall not be required to pay any fee/stamp duty for its increased authorized share capital.
- 11.2 'Clause V' of the Memorandum of Association of the Transferee Company shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 94 to 97 of the Companies Act, 1956 (corresponding to Section 61, 64 of the Companies Act, 2013, which is effective in place of the erstwhile Sections 94, 97 which stands repealed) and other applicable provisions of the Act by deleting the existing Clause and replacing it by the following:

“The Authorized Share Capital of the company is Rs.262,50,00,000 (Rupees Two Hundred and Sixty Two Crores and Fifty Lakh Only) divided into 212,50,00,000 (Two Hundred Twelve Crores and Fifty Lakh Only) Equity shares of Re. 1/- each and 50,00,000 (Fifty Lakhs) Redeemed Preference Shares of Rs. 100/- each and, with the rights, privileges and conditions attaching thereto as are provided by the regulations of the Company for the time being, with power to increase and reduce the Capital of the Company and to divide the shares in the Capital for the time being into several classes and to attach thereto respectively such preferential rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company”.

## **12. ACCOUNTING TREATMENT**

- 12.1 The amalgamation being “amalgamation in the nature of merger” as defined in the Accounting Standard 14, Accounting for Amalgamations (AS 14) shall be accounted for under the pooling of interest method in accordance with the said AS 14. Further the Board of Directors of the transferee company is authorized to account for this amalgamation in a manner as may be deemed fit, in accordance with the

Accounting Standards as notified under Section 211 (3C) of the Companies Act, 1956 (corresponding to Section 133 of the Companies Act, 2013, which is effective in place of the erstwhile Section 211 (3C) which stands repealed) issued by the Institute of Chartered Accountants of India and Generally Accepted Accounting Principles in India

- 12.2 The Transferee Company shall, upon the Scheme coming into effect, record the assets and liabilities of the Transferor Company vested in it pursuant to this Scheme at their respective book values.
- 12.3 The Debit balance in Profit and Loss Account of the Transferor Company as per the audited accounts as at the close of business of the day immediately preceding the Appointed Date i.e. 31st March 2014 shall be adjusted against the General Reserves of the transferee Company on amalgamation. The difference between amount recorded as Investments in transferor company in the books of transferee company and the amount of share capital and share premium of the transferor company including investments made after the appointed date but before the approval of the scheme by the Board of Directors of the Transferee Company shall be adjusted against the General reserve of the Transferee company on amalgamation.
- 12.4 To the extent there are inter-corporate loans or balances between the Transferor Company and the Transferee Company, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of accounts and records of the Transferee Company for the reduction of any assets or liabilities, as the case may be.

### **13. TREATMENT OF TAXES**

- 13.1 Any tax liabilities under the Income Tax Act, 1961, Wealth Tax Act, 1957, Customs Act, 1962, Central Excise Act, 1944, Maharashtra Value Added Tax Act, 2002, Central Sales Tax Act, 1956, any other state Sales Tax / Value Added Tax laws, Service Tax, stamp laws or other applicable laws / regulations (hereinafter in this Clause referred to as “Tax Laws”) dealing with taxes / duties / levies allocable or related to the business of the Transferor Company to the extent not provided for or covered by tax provision in the Accounts made as on the date immediately preceding the Appointed Date shall be transferred to Transferee Company.
- 13.2 All taxes (including income tax, wealth tax, sales tax, excise duty, customs duty, service tax, VAT, etc.) paid or payable by the Transferor Company in respect of the operations and/ or the profits of the business on and from the Appointed Date, shall be on account of the Transferee Company and, in so far as it relates to the tax payment (including without limitation income tax, wealth tax, sales tax, excise duty, customs duty, service tax, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the business on and from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company, and, shall, in all proceedings, be dealt with accordingly,
- 13.3 Any refund under the Tax Laws due to Transferor Company consequent to the assessments made on Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.
- 13.4 Without prejudice to the generality of the above, all benefits including under the income tax, sales tax, excise duty, customs duty, service tax, VAT, etc., to which the Amalgamating Company is entitled to in terms of the applicable Tax Laws of the Union and State Governments, shall be available to and vest in the Amalgamated Company.
- 13.5 The Amalgamation as contemplated in this Scheme would be completed in a manner so as to comply with the conditions relating to ‘amalgamation’ as specified 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 at the 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.

#### **14. TREATMENT OF TAXES**

- 14.1 Any tax liabilities under the Income Tax Act, 1961, Wealth Tax Act, 1957, Customs Act, 1962, Central Excise Act, 1944, Maharashtra Value Added Tax Act, 2002, Central Sales Tax Act, 1956, any other state Sales Tax / Value Added Tax laws, Service Tax, stamp laws or other applicable laws / regulations (hereinafter in this Clause referred to as “Tax Laws”) dealing with taxes/ duties/levies allocable or related to the business of the Amalgamating Company to the extent not provided for or covered by tax provision in the Accounts made as on the date immediately preceding the Appointed Date shall be transferred to Amalgamated Company.
- 14.2 All taxes (including income tax, wealth tax, sales tax, excise duty, customs duty, service tax, VAT, etc.) paid or payable by the Amalgamating Company in respect of the operations and/or the profits of the business on and from the Appointed Date, shall be on account of the Amalgamated Company and, in so far as it relates to the tax payment (including without limitation income tax, wealth tax, sales tax, excise duty, customs duty, service tax, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Amalgamating Company in respect of the profit or activities or operation of the business on and from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Amalgamated Company, and, shall, in all proceedings, be dealt with accordingly.
- 14.3 Any refund under the Tax Laws due to Amalgamating Company consequent to the assessments made on Amalgamating Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Amalgamated Company.
- 14.4 Without prejudice to the generality of the above, all benefits including under the income tax, sales tax, excise duty, customs duty, service tax, VAT, etc., to which the Amalgamating Company is entitled to in terms of the applicable tax laws of the Union and State Governments, shall be available to and vest in the Amalgamated Company.
- 14.5 The Amalgamation as contemplated in this Scheme would be completed in a manner so as to comply with the conditions relating to ‘amalgamation’ as specified 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 at the 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(1 B) of the Income Tax Act, 1961. Such modification will however not affect the other parts of the Scheme.

### **PART-III**

#### **GENERAL TERMS AND CONDITIONS APPLICABLE TO THE TRANSFEROR COMPANY AND THE TRANSFEREE COMPANY**

#### **15. APPLICATION TO COURT**

- 15.1 The Transferor Company shall, with reasonable dispatch, apply to the Court for necessary orders or directions for holding meetings of the members or creditors of the Transferor Company for sanctioning this Scheme of Amalgamation under Section 391 of the Act or for dispensing the holding of such meeting and orders under Section 394 of the Act, for carrying this Scheme into effect and for dissolution of the Transferor Company without winding up. Since the Transferor Company is a wholly

owned subsidiary of the Transferee Company, there is no need for filing application/petition by the Transferee Company for sanctioning the Scheme of Amalgamation.

