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Memorandum & Articles of Association

OF

**Kanoria Chemicals & Industries Limited**

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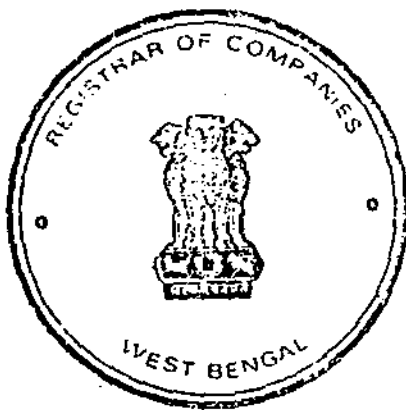
Form I. R.

## Certificate of Incorporation

No. 24910 of 1960

*I hereby certify that KANORIA CHEMICALS & INDUSTRIES LTD. is this day incorporated under the Companies Act, 1956 (No. 1 of 1956) and that the Company is limited.*

*Given under my hand at Calcutta this 17th day of December, One thousand nine hundred and Sixty.*



P. B. Menon  
Registrar of Companies  
W. Bengal





## Certificate for Commencement of Business

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

No. 24910

I hereby certify that the **KANDRIA CHEMICALS & INDUSTRIES LIMITED** which was incorporated under the Companies Act, 1956, on the 17th day of December, 1960 and which has this day filed a duly verified declaration in the 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 Calcutta this 27th day of March One thousand nine hundred and Sixty One.



S. Venkataraman  
Registrar of Companies  
W. Bengal



THE COMPANIES ACT, 1956

COMPANY LIMITED BY SHARES ONLY

**Memorandum of Association**  
**OF**  
**Kanoria Chemicals & Industries Limited**

- 1 The name of the Company is KANORIA CHEMICALS & INDUSTRIES LIMITED.
- 2 The Registered Office of the Company shall be situated in the State of West Bengal.
- 3 The objects for which the Company is established are as follows :-
  - (1) To carry on business as exporters, manufacturers, importers, buyers and sellers of and dealers in all Chemicals (including without prejudice to the said generality and in particular Soda Ash, Caustic Soda, Sulphuric Acid, Super Phosphate, Ammonium Chloride, Di-Calcium Phosphate, Alcohol, Chlorine products, both organic and inorganic such as polyvinyl chloride carbontetra-chloride, trichloroethylene, perchloroethylene, Ethylene dichloride, carbon disulphide, Barium chloride, Aluminium trichloride, Titanium tetrachloride etc.) alkalis, acids, cordials drugs, tanins essences and pharmaceutical, photographic sizing, medical, chemical, industrial and other preparations and articles of any nature and kinds whatsoever, mineral and other waters, cements, oils, paints, pigments and varnishes, compounds, drugs, dye stuff, organic or mineral intermediates, paint and colour gunders, mahers 3 and dealers in proprietary articles of all kinds and electrical, chemical, photographic, surgical and scientific apparatuses, instruments, goods and materials.
  - 1 (A) To acquire from or sell to any person, firm, body corporate or unincorporate, whether in India or elsewhere, technical and managerial information, know-how, process engineering, manufacturing, operating and commercial data, plans, lay-outs and blue prints useful for the design, erection and operation of any plant or process of manufacture and to acquire, grant or license other rights and benefits in the forgoing matters, to render any kind of managerial technical and financial consultancy services and to carry on the business of market research organisers, sales promotion agents, general advisers, technical and marketing consultants, either alone or in partnership.
  - (2) To fabricate rubberlined equipment and do rubber lining, PVC lining etc.
  - (3) To manufacture graphite electrodes, to manufacture Rayon pulp and yarn, Rayon staple fiber, cellophane film, transparent moisture proof Rayon paper, Rayon tyre chord etc.
  - (4) To buy, sell, import, export, manufacture, deal in and carry on business in casein, caustic soda, chlorine, sodium silicate, lime, copper sulphate, alum, urea and phenol formaldehyde, synthetic resin, synthetic and other resin glues and other chemicals and ingredients for the manufacture of glue, cement or bonding materials.

AS AMENDED  
ON  
30-7-1975

( 2 )

- (5) To carry on the business of manufacturers, producers, refiners, exporters, importers, buyers and sellers of and dealers in all and any fats, fertilizers, manures, dips, sprays, vermifuges, fungicides, insecticides, germicides, medicines, and remedies of all kinds for agricultural, tree and fruit growing, gardening and other purposes or as remedies for humans and animals and whether produced from vegetable, mineral, gaseous or animal matter or substances by any process whether chemical, mechanical, electrical or otherwise.
- (6) To carry on the business of spinners, weavers, manufacturers, balers and press of jute, jute cuttings, jute rejections, Filax, Hemp and any other fibrous materials and the cultivation thereof and the business of buyers and sellers of and dealers in jute, jute cuttings, jute rejections and any other fibrous materials and to transact all manufacturing, curing and preparing processes and mercantile business that may be necessary or expedient and to purchase and vend the raw materials and manufactured articles.
- (7) To purchase, manufacture, produce, refine, prepare, import, export, sell and to generally deal in sugar beets, sugarcane, molasses, syrups, jaggery, melada and all products or by-products thereof and food products generally and in connection therewith to acquire, construct and operate sugar or other refineries, buildings, mills, factories and other works.
- (8) To plant, cultivate, produce and raise sugarcane, maize, sugar beets, and other crops and to transact such other work or business as may be proper or necessary in connection with the above objects or any of them.
- (9) To establish, acquire, maintain and carry on the business of growers, cultivators, producers, planters, blenders, buyers, sellers, exporters, importers of and dealers in tea.
- (10) To acquire by purchase or otherwise Tea Estates and Gardens in the State of West Bengal, Assam and other States in India and also at places outside India.
- (11) To buy and sell machinery, plants, fittings, stores, implements, and all other materials required for blending, processing and packing tea as also for working, maintaining and developing Tea Estates, Gardens and productive lands.
- (12) To establish, acquire, maintain, erect and construct workshops and factories for the purpose of blending and processing tea and for manufacturing materials required for packing any finish and unfinished products thereof.
- (13) To carry on the business of manufacture of and dealers in paper of all kinds and articles made from paper or pulp (mechanical or wood) and materials used in the manufacture or treatment of paper, including card board, card board boxes, straw boards, leather boards, mill boards, paste boards, pulp boards, etc.
- (14) To carry on the business of manufacturers or dealers in electric, magnetic, galvanic and other apparatus; manufacturers of all kinds of electrical goods such as transformers, refrigerators, motors, fans, measuring instruments, insulations, domestic and industrial components and power plants.
- (14)A To carry on business as exporters, manufacturers, importers, buyers and sellers of and dealers in wires, cables and all lines of all kinds including XLP Cables, P.V.C. Cables, PILC Cables, Telephone Cables, Telephone Wires, Cable Wires, Super Enamel Cable Wires, P.V.C. Wires, Nicrome Wires, Fuse Wires, Aluminium Wires,, Resistance Wires, Soldering Wires, CTC Wires, Molybendum Wires, Conductors, Wires, Sheets, Straps, Properzie Rods, etc. made from any of or with the combination of any of the ferrous and

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26-9-1978

non-ferrous metals viz. Aluminium, Copper, Steel (Galvanized and ungalvanized) and to construct and layout the same and to manufacture machinery for manufacturing these items or accessories or components thereof, and to carry on such other work as may be incidental or allied with the same.

- (14)B To carry on the business of manufacturers, of dealers in insulating, moulding, fabricating and such other materials, generally made of, of and from LDPE, HDPE, P.V.C., Paper, Polyester, Polyamide, Fibre Glass, Hessian, Jute, Teflon, Mineral Oils, etc.
- (15) To establish, own, erect, acquire, work and manage veneer mills, plywood factories and similar mills and factories and to peel, produce, manufacture and prepare for market; store, stock, buy, sell, export, import, distribute, deal in and carry on business in veneers, veneer products, veneer for tea-chests, packing cases and commercial boards, decorative veneers, veneers for furniture and cabinet making and other purposes, tea chests, commercial plywood, plywood for cabinet making coach building, ship building, aeroplanes, partitions, panellings, doors, windows and other constructional purposes, decorative veneer boards, lamin boards, block boards, composite boards, compressed boards, hard boards, chip boards, bent wood, moulded wood and any other articles of like nature.
- (16) To carry on business as timber merchants, saw mill proprietors, and timber growers, and to buy, sell, grow, prepare for market, manipulate import, export, and deal in timber and wood of all kinds, and to manufacture and deal in articles of all kinds in the manufacture of which timber or wood is used, and to carry on business as general merchants, and to buy, clear, plant and work timber estates, and to carry on any other business which may seem to the Company capable of being conveniently carried on in connection with any of the above or calculated directly or indirectly to render profitable or enhance the value of the Company's property or rights for the time being.
- (17) To carry on the business of manufacture of bricks, tiles, pipes, pottery, earthen ware, china and terra cotta, and ceramic ware of all kinds.
- (18) To carry on the business of paviors and manufacturers of and dealers in artificial stone, whether for building, paving or other purposes.
- (19) To carry on the business of spinners, weavers and manufacturers of all cotton, wool, silk, flax, hemp, rayon, nylon and other fibrous materials and man made fibres and to transact all manufacturing, curing, preparing, dyeing, colouring and bleaching processes and to purchase and trend the raw materials and manufactured articles.
- (20) To carry on all or any of the following businesses : namely cotton spinners and doublers, linen manufacturers, wool merchants, wool combers, worsted spinners, woollen spinners, yarn merchants, rayon worsted stuff manufacturers, bleachers and dyers, and makers of vitriol, bleaching and dyeing materials, and to purchase, comb, prepare, spin, dye, and deal in wool, cotton, soil and other fibrous sub stances, and to weave or otherwise manufacture, buy and sell and deal in linen, cloth, and other goods and fabrics, whether textiles, felted, netted, or looped, and to supply power.
- (21) To conduct, carry on and manage the businesses or trades of whisky, gin, rum, brandy and general distillers, compounders and rectifiers; merchants, exporters, importers, brokers, bottlers, sales agents and general traders in relation to the marketing and distribution at home and abroad, of spirits, wines, liquors and all other productions derived from the cultivation of the Geape, and generally to undertake, perform and carry out all or any of the operations ordinarily undertaken by distillery proprietors, wine growers, contractors and shippers, or by person of companies engaged in such business.

AS AMENDED  
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- (22) To trade and carry on business in like manner as brewers, malsters, hop growers and merchants; ale, stout and porter merchants, bottlers, agents and distributors; barley and general grain raisers, importers driers and merchants; manufacturers of and dealers in yeast, finigs, isinglass and other drawers' requisites; manufacturers of and dealers in all kinds of aerated mineral and medicated waters and general temperance and other things, beverage, cordials and the like, bottle makers, bottle stopper makers, coopers manufactures of boxes, cartons, paper and other bags and packing receptacles, generally, bottlers, canners, packers and providers of all kinds of goods, products or wares necessary or desirable for use in connection with the business of the company.
- (23) To carry on the business of soap manufactures.
- (24) To buy, sell, manufacture, refine, prepare and deal in all kinds of oils and oleaginous and saponaceous substances, and all kinds of urgents and ingredients:
- (25) To buy, sell, manufacture, refine, manipulate, import, export, deal in all substances, apparatus and things capable of being used in any such business as aforesaid or required by any customers of or persons having dealings with the Company either by wholesale or retail.
- (26) To carry on business of manufacturers of and dealers in all kinds of toilet requisites, and manufacturers of all kinds of boxes and cases wholly of card, wood, metal or otherwise and printers, colour printers, publishers, stationers, candle makers, manufacturers of perfumes, collectors of flowers and perfume-producing vegetation.
- (27) To carry on the business of stationers, printers, lithographers, stereotypers, electrotypers, photographic printers, photo-litho-graphers, engravers, die sinkers, envelope manufacturers, book binders, account book manufactures, machine rulers, numerical printers, papers makers, paper bag and account book makers, box makers, cardboard manufacturers, type founders, photographers, manufacturers of and dealers in playing, visiting, railway, festive complimentary and fancy cards and valentines dealers in parchment, dealers in stamps, agents, for the payment of stamp and other duties, advertising agents, designers, draughtsmen, ink manufacturers, book sellers, publishers, engineers, cabinet makers, and dealers in or manufacturers of any other articles, or things of a character similar or analogous to the foregoing or any or any of them, or connected therewith.
- (28) To undertake and execute any trusts the undertaking of which may seem to the company desirable.
- (29) To carry on any other business whether manufacturing or other wise which may seem to the company capable of being conveniently carried on in connection with the above or calculated directly or indirectly to enhance the value of or render profitable any of the company's property of rights.
- (30) To acquire, hold, buy, sell and deal in shares, stocks, debentures, debentures stocks, bonds, obligations and securities issued or guaranteed by any company constituted or carrying on business in the Union of India or elsewhere and debenturers, debenture stocks, bonds, obligations, and securities, issued or guaranteed by any authorities municipal, local or otherwise, whether at home or abroad.
- (31) To acquire any such shares, stocks, debentures, debenture stock bonds, obligations, or securities by original subscription, tender, purchase, exchange, or other wise and to subscribe for the same, either conditionally or otherwise and to guarantee the subscription thereof, and to exercise and enforce all rights and powers conferred by the ownership thereof.

- (32) To issue debentures, debenture stocks, bonds, obligations, and securities of all kind, and to frame, constitute, and secure the same, as may seem expedient, with full power to make the same transferable by delivery, or by instrument of transfer or otherwise, and either perpetual or terminable, and either re-deemable or otherwise, and to charge or secure the same by trust, deed, or otherwise, on the undertaking of the company or upon any specific property and rights, present and future of the company (including, if thought fit, uncalled capital) or otherwise howsoever.
- (33) To facilitate and encourage the creation, issue or conversion of debentures, debenture stock, bonds, obligation, shares, stocks, and securities, and to conversion of business concerns and undertakings into companies.
- (34) To take part in the formation, management, supervision or control of the business or operations of any company or undertaking and for that purpose to appoint and remunerate any directors, accountants or other experts or agents.
- (35) To sell or otherwise dispose of any of the assets, property or investments of the company.
- (36) To employ experts to investigate and examine into the condition, prospects, value, character, and circumstances of any business, concerns and undertakings, and generally of any assets, property or rights.
- (37) To constitute any trusts with a view to the issue of preferred and deferred or any other special stocks or securities based on or representing any shares, stocks or other assets, specifically appropriated for the purposes of any such trust, and to settle and regulate, and if thought fit, to undertake and execute any such trusts and to issue, dispose of, or hold any such preferred, deferred, or other special stocks of securities.
- (38) "To transact or carry on all kinds of agency business" and in particular in relation to the investment of money, the sale of property and the collection and receipt of money.
- (39) To give any guarantee in relation to the payment of any debentures, debenture stock, bonds, obligations, or securities, and to guarantee the payment of interest thereon or of dividends on any stocks or shares of any company.
- (40) To carry on trades or business of iron masters, steel makers, steel, converters, colliery proprietors, coke manufacturers, miners, smelters, engineers, tinplate makers and iron founders in all their respective branches.
- (41) To search for, get, work, raise, make merchantable, sell and deal in iron, coal, ironstone, brick-earth, bricks and other metals, minerals and substances and to manufacture and sell patent fuel.
- (42) To purchase or otherwise acquire any interests any patents, brevet invention, licenses, concessions, monopolies, and the like conferring any exclusive or non- exclusive or limited right to use any invention or secret or other information as to any invention which may seem capable of being used for any of the purposes of the Company or the acquisition of which may seem calculated, directly or indirectly, to benefit the Company.
- (43) To promote any Company or Companies for the purpose of acquiring all or any of the property, rights or liabilities of the Company and to underwrite or subscribe for and hold all or any of the shares capital or securities of any Company and to guarantee any dividends, principal and/or interest on the shares or securities of any such Company.
- (44) To erect, maintain, work and use warehouses, offices, buildings, houses, dwellings, and other erections for the officers and servants of the Company and their families.

(45) To acquire any rights, powers and privileges under the provisions of any legislative enactment either of Government of India or of the Government of West Bengal or any other State Government in relation to the construction, maintaining and working of railways, ropeways or roads or ferries.

(46) To construct, establish or acquire, buildings and workshops with all necessary machinery, tools and appliances for the purposes of the Company and to buy, sell, manipulate, work and deal in any materials, machinery, engines, rolling-stock, steam, motor or other boats, timer, cattle, live-stock, stores goods, merchandises electricity or other articles, powers or things in connection with or relating thereto and to carry on all business usually carried on by a railway, tramway Company.