## **16. DISSOLUTION OF TRANSFEROR COMPANY**

- 16.1 Subject to an order being made by the Court under Section 394 of the Act, the Transferor Company shall be dissolved without the process of winding up on the Scheme becoming effective in accordance with the provisions of the Act and the Rules made thereunder.

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

- 17.1 Subject to approval of High court, the Transferor Company and the Transferee Company through their respective Board of Directors including Committee of Directors or other persons, duly authorized by the respective Boards in this regard, may make or assent to any alteration or modification to this Scheme or to any conditions or limitations, which the Court or any other Competent Authority may deem fit to direct, approve or impose and may give such directions including an order of dissolution of the Transferor Company without process of winding up as they may consider necessary, to settle any doubt, question or difficulty, arising under the Scheme or in regard to its implementation or in any manner connected therewith and to do and to execute all such acts, deeds, matters and things necessary for putting this Scheme into effect, or to review the portion relating to the satisfaction of the conditions to this Scheme and if necessary, to waive any of those (to the extent permitted under law) for bringing this Scheme into effect.
- 17.2 If any part or provision of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Transferor Company and the Transferee Company, affect the validity of implementation of the other parts and/or provisions of the Scheme.

## **18. DATE OF TAKING EFFECT**

- 18.1 The Scheme set out herein in its present form or with any modification(s) or amendment(s) approved, imposed or directed by the Court shall be effective from the Effective Date but shall be operative from the Appointed Date.

## **19. SCHEME CONDITIONAL ON APPROVALS / SANCTIONS**

This Scheme is conditional on and subject to -

- 19.1 The sanction or approval under any law of the Central Government, State Government, or any other agency, department or authorities concerned being obtained and granted in respect of any of the matters in respect of which such sanction or approval is required.
- 19.2 The approval of and agreement to the scheme by the requisite majority of such classes of persons of the Transferor Company as may be directed by the Court on the applications made for directions under Section 391 of the Act for calling meetings or for dispensing with their holding.
- 19.3 The sanction by the Court under Sections 391 and 394 and other applicable provisions of the Act being obtained by the Transferor Company.
- 19.4 Filing with the respective Registrar of Companies the certified copy of order, sanctioning the Scheme by the Transferor Company and the Transferee Company.

## **20. EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS**

- 20.1 In the event of the Scheme not being sanctioned by the Court and / or the order or orders not being passed as aforesaid before 31st December 2015 or within such further period or periods as may be agreed upon between the Transferor and Transferee Companies who are hereby empowered and

authorized, to agree to and extend the aforesaid period from time to time without any limitations in exercise of their powers through and by respective Board of Directors, the Scheme shall become fully null and void and in that event no rights and liabilities shall accrue to or be inter-se by the parties in terms of the Scheme.

## **21. EXPENSES CONNECTED WITH THE SCHEME**

All costs, charges, levies, fees, duties and expenses in relation to or in connection with the Scheme shall be borne and paid by the Transferee Company.



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**SCHEME OF AMALGAMATION OF  
PARRYS SUGAR INDUSTRIES LIMITED  
WITH  
E.I.D.- PARRY (INDIA) LIMITED**

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**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL  
DIVISION BENCH, CHENNAI**

Argument heard on 17.04.2017

Order passed on 21.04.2017

**TP (HC)/CAA/134/2017  
[Connected with CA No. 928 of 2016]**

**Under Sections 391 to 394 of the Companies Act, 1956 and the Corresponding  
Sections 230 to 232 of the Companies Act, 2013**

**In the matter of Scheme of Amalgamation of**

M/s Parrys sugar Industries Limited  
(Transferor Company)

**With**

M/s E.I.D. Parry (India) Limited  
(Transferee Company)

Represented by: Senior Counsel P. H. Arvinth Pandian

**CORAM**

**ANANTHA PADMANABHA SWAMY AND CH. MOHD SHARIEF TARIQ**

**MEMBERS (JUDICIAL)**

**ORDER**

**CH. MOHD SHARIEF TARIQ, MEMBER (JUDICIAL): ORAL**

1. Under consideration is a Company Application No. 928 of 2016 which has been transferred from the Hon'ble High Court of Madras to this Tribunal and renumbered as TP(HC)/CAA/134/2017. The Petitioner/Transferee Company has prayed for the sanction to the Scheme of Amalgamation (hereinafter referred to as '**Scheme**') by virtue of which M/s Parrys sugar Industries Limited (hereinafter referred as '**Transferor Company**') is proposed to be amalgamated **with** M/s E.I.D. Parry (India) Limited (hereinafter referred as '**Petitioner/Transferee Company**') as a going concern, having registered office at Dare House, Parrys Corner, Chennai-600001.
2. At the outset, it is necessary to know the details of the scheme which needs determination. The Board of Directors of the Transferor Company and the Transferee Company have approved the said Scheme of Amalgamation in their board meetings held on 10<sup>th</sup> May, 2016. The Hon'ble Madras High Court in CA No. 928/2016 vide its order dated 18.10.2016 directed for convening the meeting of the equity shareholders of the Transferee Company which was complied with by the Transferee Company.
3. Learned Counsel for the Petitioner Company, Mr. Arvinth Pandian submits that the Transferee Company is engaged to carry on the business as manufacturers, importers, exporters, agents, suppliers and dealers in sugar, sweets, condiments, pickles, seeds etc. and all kinds and forms of organic chemicals, heavy chemicals, graphite carbon or any other articles or things of a similar characters. The main objects of both the companies are common and the rational of the said Scheme is that the amalgamation would result in more efficient utilisation of capital, superior deployment of brand promotion, sales and distribution strategies, creating a consolidated and diversified base for future growth with a wider presence in the sugar segment. Also, both the companies would have the advantage of cost savings and greater efficiency in cash management. The learned counsel further submits that no investigation proceedings are pending against the Petitioner Companies under section 235 to 251 or any other provisions of the Companies Act, 1956 or corresponding provisions of the

Companies Act, 2013.