AS AMENDED  
ON  
25-9-1997

(46)A To carry on the business of an electric light and power company and to generate, develop, purchase, accumulate, transmit, distribute, sell and supply electric energy to the power grid or bulk or other consumers or for captive use for the purpose of light, heat, motive power, traction and for any other purposes whether produced by coal, lignite, gas, oil, petroleum, diesel, hydrocarbons, water, steam, heat, sunlight, wind or by any other conventional or non conventional form by which energy or power can be produced and for all such purposes to acquire, take on lease or hire, construct, erect, assemble, lay down, establish, fix and deal or traffic in power station(s) and plant(s), cables, wires, layings, accumulators, transformers, lamps, appliances, generators, turbines and works and to set up all facilities for production, evacuation, transmission and supply of power and to manufacture and deal in all apparatus and things required for the same.

(47) To purchase, take on lease or in exchange., hire or otherwise acquire any movable or immovable property and rights or privileges which the Company may think necessary or expedient for the purpose of its business and in particular any lands, buildings works, assessments, machinery, plant, stock-in-trade, live-stock, wharves, warehouse, offices, ships, steamvessels, boats, barges and launches.

AS AMENDED  
ON  
29-12-1984

(47)A To acquire by purchase, lease, exchange or howsoever otherwise, and to hold, possess and deal in and with lands, buildings, premises and other property of any kind whatsoever and to develop and turn to account and manage in land, buildings, houses, premises and other property of any tenure and any interest, therein and to create, sell and deal in free-hold and leasehold ground rents and other rents and to make advances upon the security of land, buildings, houses, pre mises or other property or any interest therein, and generally to deal and traffic in or with land and house property and any other property whether immoveable or moveable by way of sale, lease, exchange or otherwise.

AS AMENDED  
ON  
29-12-1984

(47)B To perform and undertake activities and carry on business pertaining to leasing giving on hire or hire purchase, warehousing, factoring and related fields and without affecting the generality of the aforesaid provisions, providing financial assistance by moans of leasing, giving on lease, hire or hire purchase, lending, selling, reselling or otherwise disposing of all forms of immoveable and moveable properties and assets including building, godowns, warehouses and real estate of any kind, nature or user, whatsoever and all types of industrial, office and other plant, equipment and machinery, including heavy or medium industrial machinery, computers, electronic data processors, tabulators, airconditioners, medical equipment, domestic equipment/appliances, or any system and any other items or any kind nature of user whatsoever whether industrial or consumer and all types of vehicles, ships or aircrafts and any other property of any kind, nature or user, whatsoever and whether required for manufacturing, processing, marketing, trans porting, trading or any other commercial or service business and for the purchasing or otherwise acquiring dominion over the same whether new or used.

- (48) To sell, improve, manage, develop, lease, mortgage, dispose of, turn to account or otherwise deal with or dispose of all or any part of the property of the company and for such consideration as may be thought fit and in particular as to the whole or part of, such consideration for shares, debentures or securities of any other Company.
- (49) To make, accept, endorse, and issue promissory notes, bills of exchange and other negotiable instruments.
- (50) To invest and deal with the money of the Company not immediately required in such shares and securities and in such manner as may from time to time be determined.
- (50) A To undertake the business as general traders, merchants and investors and buy, sell, export, import, deal in all kinds of commodities, including metals of all kinds and precious metals, goods and things and contracts of all types, to deal in any commodity market, commodity exchange, spot exchange, metal exchange, for itself or for others, and enter into transactions in the nature of hedging, spot trading, forward commodity contracts, rate swaps, commodity future/swaps, commodity options, futures and options and in derivatives of all such commodities, whether for the purpose of trading, investment, hedging, arbitrage, or any other purpose, whether in India or abroad and to undertake the activity of warehousing and processing as may be required for the aforesaid purpose(s).
- (50) B To invest, acquire, subscribe, purchase, hold, sell, divest or otherwise deal in securities, financial instruments, financial products, shares, scrips, stocks, equity/index linked securities, units, bonds, commercial papers, acknowledgements, deposits, notes, obligations, warrants, government securities, loans, loan certificates, all kinds of derivatives including interest derivatives, futures, forwards, options, calls, swaps, rights or interest in securities, foreign currencies, carbon credits, financial securities and any other securities issued by any entity whether for the purpose of hedging, arbitrage, or for any other purpose.
- (51) To borrow or raise money in such manner as the Company shall see fit and in particular by the issue of or upon bonds debentures, bills of exchange, promissory notes or other obligations or securities of the company or by mortgage or charge of all or any part of the property of the Company, both present and future, including its uncalled capital or in such other manner as the Company shall think fit.
- (52) To purchase or otherwise acquire and undertake all or any part of business, property, liabilities and assets of any person or Company engaged in any business which this Company is authorised to carry on or possessed of properly suitable for the purpose of this Company.
- (53) To promote any other Company for carrying into effect any of the objects of this Company or for the purpose of acquiring all or any of the property and liabilities of this Company or for any other purpose which may seem directly calculated to benefit this Company, and to take or otherwise acquire and hold shares in any such Company and generally in any Company the business of which is capable of being conducted so as directly or indirectly to benefit this Company and to guarantee the payment of any debentures or other securities issued by any such Company.
- (54) To enter into partnership or into any arrangement for sharing profits, union of interest, co-operation, joint-adventure reciprocal concessions or amalgamation, or either in whole or in part with any other Company or person carrying on or engaged in or about to carry on or engage in any business or transaction which this Company is authorised to carry on or engage in or any business or transaction capable of being conducted so as directly or indirectly to benefit this Company and to lend money to, guarantee the contracts of or otherwise assist any such person or Company and to take of otherwise acquire shares or securities of any such Company and to sell, hold, reissue with or without guarantee or otherwise deal with the same.
- (55) To take or otherwise acquire and hold shares in any other company having objects altogether or in part similar to those of this Company or carrying on any business capable

AS AMENDED  
ON  
11-07-2012

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ON  
11-07-2012

of being conducted so as directly or indirectly to benefit this company.

- (56) To sell or dispose of the undertaking of the Company or any part thereof for such consideration as the Company may think fit and in particular wholly or in part for shares (fully paid up or otherwise), debentures or securities of any other Company or Companies having objects altogether or in part similar to those of this Company.
- (57) To dispose of and deal with any shares and securities of other Companies, which may be acquired by this Company in such manner as may be from time to time determined.
- (58) To lend money with or without security to such persons or companies and on such terms as may seem expedient and in particular to customers of and persons having dealing with the Company and to guarantee the performance of contracts by members or of persons having dealings with the Company.
- (59) To remunerate any person or Company for services rendered or to be rendered in placing or assisting to place or guaranteeing the placing of any of the shares of the Company's capital or any debentures or other securities of the Company or in or about the formation or promotion of the Company or acquisition of property by the Company or the conduct of its business.
- (60) To make donations, contribute and give subscriptions to charities or public political or other useful objects and funds not directly relating to the business of the Company and to establish and support or aid in the establishment and support of associations, institutions, provident, pension, loan or other funds for the benefit of the staff employees, ex-employees, directors and ex-directors of the Company and of their wives, widows, children and dependants and to contribute towards the premia payable on any insurance on the lives of any of such staff or employees and to grant pensions, gratuities or other financial assistance either temporary or permanent to any of such staff or employees or ex-employees directors or ex directors or their wives, widows, children or dependants upon such terms and conditions as may be deemed expedient and to charge the amount of any such donations, subscriptions, contributions or payments to the working expenses of the Company.
- AS AMENDED  
ON  
26-9-1978
- (60)A To undertake, carry out, promote and sponsor rural development including any programme for promoting the social and economic welfare of or the uplift of the public in any rural area and to incur any expenditure on any programme of rural development and to assist execution and promotion thereof either directly or through an independent agency or in any other manner. Without prejudice to the generality of the foregoing, 'programme of rural development' shall also include any programme for promoting the social and economic welfare of or the uplift of the public in any rural area which the Directors consider it likely to promote and assist rural development, and that the words 'rural area' shall include such areas as may be regarded as rural areas under Section 35CC of the Income-tax Act, 1961, or any other law relating to rural development for the time being in force or as may be regarded by the Directors as rural areas and the Directors may at their discretion, in order to implement, any of the above mentioned objects or purposes, transfer without consideration or at such fair or concessional value as the Directors may think fit and divest the ownership of any property of the Company to or in favour of any Public or Local Body or Authority of Central/State Government or any Public Institutions or Trusts or Funds as may be approved by Government.
- AS AMENDED  
ON  
26-9-1978
- (60)B To undertake, carry out, promote and sponsor or assist any activity for the promotion and growth of national economy and for discharging what the Directors may consider to be social and moral responsibilities of the Company to the Public or any section of the Public as also any activity which the Directors consider likely to promote national welfare or social, economic or moral uplift of the public or any section of the public and in such manner and by such means as the Directors may think fit and the Directors may without prejudice to the generality of the foregoing, undertake, carry out, promote and sponsor any activity for publication of any book, literature, newspaper, etc. or for organising lectures or seminars likely to advance these objects or for giving merit awards, for giving