4. To dispose of this petition as per the provisions of the Companies Act, 2013, the notices were issued to the statutory authorities as per the procedure prescribed. However, there were no objection to the scheme under reference.
5. The Regional Director, Southern Region in its report affidavit dated 29.03.2017 submitted that the Transferee Company is regular in filing its statutory returns and no investigation is pending against the company and the petition may be disposed of on merits. However, The RD has prayed that the Clause 14.3 the said Scheme provides that clause 4(1) of articles of association of the Transferee Company will be amended as provided under section 94 and 394 of the Companies Act, 1956, therefore the Transferee Company may be directed to file the amended articles of association with RoC, Chennai for his records and petition may be disposed of on merits.
6. With regard to the observation made by the RD in above Para, the counsel submitted that the Petitioner Company undertakes to comply with the same. The NSE and BSE through their Observation Letters dated 11.08.2016 have conveyed their 'No Objection' in terms of regulation 94 of SEBI (LODR) Regulations, 2015.
7. It is pertinent to mention herein that SSPA & Co. Mumbai, Chartered Accountants, the valuers appointed by the management of both the companies to carry out the relative valuation of equity shares have opined that the fair ratio of exchange should be 2 equity shares of the EID India Limited of INR 1 each fully paid up for every 13 equity shares of PSIL of INR 10 each fully paid up.
8. Further perusal of the scheme shows that the accounting treatment seems to be in conformity with the established accounting standards. In short, there is no apprehension that any creditors would lose or be prejudiced if the proposed scheme is sanctioned. The said Scheme of amalgamation will not cost any additional burden on the stakeholders and also will not prejudicially affect the interests of any class of the creditors in any manner. The Appointed date of the said Scheme is 1<sup>st</sup> April, 2016.
9. We do not feel that any modification is required in the said Scheme of amalgamation as the same appears to be fair and reasonable, not contrary to public policy and also not violative of any provisions of law. All the statutory compliances have been made. Taking into consideration all the above, the Company Petition is allowed and the scheme of amalgamation annexed with the petition is hereby sanctioned which shall be binding on the Transferor Company, the Transferee Company and all creditors. However, this order shall be subject to the order that may have been passed on the petition of the Transferor Company by the Hon'ble NCLT, Bengaluru Bench having jurisdiction to sanction the said scheme.
10. While approving the scheme as above, we further clarify that this order will not be construed as an order granting exemption from payment of stamp duty or taxes or any other charges, if payable, as per the relevant provisions of law or from any applicable permissions that may have to be obtained or, even compliances that may have to be made as per the mandate of law.
11. The Company to the said Scheme or other person interested, shall be at liberty to apply to this Bench for any direction that may be necessary with regard to the working of the said Scheme.
12. The Company do file with the Registrar of Companies the certified copy of this Order alongwith the amended Articles of Association within 30 days of the receipt of the order.
13. The Order of sanction to this Scheme shall be prepared by the Registry as per the format provided under the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 as has been notified on 14<sup>th</sup> December, 2016.

**(ANANTHA PADMANABHA SWAMY)**  
**MEMBER (JUDICIAL)**

**(CH. MOHD. SHARIEF TA,RIQ)**  
**MEMBER (JUDICIAL)**



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**SCHEME  
OF  
AMALGAMATION  
OF  
PARRYS SUGAR INDUSTRIES LIMITED  
WITH  
E.I.D. -PARRY (INDIA) LIMITED  
AND THEIR RESPECTIVE SHAREHOLDERS**

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**SCHEME OF AMALGAMATION OF  
PARRYS SUGAR INDUSTRIES LIMITED  
WITH  
E.I.D PARRY (INDIA) LIMITED  
AND THEIR RESPECTIVE SHAREHOLDERS  
(Under sections 391 to 394 of the Companies Act, 1956)**

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**PREAMBLE**

This Scheme of Amalgamation is to provide for the Amalgamation of Parrys Sugar Industries Limited (Transferor Company) with E.I.D.- PARRY (INDIA) LIMITED (Transferee Company) and their respective shareholders. The Scheme is made pursuant to the provisions of section 391 to 394 and other relevant provisions of the Companies Act, 1956.

**I. BACKGROUND**

- a) The Transferee Company is a well established company engaged in the business of manufacture and marketing of various types of sugar in the branded form having several integrated manufacturing facilities with distilleries and regeneration of Power located in Karnataka, Andhra Pradesh, Tamilnadu and Puducherry. The Company also manufactures and markets various forms of Bio-Pesticides and Nutraceutical products. The Transferee Company also has interests in various other segments of business like sugar refinery, fertilizer, insecticides etc. through its subsidiaries. The equity shares of the Transferee Company are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited.
- b) The Transferor Company is a company engaged in the business of manufacture and marketing of sugar having its manufacturing facilities with cogeneration of Power located in Ramdurg, Karnataka. The equity shares of the Transferor Company are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited.
- c) The Transferor Company is a subsidiary of the Transferee Company. The Transferee Company presently holds 1,29,75,110 Equity Shares constituting 65% of the total Issued, Subscribed and Paid up Equity Share Capital and 100% of the Preference Share Capital of the Transferor Company.

**II. RATIONALE**

The amalgamation of the Transferor Company with the Transferee Company would *inter alia* have the following benefits:

- a) The consolidation of operations of the Transferor Company and the Transferee Company by way of amalgamation will lead to a more efficient utilization of capital, superior deployment of brand promotion, sales and distribution strategies and create a consolidated and diversified base for future growth of the amalgamated entity with a wider presence in the sugar segment. The amalgamation would facilitate greater cohesiveness to gain market share through core market competencies which are hallmarks of the Transferee Company with increased brand and customer recognition. The amalgamation will result in administrative and operational rationalization and promote organizational efficiencies. It will prevent cost duplication that can erode financial efficiencies of the holding structure and the resultant operations will be more cost-efficient with the achievement of greater economies of scale, reduction in overheads and improvement in various other operating parameters.
- b) The amalgamation would result in greater integration and greater financial strength and flexibility for the amalgamated entity, which would result in maximising overall shareholder value, and will improve the competitive position of the combined entity.

- c) The amalgamation would result in greater efficiency in cash management of the amalgamated entity, and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund growth opportunities, to maximize shareholder value.
- d) The amalgamation would result in benefit of operational synergies to the combined entity in areas such as cane sourcing, harvesting and transportation, utilization of the molasses generated by the Transferee Company, product pricing and logistics in various areas, which can be put to the best advantage of the stakeholders.
- e) The amalgamation would result in greater leverage in operations, planning and process optimization and enhanced flexibility in product sale, transfer of resources etc. Cost savings are expected to flow from more focused operational efforts, rationalization, standardisation and simplification of business processes, productivity improvements, improved procurement, and the elimination of duplication, and rationalization of administrative expenses.
- f) The said amalgamation fits into the portfolio, growth and business strategies of the Transferee Company since the Transferor Company already have sugar manufacturing facilities in the state of Karnataka. As such there are various synergies between the businesses and operations of the Transferor Company and the Transferee Company.

In view of the aforesaid, the Board of Directors of the Transferor Company as well as the Board of Directors of the Transferee Company have considered and proposed the amalgamation of the entire undertaking and business of Transferor Company with Transferee Company in order to benefit the stakeholders of both companies. Accordingly, the Board of Directors of both the companies have formulated this Scheme of Amalgamation for the transfer and vesting of the entire undertaking and business of the Transferor Company with and into the Transferee Company pursuant to the provisions of Section 391 to Section 394 and other relevant provisions of the Companies Act, 1956.

### **III. Parts of the Scheme**

The Scheme is divided into following parts:

- (i) Part A - dealing with definitions of the terms used in this Scheme and sets out the share capital of the Transferor Company and the Transferee Company;
- (ii) Part B - dealing with the transfer and vesting of the undertaking of the Transferor Companies with the Transferee Company;
- (iii) Part C - dealing with the accounting treatment for the amalgamation in the books of the Transferee Company; and with the dissolution of the Transferor Company and the general terms and conditions applicable to this Scheme and other matters consequential and integrally connected thereto.

## **PART-A**

### **DEFINITIONS AND SHARE CAPITAL**

#### **1. DEFINITIONS**

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

- 1.1. **“Act”** means the Companies Act, 1956 or the Companies Act, 2013 as in force from time to time. As on the date of approval of this Scheme by the Boards of Directors of the Transferor Company and the Transferee Company, Sections 391 and 394 of the Companies Act, 1956 continue to be in force with the corresponding provisions of the Companies Act, 2013 not having been notified. Accordingly, references in this Scheme to particular provisions of the Act are references to particular provisions of the Companies Act, 1956. Upon such provisions standing re-enacted by enforcement of provisions of

the Companies Act, 2013, such references shall, unless a different intention appears, be construed as references to the provisions so re-enacted;

- 1.2. **“Appointed Date”** means April 1, 2016 or such other date as may be approved by the Hon’ble High Court of Karnataka at Bengaluru and the Hon’ble High Court of Judicature at Madras;
- 1.3. **“Assets”** shall have the meaning assigned to it in Clause 3.1 of this Scheme;
- 1.4. **“Board of Directors”** or **“Board”** means the board of directors of the Transferor Company or Transferee Company, as the case may be, and shall include a duly constituted committee thereof;
- 1.5. **“Effective Date”** means the last of the dates specified in Clause 17 of this Scheme. References in this Scheme to the date of “coming into effect of this Scheme” or “upon the Scheme becoming effective” or “upon the Scheme coming into effect” shall mean the Effective Date;
- 1.6. **“Equity Share(s)”** means equity shares of the Transferor Company or Transferee Company, as the case may be;
- 1.7. **“Record Date”** means the date to be fixed by the Board of Directors of the Transferee Company for the purpose of issue of new equity shares of the Transferee Company to the shareholders of the Transferor Company in terms of this Scheme;
- 1.8. **“Scheme”** or **“the Scheme”** or **“this Scheme”** or **“Scheme of Amalgamation”** means this scheme of amalgamation in its present form or with any modification(s) approved or directed by the Hon’ble High Court of Karnataka at Bengaluru and the Hon’ble High Court of Judicature at Madras pursuant to the provisions of Sections 391 to 394 of the Act;
- 1.9. **“Share Exchange Ratio”** shall have the meaning ascribed to it in Clause 11.1 of this Scheme;
- 1.10. **“Transferee Company”** means E.I.D.- Parry (India) Limited, a company incorporated under the provisions of the Companies Act, 1956 having its registered office at Dare House, Parrys Corner, Chennai-600001.
- 1.11. **“Transferor Company”** means Parrys Sugar Industries Limited, a company incorporated under the provisions of the Companies Act, 1956 having its registered office at Venus Building, 3<sup>rd</sup> Floor, 1/2 Kalyanamantapa Road, Jakkasandra, Koramangala, Bengaluru-560034;
- 1.12. **“Undertaking of the Transferor Company”** means and includes all the properties, Assets, rights and powers of the Transferor Company; and all the debts, liabilities, duties and obligations of the Transferor Company.
- 1.13. Word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed thereto.

## **2. CAPITAL STRUCTURE**

- 2.1. The authorized, issued, subscribed and paid up share capital of the Transferor Company as on 31.3.2016 is as under:

<b>Particulars</b>	<b>Amount (In Rs)</b>
<b>AUTHORIZED SHARE CAPITAL</b>	
2,19,00,000 Equity Shares of face value of Rs.10/- each	21,90,00,000/-
2,10,00,000 8% Redeemable Non Cumulative Preference Shares of face value of Rs.11/- each	23,10,00,000/-
13,00,00,000 8% Redeemable Cumulative Preference Shares of face value of Rs.10/- each	130,00,00,000/-
Total	175,00,00,000/-
<b>ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL</b>	
1,99,61,707 Equity Shares of Rs.10/- each fully paid up	19,96,17,070/-
23,26,420, 8% Redeemable Non Cumulative Preference Shares of Rs.11/- each	2,55,90,620/-
15000000 8% Redeemable Cumulative Preference shares of Rs.10/- each	15,00,00,000/-
30000000 8% Redeemable Cumulative Preference Shares of Rs.10/-each	30,00,00,000/-
13000000 8% Redeemable Cumulative Preference Shares of Rs.10/- each	13,00,00,000/-
35000000, 8% Redeemable Cumulative Preference Shares of Rs.10/- each	35,00,00,000/-
<b>TOTAL</b>	<b>115,52,07,690/-</b>

- 2.2. The authorized, issued, subscribed and paid up share capital of the Transferee Company as on 31.3.2016 is as under:

<b>AUTHORIZED SHARE CAPITAL</b>	<b>Amount (In Rs)</b>
2,12,50,00,000 Equity Shares of Re. 1/- each	212,50,00,000/-
50,00,000 Redeemable Preference Shares of Rs.100/- each	50,00,00,000/-
Total	262,50,00,000/-
<b>ISSUED SUBSCRIBED AND PAID UP SHARE CAPITAL</b>	<b>Amount (In Rs)</b>
17,58,14,884 Equity Shares of Re.1/- each	17,58,14,884/-