scholarships, loans or any other assistance to deserving students or other scholars or persons to enable them to prosecute their studies or academic pursuits or researches and for establishing, conducting, or assisting any institution, fund, trust, etc., having any one of the aforesaid objects as one of its objects by giving donations or otherwise in any other manner and the Directors may at their discretion in order to implement any of the above mentioned objects or purposes transfer without consideration or at such fair or concessional value as the Directors may think fit and divest the ownership of any property of the Company to or in favour of any public or Local Body or Authority or Central or State Government or any Public Institutions or Trusts or Funds as may be approved by Government.

- (60)C To undertake, carry out, promote and sponsor scientific research related to the business of the Company, and to incur any expenditure on such research, and to assist and contribute to any scientific research association which has as its object the undertaking of scientific research or to assist and contribute to any university, college or other institution any sums to be used for scientific research or research in social science or statistical research whether related to the business or class of business carried on by the Company or not.
- (61) To enter into any arrangements with the Government of India, or any State Government, or with any authorities, Municipal, local or otherwise or other persons, that may seem conducive to the company's objects or any of them, and to obtain from such Government or Authority or other persons, any rights, privileges and concessions which the Company may think desirable to obtain and to carry out, exercise and comply with any such arrangements rights, privileges and concessions.
- (62) To distribute any of the property of the Company amongst the members in specie or kind, or but so that no distribution amounting to a reduction of capital be made without the sanction of the Court, if requisite.
- (63) 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.
- (64) To do all or any of the above things as principals, agents, contractors, trustees or otherwise and by or through trustees, agents or otherwise and either alone or in conjunction with others.
- (65) To do all such other things as are incidental or conducive to the attainment of the objects or any of them.

AS AMENDED  
ON  
26-9-1978

And it is hereby declared that the word 'Company', save when used in reference to this Company, in this clause, shall be deemed to include any partnership or other body of persons whether incorporated or not incorporated and the intention is that the objects specified in any paragraph of this clause shall except when otherwise express in such paragraph be in no wise limited or restricted by reference to or inference from the terms of any other paragraph.

4. The liability of the members is limited.
5. The Authorised Share Capital of the company is Rs. 10,00,000,000/- (Rupees One Hundred Crores Only) divided into 10,00,00,000 Equity Shares of Rs. 5/- each and 5,00,000 Preference Shares of Rs. 1,000/- each with power to increase and reduce the Capital, to divide the shares in the capital for the time being into several classes, and to attach thereto respectively such preferential or special rights, privileges or conditions, as may be determined in accordance with the Act for the time being in force and 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.

( 10 )

We, the following persons whose names, descriptions and addresses are subscribed below, are desirous of being formed into a Company in accordance with these Memorandum of Association.

Names, Addresses and Description of Subscribers	Number of Equity Shares taken by each Subscriber	Names, Addresses and Descriptions of Witnesses
1. Radhakissen Kanoria 9, Brabourne Road, Calcutta – Merchant	400 (Four Hundred) Equity	
2. Basudeo Kanoria 9, Brabourne Road, Calcutta – Merchant	400 (Four Hundred) Equity	
3. Binod Kumar Kanoria 9, Brabourne Road, Calcutta – Merchant	400 (Four Hundred) Equity	
4. Pawan Kumar Kanoria 9, Brabourne Road, Calcutta – Merchant	400 (Four Hundred) Equity	Suparshvamull Borar 9, Brabourne Road, Calcutta – Service
5. Jagdish Prasad Nangalia 8, Mandir Street, Calcutta – Service	10 (Ten) Equity	
6. Hariram Dhurka 117A, Chittaranjan Avenue, Calcutta – Service	10 (Ten) Equity	
7. Kailash Kumar Kanoria 9, Brabourne Road, Calcutta – Merchant	400 (Four Hundred) Equity	
	2,020 Shares	

Dated the 5th day of November, 1960.

( 1 )

THE COMPANIES ACT, 1956

COMPANY LIMITED BY SHARES ONLY

## Articles of Association

OF

# Kanoria Chemicals & Industries Limited

### I. PRELIMINARY

1. Unless the context otherwise requires words of expressions contained in these articles shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which the Articles become binding on the Company. Interpretation
2. The marginal notes hereto shall not affect the construction hereof and in these presents, unless there be something in the subject or context inconsistent therewith : Definition
  - “The Act” means the Companies Act, 1956.
  - “The Company” means Kanoria Chemicals & Industries Limited.
  - “Depositories Act” shall mean Depositories Act, 1996 or any statutory modification or re-enactment thereof.
  - “Beneficial Owner” shall have the meaning assigned thereto by Section 2 of the Depositories Act, 1996. As amended on 29.8.1998
  - “Depository” shall have the meaning assigned thereto by the Depositories Act, 1996.
  - “Existing Shareholders” mean Mrs. Madhuvanti Kanoria, Mr. S.V. Kanoria, Mr. A.V. Kanoria, Vardhan Limited, R.V. Investment & Dealers Limited and Kirtivardhan Finvest Services Limited.
  - “IFC” means International Finance Corporation.
  - “New Securities” mean any shares or Share Equivalents of the Company; provided, that the term “New Securities” does not include common shares issuable upon the exercise or conversion of Share Equivalents issued as on April 26, 2007 and common shares issued or issuable in connection with any stock split or stock dividend of the Company. As amended on 26.7.2007
  - “Prohibited Transfer” means with respect to any shares, a lien, grant of an option, conditional sale, conditional transfer or other conditional disposition over such shares.
  - “Share Equivalents” mean preference shares, bonds, loans, warrants, options or other similar instruments or securities which are convertible into or exercisable or exchangeable for, or which carry a right to subscribe for or purchase, shares of the Company convertible into or exercisable or exchangeable for shares.
  - “Shareholder(s)” or “Member(s)” mean the duly registered holder(s) from time to time of the Share(s) of the Company and includes the subscriber(s) of the Memorandum of the Company and also every person holding Equity Share(s) and/or Preference Share(s) of the Company as also one whose name is entered as beneficial owner in the records of the Depository. As amended on 29.8.1998
  - “The Directors” means the Directors for the time being of the Company.
  - “The Board of Directors” or “the Board” means the Board of Directors for the time being of the Company.

“The Office” means the Registered Office for the time being of the Company.

“Register” means the Register of Members to be kept pursuant to Section 150 of the Act.

“The Registrar” means the Registrar of Companies, West Bengal.

“Dividend” includes Bonus.

“Month” means calendar month.

“Seal” means the Common Seal of the Company.

“Proxy” includes Attorney duly constituted under a Power of Attorney.

“In writing” and “written” include printing, lithography and other modes of representing or reproducing words in a visible form.

Words importing the singular number only include the plural number and vice versa.

Words importing persons include corporations.

Table “A” not to apply.

3. Save as reproduced herein the regulations contained in Table “A” in Schedule I to the Act shall not apply to the Company.

Company not to purchase its own shares.

4. Save as permitted by Section 77 of the Act, the funds of the Company shall not be employed in the purchase of, or lent on the security of, shares of the Company and the Company shall not give, directly or indirectly, any financial assistance, whether by way of loan, guarantee, the provisions of security or otherwise, for the purpose of or in connection with any purchase of or subscription for shares in the Company or any company of which it may, for the time being be a subsidiary.

This Article shall not be deemed to affect the power of the Company to enforce repayment of loans to members or to exercise a lien conferred by Article 32.

## II. SHARES

### (a) ISSUE OF SHARES

Preference Shares.

5. (1) Subject to the provisions of Section 80 of the Act, the Company shall have power to issue Preference Shares.