### **PART-B**

#### **TRANSFER AND VESTING OF UNDERTAKING OF THE TRANSFEROR COMPANY WITH THE TRANSFEE COMPANY**

## **3. AMALGAMATION OF TRANSFEROR COMPANY**

- 3.1. Upon the coming into effect of this Scheme and with effect from the Appointed Date, the whole of the Undertaking of the Transferor Company, including all properties, whether movable or immovable, freehold or leasehold, (the leasehold sugar plant at Ramdurg), real or personal, corporal or incorporeal, material or intellectual, present, future or contingent, including but without being limited to all

assets, lands, buildings, plant and machinery, furniture and fittings, other fixed assets, current assets, receivables (whether in Indian Rupee or foreign currency), credits, investments, reserves, provisions, funds, and all utilities including electricity, telephones, facsimile connections, installations and utilities, benefits or agreements and arrangements, powers, authorities, allotments, approvals, authorizations, tenancies in relation to the offices and/or residential properties for the employees or other persons, guest houses, godowns, warehouses, trade and service names and marks, patents, copyrights and other intellectual property rights of any nature whatsoever, registrations, consents, privileges, liberties, and all the rights, title, interest, benefits, licenses (industrial or otherwise), municipal permissions, registrations, incentives, rebates, benefits and concessions to which the Transferor Company is entitled to in terms of the various statutes and/ or schemes of the Union and State Governments including under the Essential Commodities Act, Sugarcane Control Order 1966, Sugar Development Fund Act, 1982, Excise Act, Sales Tax Act and Wealth Tax Act and benefit of carry forward and set off of accumulated loss, allowance of unabsorbed depreciation, minimum alternate tax credit entitlement, sale tax benefit concessions and other benefits and credits to which the Transferor Company is entitled under Income-tax Act and advantages of whatsoever nature and wheresoever situated belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company (hereinafter referred to as “Assets”) and all secured and unsecured debts (whether undertaken in Indian Rupee or foreign currency) outstandings, liabilities (including contingent liabilities), duties and obligations shall be transferred to and vest in the Transferee Company so as to become on and from the Appointed Date the undertaking of the Transferee Company without any further act, instrument or deed.

- 3.2. Notwithstanding what is stated in Clause 3.1 above, it is expressly provided that such of the Assets of the Transferor Company as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, shall be so transferred by the Transferor Company to the Transferee Company without requiring any deed or instrument of conveyance for the same and shall become the property of the Transferee Company to the end and intent that the ownership and property therein passes to the Transferee Company on such handing over. In terms of this Scheme such transfer shall be effective from the Appointed Date.
- 3.3. In respect of such of the Assets belonging to the Transferor Company other than those referred to in sub-clause 3.1 above, the same shall, without any further act, instrument or deed, be transferred to and stand vested in and / or *be* deemed to be transferred to and vested in the Transferee Company pursuant to the provisions of section 394(2) of the Act.
- 3.4. In relation to those Assets belonging to the Transferor Company, which require separate documents of transfer, if any, the parties will execute the necessary documents, if and when required.
- 3.5. The transfer and vesting of all the Assets of the Transferor Company, 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 the Transferor Company or part thereof on or over which they are subsisting on transfer to and vesting of such Assets in the Transferee Company and no such charges, mortgages, and/or encumbrances shall be enlarged or extend over or apply to any other asset(s) of the Transferee Company. Any reference in any security “documents or arrangements (to which the Transferor Company is a party) to any Assets of the Transferor Company 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 the Transferee Company and the Transferee Company shall not be obliged to create any further or additional security. Similarly, the Transferee Company shall not be required to create any additional security over Assets of the Transferor Company vested in the Transferee Company 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 the Transferor Company, as the case may be, vested in the Transferee Company under this Scheme.

- 3.6. Upon the coming into effect of this Scheme and on and from the Appointed Date, all debts, liabilities, duties and obligations of every kind, nature and description of the Transferor Company shall also be transferred to and be deemed to stand transferred to the Transferee Company without any further act, instrument or deed so as to become the debts, liabilities, duties and obligations of the Transferee Company pursuant to the provisions of section 394(2) of the Act. In respect of the debts, liabilities, duties and obligations of the Transferor Company, it is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen (though the Transferee Company may, if it deems appropriate, give notice to the creditors that the debts stand transferred to and assumed by the Transferee Company).
- 3.7. For the removal of doubts, it is clarified that to the extent that there are intercompany loans, deposits, obligations, balances or other outstandings as between the Transferor Company and the Transferee Company, the obligations in respect thereof shall come to an end and there shall be no liability in that behalf and corresponding effect shall be given in the books of account and records of the Transferee Company and there would be no accrual of interest or any other charges in respect of such inter-company loans, deposits or balances, with effect from the Appointed Date.
- 3.8. The Transferee Company may at any time after the coming into effect of the Scheme, if so required under the provisions of any law for the time being in force or otherwise at its discretion, execute deeds of confirmation, in favour of secured creditors of the Transferor Company or in favour of any other party as directed by the Transferor Company with regard to any contract or arrangement to which the Transferor Company is a party or any other writings that may be necessary to give formal effect to the above provisions. The Transferee Company shall under the provisions of the Scheme be deemed to be authorized to execute any such confirmation in writing on behalf of the Transferor Company and to implement or carry out all such formalities or compliance referred to above on behalf of the Transferor Company.
- 3.9. The provisions of this Scheme as they relate to the amalgamation of the Transferor Company with the Transferee Company, 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 deemed 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.

#### **4. LEGAL PROCEEDINGS**

If any suits, actions and proceedings of whatsoever nature (hereinafter referred to as the “Proceedings”) by or against the Transferor Company are pending on the Effective Date, the same shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company with the Transferee Company or anything contained in the Scheme, but the Proceedings may be continued and enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as the same would or might have been continued and enforced by or against the Transferor Company, in the absence of the Scheme.

#### **5. CONTRACTS AND DEEDS**

- 5.1. All contracts, deeds, bonds, agreements, arrangements, incentives, licenses, permits, consents, registrations, engagements, sales tax deferrals and benefits exemptions, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges and other instruments of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which have not lapsed and are subsisting on the Effective Date, shall remain in full force and effect against or in favour of the Transferee Company as the case

may be, and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee or obligor thereto.

- 5.2. The Transferee Company shall, if and to the extent required by law, enter into and/or issue and/or execute deeds, writings or confirmations, to give formal effect to the provisions of this Clause and to the extent that the Transferor Company is required prior to the Effective Date to join in such deeds, writings or confirmations, the Transferee Company shall be entitled to act for and on behalf of and in the name of the Transferor Company.

## **6. SAVING OF CONCLUDED TRANSACTIONS**

- 6.1. The transfer of the Assets and Liabilities of the Transferor Company under Clause 3 above, the continuance of the Proceedings under Clause 4 above and the effectiveness of contracts, deeds, permits and consents under Clause 5 above, shall not affect any transaction or the Proceedings already concluded by the Transferor Company on or before the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto, as if done and executed on its behalf.

## **7. EMPLOYEES**

- 7.1. All the employees of the Transferor Company in service on the Effective Date shall, on and from the Effective Date, become the employees of the Transferee Company on the same terms and conditions on which they were employed on the Effective Date without treating it as a break, discontinuance or interruption in service on the said date. Accordingly the services of such employees for the purpose of the said Funds (as defined herein) or other statutory purposes and for all purposes will be reckoned from the date of their respective appointments with the Transferor Company.
- 7.2. With regard to provident fund and gratuity fund or any other special funds or schemes created or existing for the benefit of such employees of the Transferor Company (hereinafter referred to as the "said Funds"), upon the Scheme becoming effective, Transferee Company shall stand substituted for the Transferor Company in relation to the obligations to make contributions to the said Funds in accordance with the provisions thereof in the respective trust deeds or other documents. It is the aim and intent of the Scheme that all the rights, duties, powers and obligations of the Transferor Company in relation to the said Funds shall become those of the Transferee Company. The dues of the employees of the Transferor Company relating to the said Funds shall be continued to be deposited therein accordingly.

## **PART - C**

### **GENERAL TERMS AND CONDITIONS APPLICABLE TO THE TRANSFEROR COMPANY AND THE TRANSFEE COMPANY**

## **8. ACCOUNTING TREATMENT**

- 8.1. The amalgamation shall be accounted for in the books of account of the Transferee Company according to the "Pooling of Interests Method" of accounting as per the Accounting Standard (AS) 14, 'Accounting for Amalgamations' issued by the Institute of Chartered Accountants of India or as per Ind AS 103, 'Business Combinations' notified under section 133 of the Companies Act, 2013.
- 8.2. On and from the Appointed Date and subject to the provisions hereof, all assets, liabilities and reserves, of the Transferor Company, shall be recorded in the books of account of the Transferee Company at their existing carrying amounts and in the same form, including the debit balance in Profit and Loss Account of the Transferor Company as debit balance in Profit and Loss Account of the Transferee Company. Any excess/deficit amount after such transfer, issue of new Equity Shares by the Transferee Company as mentioned in Clause 11 and the cancellation of equity share capital as mentioned in Clause 12 against the value of investment of the Transferee Company in Transferor Company shall be adjusted in the Capital Reserves of the Transferee Company.

- 8.3. The 23,26,420, 8% Redeemable Preference Shares of Rs.11/- each and the 9,30,00,000 8% Redeemable Preference Shares of Rs.10/- each held by the Transferee Company in the Transferor Company shall stand cancelled.
- 8.4. All costs and expenses incurred as per Clause 19 below as well as other costs incidental with the finalization of this Scheme and to put it into operation and any other expenses or charges attributable to the implementation of the above Scheme, shall be charged to Profit and Loss Account with exception of the following cost and expenses, which will be accounted in the books of Transferee Company as under:  
  
Stamp duty payable, if any, on the basis of value of immovable properties of the Transferor Company transferred to the Transferee Company shall be capitalized in books of the Transferee Company with the said fixed assets in accordance with Accounting Standard - 10 "Accounting of Fixed Assets" or IND AS - 16 "Property, Plant and Equipment".
- 8.5. In case of any difference in accounting policy between the Transferor Company and the Transferee Company, the impact of the same till the Appointed Date will be quantified and adjusted in accordance with Accounting Standard (AS) 5 'Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies' or Ind AS - 8 "Accounting Policies, Changes in Accounting Estimates and Errors", in the books of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.
- 8.6. Upon coming into effect of this Scheme, to the extent that there are intercompany loans, advances, deposits, balances or other obligations as between the Transferor Company and the Transferee Company, the obligation 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.

## **9. CONDUCT OF BUSINESS TILL EFFECTIVE DATE**

- 9.1. With effect from the Appointed Date and up to and including the Effective Date:
  - 9.1.1. The Transferor Company shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have been held and stood possessed of and shall hold and stand possessed of all of the Assets of the Transferor Company for and on account of, and in trust for, the Transferee Company. The Transferor Company hereby undertakes to hold the said Assets with utmost prudence until the Effective Date.
  - 9.1.2. All the profits or income, taxes (including advance tax and tax deducted at source ) or any costs, charges, expenditure accruing to the Transferor Company or expenditure or losses arising or incurred or suffered by the Transferor Company shall for all purpose be treated and be deemed to be and accrue as the profits, taxes, incomes, costs, charges, expenditure or losses of the Transferee Company, as the case may be.
- 9.2. On and after the Appointed Date and until the Effective Date, the Transferor Company shall not without the prior written approval of the Board of Directors of the Transferee Company undertake (i) any material decision in relation to their businesses and affairs and operations (ii) any agreement or transaction (other than an agreement or transaction in the ordinary course of business) (iii) any new business, or discontinue any existing business or change the installed capacity of facilities.
- 9.3. With effect from the date of the Board meeting of the Transferee Company approving the Scheme and upto and including the Effective Date, the Transferor Company shall carry on its business and activities with reasonable diligence, prudence and in the same manner as carried on before and shall not (without the prior written 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, letters of comfort or commitments or sell, transfer, alienate,

charge, mortgage, encumber or otherwise deal with or dispose of the Undertaking of the Transferor Company or any part thereof except in the ordinary course of business, or pursuant to any pre-existing obligation(s) undertaken by the Transferor Company.

- 9.4. Without prejudice to the above provisions, with effect from the Appointed Date, all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes.

## **10. DIVIDENDS**

- 10.1 The Transferor Company and the Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date. The dividend, if any, shall be declared by the Transferor Company only with the prior written consent of the Board of Directors of the Transferee Company and in accordance with the applicable laws. The new Equity shares to be issued and allotted by the Transferee Company as per Clause 11 below shall be entitled to Dividend, if any, which may be declared after the effective date by the Transferee Company.
- 10.2 Subject to the provisions of the Scheme, the profits of the Transferor Company, for the period beginning from the Appointed Date, shall belong to and be the profits of the Transferee Company and will be available to the Transferee Company for being disposed of in any manner as it thinks fit.
- 10.1 Until the coming into effect of this Scheme, the holders of equity shares of the Transferor Company and the Transferee Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing respective rights under their respective Articles of Association.
- 10.2. It is clarified that the aforesaid provisions in respect of declaration of dividends, whether interim or final, are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Company and/or the Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of the Transferor Company and the Transferee Company and subject, wherever necessary, to the approval of the shareholders of the Transferor Company and the Transferee Company, respectively.