Issue of shares.

- (2) Subject to the provisions of these Articles, the shares shall be under the control of the Board who may allot or otherwise dispose of the same to such person on such terms and conditions, and at such times, as the Board thinks fit either at par or at a premium and for such consideration as the Board thinks fit. Provided that option or right to call of shares shall not be given to any person except with the sanction of the Company in General Meeting. Provided that where at any time (subsequent to the first allotment of shares) it is proposed to increase the subscribed capital of Company by the issue of new shares, then, subject, to any directions to the contrary which may be given by the Company in General Meeting, the Board shall issue such shares in the manner set out in Section 81(1) of the Act.

As amended on 24-12-1962

As amended on 09-07-1994

- 5A. Equity Shares with non-voting rights

In the event that issue of equity shares with non-voting rights attached to such shares is permitted by law, the Directors may from time to time issue such non-voting equity shares upon such terms and conditions and with such rights and privileges (including with regard to dividend) annexed thereto as may be thought fit and permitted and/or required by law, guidelines issued by statutory authorities and listing requirements.

As amended on 26-07-2007

- 5B. Restrictions on Issue of new shares

Notwithstanding anything contained herein, and subject to applicable laws, so long as IFC holds shares of the Company, no shares, Share Equivalents or other equity security shall be created, authorized or issued by the Company which have

a structural or legal preference over the shares held by IFC with respect to any matter, including, without limitation, dividend rights, voting rights or liquidation preference. Further, for a period of 1 year from 2nd May, 2007, the date of allotment of shares to IFC, the Company shall not create, authorize or issue any shares or Share Equivalents at a price per share lower than Rs. 100.

5C. Pre-emptive Right

Notwithstanding anything contained herein, the Company shall immediately prior to the issuance of New Securities, offer to IFC its pro rata share of such New Securities by giving a written notice of its intention, describing the New Securities, their price, and their general terms of issuance, and specifying IFC's pro rata share of such issuance. IFC shall, within 30 days from when such notice is mailed or delivered, agree to purchase up to its pro rata share of the New Securities for the price and on the terms specified in such notice.

As amended on  
26-07-2007

(b) ALLOTMENT

6. As regards all allotments made from time to time the Company shall duly comply with Section 75 of the Act.
7. If the Company shall offer any of its shares to the public for subscription :-
  - (a) No allotment thereof shall be made, unless the amount stated in the prospectus as the minimum subscription has been subscribed, and the sum payable on application therefor has been paid to and received by the Company; but this provision shall no longer apply after the first allotment of shares offered to the public for subscription.
  - (b) The amount payable on application on each share shall not be less than 5 per cent of the nominal amount of the share.
  - (c) The Company shall comply with the provisions of Section 69 (4) of the Act.

Return of  
allotments.

Restriction on  
allotments.

And if the Company shall propose to commence business on the footing of a statement in lieu of prospectus, the Board shall not make any allotment of shares payable in cash unless seven at least of the shares proposed to be issued shall have been subscribed for on a cash footing by seven members and Section 70 of the Act shall have been complied with.

8. The Company may exercise the powers of paying commissions conferred by Section 76 of the Act, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the said section and the commission shall not exceed 5 per cent of the price at which any shares in respect whereof the same is paid are issued or 2.5% of the price at which any debentures are issued (as the case may be). Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other. The Company may also on any issue of shares or debentures pay such brokerage as may be lawful.
9. With the previous authority of the Company in General Meeting and the sanction of the Court and upon otherwise complying with Section 79 of the Act the Board may issue at a discount shares of a class already issued.
10. If, by the conditions of allotment of any share, the whole or part of the amount or issue price thereof shall be payable by instalments, every such instalment shall, when due, be paid to the Company by the member registered in respect of the share or by his executor or administrator.
11. Members who are registered jointly in respect of a share shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of such share.

Commission  
and brokerage.

Share at a  
discount.

Instalments on  
Shares.

Liability of members  
registered jointly.

- Trusts not recognised. 12. Save as herein otherwise provided, the Company shall be entitled to treat the member registered in respect of any share as the absolute owner thereof and accordingly shall not, except as ordered by a Court of competent jurisdiction, or as by statute required be bound to recognise any equitable or other claim to or in such share on the part of any other person.
- Who may be registered. 13. Shares may be registered in the name of any person, Company or other body corporate. Not more than four persons shall be registered jointly as members in respect of any share.

(c) CERTIFICATES

- Certificate. 14. The certificates of title to shares and duplicates thereof when necessary shall be issued under the Seal of the Company, which shall be affixed in the presence of two directors and of the secretary or some person appointed by the Board for the purpose and signed by them.
- Member's right to certificate. 15. (1) Every member shall be entitled free of charge to one certificate for all the shares of each class registered in his name, or, if the Board so approves to several certificates each for one or more of such shares, but in respect of each additional certificate the Company shall be entitled to charge a fee of Rs. 2/- or such less sum as the Board may determine.
- Issue of Shares Certificate. (2) Unless the conditions of issue of any shares otherwise provide the Company shall within three months after the date of either the allotment or the receipt of an application for registration of the transfer of any of its shares as the case may be complete and have ready for delivery the certificates of such shares.
- Joint Holders. (3) The Company shall not be bound to issue more than one certificate to members registered jointly in respect of any share and delivery of a certificate to one of such members shall be sufficient delivery to all such members.
- As amended on 29-12-1984 (4) No request for sub-division of Share Certificates or Letters of Allotment into denomination of less than 50 (Fifty) Shares shall be accepted unless otherwise resolved by the Board of Directors, except when such sub-division is required to be made to comply with a statutory order or an Order of Competent Court of Law.
- Issue of new certificate in place of one defaced, lost or destroyed. 16. (1) If a share certificate is defaced, lost or destroyed, a new certificate in lieu thereof shall be issued only with the prior consent of the Board and on payment of a fee of Rs. 2/- per certificate or such smaller sum as the Board may determine and on such terms if any, as the evidence and indemnity and the payment of out-of-pocket expenses incurred by the company in investigating evidence, as the Board thinks fit.
- (2) No new share certificate shall be issued in place of a defaced share certificate unless the later is surrendered to the Company.
- (3) Where a new share certificate has been issued as aforesaid or in pursuance of Article 36 hereof, particulars of every such certificate shall also be entered in a register of duplicate certificates indicating against the name or names of the person or persons to whom the certificate is issued.
- (4) Every certificate shall specify the name or names of the person or persons in whose favour the certificate is issued, the shares to which it relates and the amount paid up thereon. When issued with the same serial number as a share certificate which has been defaced, lost or destroyed, it shall state on the face of it and against the stamp of counterfoil that it is a duplicate issue for the one so defaced, lost or destroyed.
- As amended on 29-08-1998 (5) Notwithstanding anything contained in these articles, the Company may in accordance with the provisions of the Depositories Act, dematerialise any or all of its shares, debentures and other marketable securities for subscription in a

dematerialised form and on the same being done, the Company shall be entitled to maintain a Register of Members/Debenture holders holding shares both in material and dematerialised form in electronic or any other mode as permitted by law either in respect of the existing shares/debentures and/or any future issue. Provided that, the provisions set forth in Articles 14 to 16(4) shall not apply to shares which have been dematerialised.