## **11. ISSUE OF SHARES BY THE TRANSFEE COMPANY**

- 11.1. Upon the Scheme coming into effect, and without any further application, act or deed, the Transferee Company shall, in consideration of the amalgamation of the Transferor Company with the Transferee Company, issue and allot to every ' Equity Shareholder of the Transferor Company other than the Transferee Company holding fully paid-up Equity Shares in the Transferor Company and whose names appear in the register of members of the Transferor Company on the Record Date, 2 (Two) Equity Shares of Re. 1/-each in the Transferee Company credited as fully paid-up with rights attached thereto as hereinafter mentioned (hereinafter referred to as the "New Equity Shares") for every 13 (Thirteen) Equity Share of Rs.10/- each fully paid-up held by such member in the capital of the Transferor Company ("Share Exchange Ratio").
- 11.2. In respect of the Equity Shares in the Transferor Company already held in dematerialized form, the New Equity Shares to be issued by the Transferee Company in lieu thereof shall also be issued in dematerialized form with the New Equity Shares being credited to the existing depository accounts of the members of the Transferor Company entitled thereto. Members of the Transferor Company desirous of receiving the New Equity Shares in the Transferee Company in dematerialized form should have their shareholding in the Transferor Company dematerialized on or before the Record Date.
- 11.3. Pursuant to the Scheme, the shares of the Transferor Company held by its Equity Shareholders (both in physical and dematerialized form), shall, without any further application, act, instrument or deed, be deemed to have been automatically cancelled. The said Equity Shares of Transferor Company held in physical form shall be deemed to have been automatically cancelled without any requirement to

surrender the certificates for shares held by the shareholders of the Transferor Company. The Transferee Company shall take such corporate actions in relation to the Equity Shares of the Transferor Company held in dematerialized form, as may be necessary.

- 11.4. No fractional share shall be issued by the Transferee Company in respect of the fractional entitlements/ if any, to which the Equity Shareholders of the Transferor Company may be entitled on issue and allotment of New Equity Shares in the Transferee Company as above. The Board of Directors of the Transferee Company shall consolidate all such fractional entitlements and thereupon issue and allot New Equity Shares in lieu thereof to any director or officer of the Transferee Company appointed for the purpose who shall hold the New Equity Shares in trust for and on behalf of the members entitled to such fractional entitlements with the express understanding that such director shall sell the same at such time or times and at such price or prices to such person or persons, as it deems fit. The said director shall distribute such net sale proceeds to the members in the same proportion as their respective fractional entitlements bear to the consolidated fractional entitlements. The director / officer shall be appointed by the Board of Directors of the Transferee Company.
- 11.5. The New Equity Shares in the Transferee Company to be issued to the members of the Transferor Company shall be subject to the Memorandum and Articles of Association of the Transferee Company and the New Equity Shares so issued shall rank *pari passu* in all respects with the existing Equity Shares in the Transferee Company.
- 11.6. The New Equity Shares of the Transferee Company issued in terms of the Scheme shall, subject to applicable regulations, be listed and/or admitted to trading on the relevant stock exchange(s) where the existing Equity Shares of the Transferee Company are listed and/or admitted to trading.
- 11.7. For issue and allotment of the New Equity Shares to the non-resident members of the Transferor Company, the Transferee Company shall, apply for and obtain approvals, if and to the extent required, under the Foreign Exchange Management Act, 1999. It is clarified that the issuance of shares to other shareholders of the Transferor Company shall not be subject to receipt of any such approvals by the Transferor Company and/or the Transferee Company.

## **12. NO ALLOTMENT OF SHARES TO THE TRANSFEE COMPANY**

- 12.1 Upon the Scheme coming into effect, as a consequence of the Amalgamation of the Transferor Company with the Transferee Company, all the Equity Shares and Preference Shares which the Transferee Company holds in the Transferor Company (either directly or through nominees) shall stand cancelled without any issue or allotment of New Equity Shares or payment whatsoever by the Transferee Company in lieu of such Equity Shares and Preference Shares of the Transferor Company.

## **13. DISSOLUTION OF THE TRANSFEROR COMPANY**

Subject to an order being made by the Court under Section 394 of the Act, the Transferor Company shall be dissolved without the process of winding up on the Scheme becoming effective in accordance with the provisions of the Act and the Rules made thereunder.

## **14. AUTHORISED SHARE CAPITAL**

- 14.1. Upon the Scheme becoming effective, the authorised share capital of the Transferor Companies shall stand combined with the authorised share capital of the Transferee Company. Filing fees and stamp duty, if any, paid by the Transferor Companies on their authorised share capital, shall be deemed to have been so. paid by the Transferee Company on the combined authorised Share capital and accordingly, the Transferee Company shall not be required to pay any fee/ stamp duty for its increased authorised share capital.
- 14.2. Clause V of the Memorandum of Association of the Transferee Company shall/ without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 94 and 394 and other applicable provisions of the Act by deleting the existing Clause and replacing it by the following:

***“The Authorised Share Capital of the company is Rs. 437,50,00,000/- (Rupees Four Hundred and Thirty Seven Crores Fifty Lakhs Only) divided into***

***(i) 234,40,00,000 Equity Shares of Re. 1/- each and***

***(ii) 203,10,000 - Redeemable Preference Shares of Rs. 100/- each***

***with the rights, privileges and conditions attaching thereto as are provided by the regulations of the Company for the time being, with power to increase and reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential rights, privilege or conditions as may be determined by or in accordance with the regulations of the company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the company..”***

- 14.3. Clause 4(1) of the Articles of Association of the Transferee Company shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 94 and 394 and other applicable provisions of the Act by deleting the existing Clause and replacing it by the following:

**The Authorized Share Capital of the Company is Rs. 437,50,00,000/- (Rupees Four Hundred and Thirty Seven Crores Fifty Lakhs Only) divided into 234,40,00,000 Equity Shares of Re. 1/- each and 2,03,10,000 Redeemable Preference Shares of Rs. 100/- each.**

- 14.4. The approval of this Scheme by the shareholders of the Transferee Company under sections 391 and 394 of the Act, whether at a meeting or otherwise, shall be deemed to have the approval under the applicable provisions of the Act and any other consents and approvals required in this regard.

## **15. APPLICATIONS**

The Transferor Company and the Transferee Company shall, with all reasonable dispatch, make necessary applications to the Hon'ble High Court of Karnataka at Bengaluru and the Hon'ble High Court of Judicature of Madras respectively, for sanctioning this Scheme pursuant to sections 391 to 394 and other applicable provisions of the Act and for an order or orders for carrying this Scheme into effect and for dissolution of the Transferor Company without winding up. The Transferor Company and the Transferee Company shall also apply for such other approvals as may be necessary in law, if any, for bringing any provisions of this Scheme into effect. Further, the Transferor Company and the Transferee Company shall *be* entitled to take such other steps as may be necessary or expedient to give full and formal effect to the provisions of this Scheme.