#### CALLS

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| 17. The Board may from time to time subject to the terms on which any shares may have been issued, and subject to the provision of Section 91 of the Act, make such calls as the Board thinks fit upon the members in respect of the all moneys unpaid on the shares held by them respectively, and not by the Conditions of allotment thereof made payable at fixed times, and each member shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Board. A call may be made payable by instalments and shall be deemed to have been made when the resolution of the Board authorising such call was passed.   | Calls.  |
| 18. No call shall exceed half of the nominal amount of a share, or be made payable within one month after the last preceding call was payable. Not less than fourteen days notice of any call shall be given specifying the time and place of payment and to whom such call shall be paid.  | Restriction on power to make calls.                               |
| 19. 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 of the share in respect of which the call has been made or the instalment shall be due shall pay interest for the same at the rate of 12 per cent per annum from the day appointed for the payment thereof to the time of the actual payment or at such lower rate (if any) as the Board may determine.   | When interest on call or instalment payable.                      |
| 20. If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by instalments at fixed times, whether on account of the amount of the share or by way of premium, every such amount or instalment shall be payable as if it were a call duly made by the Board and of which due notice had been given, and all the provisions herein contained in respect of calls shall relate to such amount or instalment accordingly.   | Amount payable at fixed times or payable by instalments as calls. |
| 21. On the trial or hearing of any action or suit brought by the Company against any member or his representatives to recover any debt or money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the defendant is, or was when the claim arose in the Register as a member in respect of the number of shares in relation to which such claim is made, and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Board who made any call, nor that a quorum was present at the meeting of the Board at which any call was made nor that the meeting at which any call was made was duly convened or constituted, nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt. | Evidence in actions by Company against members.                   |
| 22. The Board may, if it thinks fit, receive from any member willing to advance the same, all or any part of the money due upon the shares registered in his name beyond the sums actually called for; and upon the money so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate not exceeding 6 per cent per annum as the member paying such sum in advance and the Board agree upon. Money so paid in excess of the amount of calls shall not rank for dividends. The Board may at any time repay the amount so advanced upon giving to such member not less than three months notice in writing.   | Payment of calls in advance.                                      |
| 23. A call may be revoked or postponed at the discretion of the Board.  | Revocation of call.   |

(e) FORFEITURE AND LIEN

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| Notice on non-payment of call.                     | 24. If any member fails to pay any call or instalment on or before the day appointed for the payment of the same, the Board may at any time thereafter during such time as the call or instalment remains unpaid, serve a notice on such member requiring him to pay the same, together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.   |
| Form of Notice.                                    | 25. The notice shall name a day (not being less than fourteen days from the date of the notice) and a place or places on and at which such call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time, and at the place appointed, the shares in respect of which such call was made or instalment is payable will be liable to be forfeited.   |
| Non Compliance with notice.                        | 26. If the requisitions of any such notice as aforesaid be not complied with any shares in respect of which such notice has been given may, at any time thereafter before payment of calls or installments, interest and expenses, due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.  |
| Notice after forfeiture.                           | 27. When any share shall have been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.  |
| Forfeited share to become property of the Company. | 28. Any share so forfeited shall be deemed to be the property of the Company, and the Board may sell, re-allot or otherwise dispose of the same in such manner as it thinks fit.   |
| Power to annul forfeiture.                         | 29. The Board may at any time before any shares so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.   |
| Liability on forfeiture.                           | 30. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited share, but shall, notwithstanding, remain liable to pay, and shall forthwith pay to the Company, all calls, or instalments, interest and expenses, owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon, from the time of forfeiture until payment, at 12 per cent per annum and the Board may enforce the payment thereof, or any part thereof, without any deduction or allowance for the value of the shares at the time of forfeiture, but shall not be under any obligation to do so.   |
| Evidence of forfeiture.                            | 31. A duly verified declaration in writing that the declarant is a Director of the Company, and that certain shares in the Company have been duly forfeited on a date stated in the declaration shall be conclusive of the facts therein stated as against all persons claiming to be entitled to the shares and such 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 such shares; and the person to whom the shares are sold shall be registered as the member in respect of such shares and shall not be bound to see to the application of the purchase money, nor shall his title to such shares be affected by any irregularity or invalidity in the proceeding in reference to such forfeiture, sale or disposition. |
| Company's lien on shares.                          | 32. The Company shall have a first and paramount lien upon all the shares not being fully paid up registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for moneys called or payable at a fixed time in respect of such shares whether the time for the payment thereof shall have actually arrived or not and no equitable interest in any share shall be created except upon the footing and condition that Article 12 hereof is to have full effect. Such lien extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares.   |

33. For the purpose of enforcing such lien the Board may sell the shares subject thereto in such manner as it thinks fit, but no sale shall be made until such time for payment as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member, his executor or administrator or his Committee, Curator bonis or other legal representative as the case may be and default shall have been made by him or them in the payment of the moneys called or payable at a fixed time in respect of such shares for seven days after the date of such notice. Enforcement of lien by sale.
34. The net proceeds of the sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale. Application of proceeds of sale.
35. Upon any sale after forfeiture or for enforcing a lien in exercise of the power hereinbefore given the Board may appoint some person to execute an instrument of transfer of the share sold and cause the purchaser's name to be entered in the Register in respect of the shares sold, and the purchaser shall not be bound to see to the regularity of the proceedings, nor to the application of the purchase money, and after his name has been entered in the Register in respect of such shares, the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively. Validity of sale in exercise of lien and after forfeiture.
36. Where any shares, under the powers in that behalf herein contained, are sold by the Board and the certificate in respect thereof has not been delivered up to the Company by the former holder of such shares, the Board may subject to provisions of Article 16 hereof issue a new certificate for such shares distinguishing it in such manner as it may think fit from the certificate not so delivered up. Issue of new certificates.

(f) TRANSFER AND TRANSMISSION

37. Save as provided in Section 108 of the Act no transfer of a share shall be registered 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 has been delivered to the Company together with the certificate, or if no such certificate is in existence, the letter of allotment of the share. The instrument of transfer of any share shall specify the name, address and occupation (if any) of the transferee and the transferor shall be deemed to remain the member in respect of such share until the name of the transferee shall be duly attested by the signature of one credible witness who shall add his address and occupation. Execution of transfer etc.
- As amended on 24-12-1962.
- 37 A. Without prejudice to the generality of the foregoing Article 37, the Directors shall not accept any application for transfer of less than 50 (Fifty) Shares provided however that this condition shall not apply to :- Application for registration.
- (a) a transfer of Shares made in pursuance of any statutory provision or an Order of a Competent Court of Law; As amended on 9-12-1984.
  - (b) the transfer of the entire shares by an existing Shareholder holding less than 50 (Fifty) Shares by a single transfer to a single or joint transferees;
  - (c) the transfer of the entire of an existing Shareholder holding less than 50 (Fifty) Share to one more transferees whose holding in the Company will not be less than 50 (Fifty) Shares after the said transfer;
  - (d) the transfer of not less than 50 (Fifty) Shares in the aggregate in favour of the same transferee in two or more transfer deeds, submitted together within which one or more relate(s) to the transfer of less than 50 (Fifty) Shares; and
  - (e) the transfer of Shares made at the discretion of the Directors under the special circumstances to avoid undue hardship in genuine cases.



case may be, from a competent court in India, Provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the Board to dispense with the production of probate or letters of administration or such other legal representation upon such terms as to indemnity or otherwise as the Board, in its absolute discretion, may consider adequate.

46. Any committee or guardian of lunatic or minor member or any person becoming entitled to or to transfer a share in consequence of the death or bankruptcy or insolvency of any member upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of his title as the Board thinks sufficient, may, with the consent of the Board (which the Board shall not be bound to give) be registered as a member in respect of such share, or may, subject to the regulations as to transfer hereinbefore contained, transfer such share. This articles is hereinafter referred to as "The Transmission Article."
47. (1) If the person so becoming entitled under the Transmission Article shall elect to be registered as a member in respect of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elect.  
(2) If the person aforesaid shall elect to transfer the share he shall testify his election by executing an instrument of transfer of the share.  
(3) All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of an instrument of transfer of a share shall be applicable to any notice or transfer as aforesaid as if the death, lunacy, bankruptcy or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
48. A person so becoming entitled under the Transmission Article to a share by reason of the death, lunacy, bankruptcy or Insolvency of a member shall, subject to the provisions of Article 80 and of Section 206 of the Act, be entitled to the same dividends and other advantages to which he would be entitled if he were the member registered in respect of the share.
- 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 moneys payable in respect of the share, until the requirements of the notice have been complied with.
- 48A. Nothing contained in Articles 37, 38 and 39 shall apply to the transfer of shares, debentures or other marketable securities effected by the transferor and the transferee, both of whom are entered as beneficial owners in the records of the Depository.
- 48B. In the case of transfer, of shares, debentures or other marketable securities where the Company has not issued any certificates and where shares and securities are being held in an electronic and fungible form, the provisions of the Depositories Act, shall apply. Provided that in respect of the shares, debentures and other marketable securities held by the Depository on behalf of a beneficial owner as defined in the Depositories Act, Sections 153, 153A, 153B, 187B, 187C and 372 of the Companies Act, 1956 shall not apply.
- 48C. IFC Rights
- (a) IFC shall have a right to participate in a proposed transfer of shares or Share Equivalents by any Existing Shareholder provided that IFC shall not have such a right to participate if the Existing Shareholders are in compliance with Article 178(d) after giving effect to such transfer or if the proposed transfer would not result in a change of control of the Company.
- (b) Subject to Article 48C(a), an Existing Shareholder proposing to transfer its share to a third party, shall give notice to IFC prior to 30 days of closing of such transfer

Transmission Article

Election under the Transmission Article

Rights under the Transmission Article.

As amended on 29-08-1998.

As amended on 26-07-2007

giving details such as number of shares to be transferred, consideration to be paid, and other material terms and conditions and the name and address of each transferee and IFC shall notify the number of shares it wishes to transfer within 30 days of receipt of such notice.

- (c) IFC shall be entitled to transfer shares representing up to its pro rata share of the shares to be transferred, however, if the proposed transfer would result in a change of control of the Company, or if following the proposed transfer the shares and Share Equivalents held by IFC would account for less than 5% of the shares and Share Equivalents then outstanding, IFC may transfer up to all of the shares and Share Equivalents held by IFC in preference to any other shareholder, including the Existing Shareholder.
- (d) Any such transfer by IFC shall be on substantially the same terms and conditions as described in the notice, however, IFC shall not be required to make any representation or warranty to the buyer, other than as to good title to any shares IFC proposes to transfer, absence of material liens, and customary representations concerning IFC's power and authority to undertake the proposed transfer.
- (e) The Existing Shareholder shall within a period of 30 days from the expiration of 30 days of receipt of notice by IFC transfer the shares upon terms and conditions no more favourable than those specified in the notice. If the transfer is not completed within this period, then IFC's right to participate shall be applicable to any subsequent proposed transfer by the Existing Shareholder.
- (f) If the buyer refuses to purchase shares of IFC, then the Existing Shareholder shall not transfer the shares to that buyer unless prior to or simultaneously with such transfer, the Existing Shareholder acquires from IFC the shares that IFC wishes to transfer.

(g) INCREASE AND REDUCTION OF CAPITAL

- |   |     |   |
|---|-----|---|
| Power to increase capital.              | 49. | The Company by ordinary resolution may from time to time after the conditions of the Memorandum of Association to increase the capital by the creation of new shares of such amount as may be deemed expedient.   |
| Conditions of issue of new shares.      | 50. | Subject to any special rights or privileges for the time being attached to any shares in the capital of the Company then issued, the new shares may be issued upon such terms and conditions, and with such rights and privileges attached thereto as the resolution resolving upon the creation thereof shall direct, and if no direction be given, as the Board shall determine and in particular such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company. |
| Provisions relating to the issue.       | 51. | Before the issue of any new shares, the Company in General Meeting may make provisions as to the allotment and issue of the new shares, and in particular may determine to whom the same shall be offered in the first instance and whether at par or at a premium or, subject to the provisions of Section 79 of the Act, at a discount; in default of any such provision, or so far as the same shall not extend, the new shares may be issued in conformity with the provisions of Article 5.                                    |
| New Shares to rank with existing share. | 52. | Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered part of the then existing capital of the Company and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien and otherwise.   |
| Inequality in number of new shares.     | 53. | If, owing to any inequality in the number of new shares to be issued, and the number of shares held by member entitled to have the other of such new shares, any difficulty shall arise in the apportionment of such new shares or any of them amongst the members such difficulty shall, in the absence of any direction in the resolution creating the shares or by the Company in General Meeting, be determined by the Board.   |
| Reduction of capital, etc.              | 54. | The Company by special resolution, may from time to time, reduce its capital and any share premium account or capital redemption reserve fund in any manner and with and subject to any incident authorised and consent required by law.  |

54A. The Company shall have power, subject to and in accordance with all applicable provisions of the Act, to purchase any of its own fully paid shares whether or not they are redeemable and may make a payment out of the Free Reserves and/or Share Premium Account and/or Capital in respect of such purchase.

As amended on 29-8-1998

(h) ALTERATION OF CAPITAL

55. The Company by ordinary resolution may from time to time alter the conditions of the Memorandum of Association :-

Power to sub-divide and consolidate.

(a) to consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(b) to subdivide 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 share shall be the same as it was in the case of the share from which the reduced share is derived;

(c) to 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.

56. The resolution whereby any share is subdivided, may determine that, as between the members registered in respect of the shares resulting from such sub-division, one or more of such shares shall have some preference or special advantage as regards dividend, capital, voting, or otherwise over or as compared with the others or other, subject, nevertheless to the provisions of Sections 85, 87, 88 and 106 of the Act.

Sub-division.

57. Subject to the provisions of Sections 100 to 105 inclusive of the Act, the Board may accept from any member the surrender on such terms and conditions as shall be agreed of all or any of his shares.

Surrender.

(i) MODIFICATION OF RIGHTS

58. Whenever the capital (by reason of the issue of preference shares or otherwise) is divided into different classes of shares, all or any of the rights and privileges attached to each class may subject to the provisions of Sections 106 and 107 of the Act, be modified, commuted, affected, abrogated, varied or dealt with by agreement between the Company and any persons purporting to contract on behalf of that class, provided such agreement is (A) consented to in writing by the holders of at least three-fourths of the issued shares of that class or (B) sanctioned by a resolution passed at a separate general meeting of the members registered in respect of shares of that class in accordance with Section 106(1)(b) of the Act and all the provisions hereinafter contained as to general meetings shall, mutatis mutandis, apply to every such meeting except that the quorum thereof shall be at least two members registered in respect of or representing by proxy one-fifth of the nominal amount of the issued shares of that class. This Article is not by implication to curtail the power of modification which the Company would have if this Article were omitted. The Company shall comply with the provisions of Section 192 of the Act as to forwarding a copy of any such agreement or resolution to the Registrar.

Power to modify rights.

**III. LOANS & DEBENTURES**

59. The Board may, from time to time, at its discretion, subject to the provisions of Sections 292, 293 of the Act, raise or borrow from the Directors or from elsewhere and secure the payment of any sum or sums of money for the purposes of the Company; provided that the Board shall not, without the sanction of a general meeting, borrow any sum of money which together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate for the time being of the paid-up capital of the Company and its free reserves, that is to say, reserves not set aside for any specific purposes.

Power to borrow.

- Conditions of borrowing.
60. The Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects it thinks fit and, in particular, by the issue of bonds, notes, convertible, redeemable or otherwise perpetual or redeemable debentures or debenture-stock, or any mortgage or other security on the undertaking of the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being.
- Issue of debentures.
61. Any debentures, debenture stock, bonds or other securities may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawings, debentures, debenture-stock, bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
- Transfer of debentures.
62. Save as provided in Section 108 of the Act, no transfer of debentures shall be registered unless a proper instrument of transfer duly stamped and executed by the transferor and transferee has been delivered to the Company together with the certificate or certificates of the debentures.
- Refusal to register transfer of debentures.
63. If the Board refuses to register the transfer of any debentures, the Company shall, within two months from the date on which the instrument of transfer was lodged with the Company, send to the transferee and to the transferor notice of the refusal.

#### **IV. GENERAL MEETING**

##### **(a) STATUTORY MEETING**

- The Statutory Meeting.
64. The Statutory Meeting of the Company shall, as required by Section 165 of the Act, be held at such time not being less than one month nor more than six months from the date at which the Company shall be entitled to commence business and at such place as the Board may determine, and the Board shall comply with the other requirements of that section as to the report to be submitted and otherwise.

##### **(b) CONVENING OF MEETINGS**

- General Meetings.
65. In addition to any other meetings, general meetings of the Company shall be held within such intervals as are specified in Section 166 (1) of the Act and, subject to the provisions of Section 166 (2) of the Act, at such times and places as may be determined by the Board. Each such general meeting shall be called an "Annual General Meeting" and shall be specified as such in the notice convening the meeting. Any other general meeting of the Company shall be called an "Extraordinary General Meeting".
- Extraordinary General Meetings, Circulation of members' resolution etc.
66. The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall, on the requisition of such number of members as hold, at the date of the deposit of the requisition, not less than one-tenth of such of the paid up capital of the Company as at that date carried the right of voting in regard to the matter to be considered at the meeting, forthwith proceed to call an Extraordinary General Meeting, and in the case of such requisition the following provisions shall apply :
- (1) The requisition shall state the matters for the consideration of which the meeting is to be called, shall be signed by the requisitionists and shall be deposited at the office. The requisition may consist of several documents in like form each signed by one or more requisitionists.
  - (2) Where two or more distinct matters are specified in the requisition, the requisition shall be valid only in respect of those matters in regard to which the requisition has been signed by the member or members hereinbefore specified.
  - (3) If the Board does not, within twenty-one days from the date of deposit of a valid requisition in regard to any matters, proceed duly to call a meeting for the consideration of these matters on a day not later than forty-five days from the date of deposit, the requisitionists or such of them as are enabled so to do by virtue of Section 169 (6) (b) of the Act may themselves call the meeting but any meeting so called shall not be held after three months from the date of the deposit.