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

- 16.1. The Transferor Company and the Transferee Company by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize, including any committee or sub-committee thereof, may consent to any modifications/ amendments to the Scheme or to any conditions or limitations that the Court or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them for any reason whatsoever, including due to change in Law, The Transferor Company and the Transferee Company by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize, including any committee or sub-committee thereof, shall be authorized to take all such steps as may be necessary, desirable or proper to give effect to the Scheme or resolve any doubts, difficulties or questions 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.
- 16.2. For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the delegate(s) of the Transferor Company and the Transferee Company are authorized to determine to take all such steps and give all such directions as are necessary including directions

dealing with the approvals required to be taken and 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 the Transferor Company and the Transferee Company, in the same manner as if the same were specifically incorporated in this Scheme.

**17. SCHEME CONDITIONAL ON APPROVALS / SANCTIONS AND EFFECTIVE DATE OF SCHEME**

17.1. The Scheme is conditional upon and subject to:

17.1.1 The sanction or approval under any law of the Central Government, State Government, or any other agency, department or authorities concerned being obtained and granted in respect of any of the matters in respect of which such sanction or approval is required.

17.1.2. (a) Approval of the Scheme by the requisite majority of the respective members and such class of persons of the Transferor Company and the Transferee Company as may be directed by the Hon'ble High Court of Karnataka at Bengaluru and the Hon'ble High Court of Judicature at Madras pursuant to the provisions of Section 391(1) of the Act and the provisions of Securities and Exchange Board of India Circular CIR/CFD/CMD/16/2015 dated November 30, 2015 (as amended from time to time) to the extent considered applicable.

(b) The Scheme being approved by the shareholders of the Transferor Company by way of postal ballot/e-voting in terms of para 9(a) of Annexure I of the Circular No CIR/CFD/CMD/16/2015 dated November 30, 2015 issued by Securities and Exchange Board of India; provided that the said resolution shall be acted upon only if the votes cast by the public shareholders of the Transferor Company in favor of the proposal are more than the number of votes cast by the public shareholders against it;

17.1.3 The Scheme being sanctioned pursuant to Section 391 to 394 of the Act by the Hon'ble High Court of Karnataka at Bengaluru and the Hon'ble High Court of Judicature at Madras on the applications/petitions of the Transferor Company and the Transferee Company respectively and orders being passed pursuant to Section 394 of the Act by the said Hon'ble High Courts for transfer of the Undertaking of the Transferor Company to the Transferee Company and other matters as provided under the said provisions of the Act.

17.1.4 Receipt of such other approvals for the carrying on of the Undertaking by the Transferee Company, as identified by the boards of directors of the Transferee company and Transferor Company (or authorised committees thereof).

17.2. This Scheme, although to come into operation from the Appointed Date, shall not become effective until the later of the following dates, namely:

17.2.1 The last of the dates on which the last of the aforesaid consents, approvals, resolutions and orders as mentioned in Clause 17.1 shall be obtained or passed; or

17.2.2 The last of the dates on which all necessary certified copies of orders of the Hon'ble High Court of Karnataka at Bengaluru and the Hon'ble High Court of Judicature at Madras sanctioning the Scheme pursuant to sections 391 and 394 of the 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.

17.3 It is clarified that on the approval of the Scheme by the requisite majority of members of the Transferor Company and the Transferee Company pursuant to Section 391(1) of the Act as aforesaid, it shall be deemed that the said members have also resolved and accorded all relevant consents under any other provisions of the Act to the extent the same may be considered applicable. It is further clarified that

there will be no need to pass any separate shareholders' resolution(s) under such other provisions of the Act. Without prejudice to the generality of the foregoing, such single window approval of the shareholders pursuant to Section 391(1) of the Act shall, include approvals under Sections 62, 52 of the Companies Act, 2013, 100 of the Companies Act, 1956 and 11 of the Companies Act, 2013 to the extent considered applicable.

#### **18. POST SCHEME CONDUCT OF OPERATIONS**

Even after the Scheme becomes effective, the Transferee Company shall be entitled to operate all Bank Accounts of the Transferor Company and realise all monies and complete and enforce all pending contracts and transactions in respect of the Transferor Company in the name of the Transferee Company in so far as may be necessary until the transfer of rights and obligations of the Transferor Company to the Transferee Company under this Scheme is formally accepted by the Transferor Company and the Transferee Company concerned. Pursuant to the Scheme becoming effective the Transferee Company is expressly permitted to revise its financial statements and returns along with prescribed forms, filings and annexures under the Income-tax Act, 1961 (including for minimum alternate tax purposes and tax benefits), service tax law and other tax laws, and to claim refunds and/or credits for Taxes paid (including minimum alternate tax), and to claim tax benefits under the said tax laws, and for matters incidental thereto, if required to give effect to the provisions of this Scheme.

#### **19. COSTS**

All costs, charges and expenses including stamp duty and registration fee, if any, of any deed, document, instrument or Court's order, including this Scheme, or in relation to or in connection with negotiations leading up to the Scheme and of carrying out and implementing the terms and provisions of this Scheme and incidental to the completion of arrangement in pursuance of this Scheme shall be borne and paid by the Transferee Company, unless otherwise agreed between the Transferor Company and the Transferee Company.

#### **20. REVOCATION OF THE SCHEME**

In the event of any of the said sanctions and approvals referred to in Clause 17 above not being obtained and/or complied with and/ or satisfied and/ or this Scheme not being sanctioned by the Hon'ble High Court of Karnataka at Bengaluru and the Hon'ble High Court of Judicature at Madras and/ or order or orders not being passed as aforesaid before March 31, 2017 or such other date as may be mutually agreed upon by the respective Board of Directors of the Transferor Company and the Transferee Company who are hereby empowered and authorized to agree to and extend the aforesaid period from time to time without any limitations in exercise of their powers through and by their respective delegate(s), this Scheme shall stand revoked, cancelled and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* the Transferor Company and the Transferee Company or their respective shareholders or creditors or employees or any other person save and 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 in accordance with the applicable law and in such case, each company shall bear its own costs unless otherwise mutually agreed. Further, the board of directors of the Transferor Company and the Transferee Company shall be entitled to withdraw the Scheme with the same consequences, as aforesaid if such boards are of the view that the coming into effect of the Scheme in terms of the provisions of this Scheme or filing of the certified copies of the orders sanctioning the Scheme with any authority could have adverse implication on both/ any of the companies.