- (4) Any meeting called under this Article by the requisitionists shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board but shall be held at the Office of the Company.
- (5) Where two or more persons hold any shares jointly, a requisition or notice calling a meeting signed by one or some only of them shall, for the purposes of this Article have the same force and effect as if it has been signed by all of them.
- (6) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to call a meeting shall be repaid to the requisitionists by the Company; and any sum so repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.
67. The Company shall comply with the provisions of Section 188 of the Act as to giving notice of resolutions and circulating statements on the requisition of members.
68. (1) Save as provided in Section 171(2) of the Act, not less than twenty-one days notice shall be given of every general meeting of the Company. Every notice of a meeting shall specify the place and the day and hour of the meeting and shall contain a statement of business to be transacted thereat. Notice of Meeting.
- (2) Where any such business consists of special business, as hereinafter defined there shall be annexed to the notice a statement complying with Section 173 (2) and (3) of the Act. Explanatory Statement.
- (3) Notice of every meeting of the Company shall be given to every member of the Company, to the auditor of the Company and to any person entitled to a share in consequence of the death or insolvency of a member in any manner hereinafter authorised for the giving of notices to such person. To whom notice to be given.
- (4) The accidental omission to give any such notice to or the non-receipt by any member or other person to whom it should be given shall not invalidate the proceedings of the meeting. Accidental omission to give notice.

(c) PROCEEDINGS AT GENERAL MEETINGS

69. The ordinary business of an Annual General Meeting shall be to receive and consider the profit and loss account, the balance sheet and the report by the Board and by the auditors, to appoint Directors in the place of those retiring by rotation, to appoint an auditor and fix his remuneration and to declare dividends. All other business transacted at an Annual General Meeting and all business transacted at any other general meeting shall be deemed special business. Business of Meeting.
70. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Save as herein otherwise provided, five members present in person shall be a quorum for a meeting of the Company. Quorum
71. Any act or resolution which, under the provisions of these Articles or of the Act, is permitted or required to be done or passed by the Company in General Meeting shall be sufficiently so done or passed if effected by an ordinary resolution as defined in Section 189 (1) of the Act unless either the Act or these Articles specifically require such act to be done or resolution passed by a special resolution as defined in Section 189 (2) of the Act. Resolutions.
72. The Chairman of the Board, if any, shall be entitled to take the chair at every general meeting. If there is no such Chairman, or, if any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting, or is unwilling to act, the members present shall choose another Director as Chairman, and if no Director be present or if all the Directors present decline to take the chair, then the members present shall, on a show of hands, or on a poll if properly demanded, elect one of their member being a member entitled to vote, to be Chairman of the meeting. Chairman

- Dissolution and adjournment.
73. If within half-an-hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon such requisition as aforesaid, shall be dissolved; but 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 day and at such time and place as the Board may by notice appoint and if at such adjourned meeting a quorum be not present, those members who are present and not being less than two shall be a quorum and may transact the business for which the meeting was called.
- How question to be decided.
74. Every question submitted to a meeting shall be decided in the first instance by a show of hands, and in the case of an equality of votes, both on a show of hands and on a poll, the Chairman of the meeting shall have a casting vote in addition to the vote to which he may be entitled as a member.
- Evidence of passing of resolution where poll not demanded.
75. 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 the meeting of his own motion or by at least five members having the right to vote on the resolution in question and present in person or by proxy, or by any member or members present in person or by proxy and having no less than one-tenth of the total voting power in respect of such resolution, or by any member or members present in person or by proxy and holding shares in the Company conferring a right to vote on such resolution, being shares on which an aggregate sum has been paid up which is not less than one-tenth of the total sum paid up on all the shares conferring that right, 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.
- Poll.
76. (1) If a poll be demanded as aforesaid, it shall be taken forth-with on a question of adjournment or election of a Chairman of the meeting and in any other case in such manner and at such time, not being later than forty-eight hours from the time when the demand was made, and at such place as the Chairman of the meeting directs and subject as aforesaid, either at once or after an interval or adjournment or otherwise, and the result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was demanded.
- (2) The demand for a poll may be withdrawn at any time.
- (3) Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers, one at least of whom shall be a member (not being an officer or employee of the Company) present at the meeting provided such a member is available and willing to be appointed, to scrutinise the votes given on the poll and to report to him thereon.
- (4) On a poll, a member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.
- (5) 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 a poll has been demanded.
- Power to adjournment.
77. (1) The Chairman of a general meeting may adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (2) When a meeting is adjourned it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

(d) VOTES OF MEMBERS

78. (a) Save as hereinafter provided, on a show of hands, every member present In person shall have one vote and every person present either as a proxy or as a duly authorised representative of a body corporate, shall have one vote. Votes of members.
- (b) Save as hereinafter provided, on a poll the voting rights of members shall be as specified in Section 87 of the Act.
79. Where a Company or a body corporate (hereinafter called 'member company') is a member of the Company, a person duly appointed by the resolution in accordance with the provisions of Section 187 of the Act to represent such member company at a meeting of the Company, shall not, by reason of such appointment, be deemed to be a proxy, and the production at the meeting of a copy of such resolution duly signed by one director of such member company and certified by him as being a true copy of the resolution shall, on production at the meeting, be accepted by the Company as sufficient evidence of the validity of his appointment. Such a person shall be entitled to exercise the same rights and powers, including the right to vote by proxy on behalf of the member company which he represents, as that member company could exercise. Procedure where a company is a member of the Company.
80. Any person entitled under the Transmission Article to transfer any share may vote at any general meeting in respect thereof in the same manner as if he were the member registered in respect of such share, provided that fortyeight hours at least before the time of holding the meeting or adjourned meeting, as the case may be at which he proposes to vote he shall satisfy the Board of his right to transfer such share, unless the Board shall have previously admitted his right to vote at such meeting in respect thereof. If any member be a lunatic, idiot or non compos mentis, he may vote whether on a show of hands or on a poll by his committee, curator bonis or other legal curator bonis or other legal curator and such last mentioned person may give his vote by proxy. Deceased, insane and insolvent members.
81. Where there are members registered jointly in respect of any share any one of such persons may vote at any meeting either personally or by proxy, in respect of such share as if he were solely entitled there to ; and if more than one of such members be present at any meeting either personally or by proxy, that one of the said members so present whose name stands first in the Register in respect of such share alone shall be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share is registered shall for the purposes of this Article be deemed to be members registered jointly in respect thereof. Members registered jointly Proxies.
82. On a poll votes may be given either personally or by proxy or, in the case of a body corporate, by a representative duly authorised as aforesaid. Proxies.
83. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if such appointor is a body corporate be under its common seal or the hand of its officer or attorney duly authorised. A proxy who is appointed for a specified meeting only shall be called a special proxy. Any other proxy shall be called a General Proxy. Instrument appointing proxies.
- A person may be appointed a proxy though he is not a member of the Company and every notice convening a meeting of the Company shall state the same and that a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself.
84. The instrument appointing a proxy and power -of-attorney or other authority (if any) under which it is signed, or a notarially certified copy of that power or authority, shall be deposited at the office not less than forty- eight hours before the time for holding the meeting at which the person named in the instrument purports to vote in respect thereof and in default the instrument of proxy shall not be treated as valid. Deposit of Instrument of proxies.
85. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the Validity of vote by proxy.

instrument or transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, insanity, revocation or transfer of the share shall have been received by the Company at the Office before the vote is given, Provided nevertheless that the Chairman of any meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and that same has not been revoked.

Instrument appointing Special Proxy.

86. Every instrument appointing a Special Proxy shall be retained by the Company and shall, as nearly as circumstances will admit, be in the form or to the effect following :-

**KANORIA CHEMICALS & INDUSTRIES LIMITED**

I/We of  
being a member (s) of Kanoria Chemicals & Industries Limited hereby  
appoint of  
(or failing him of  
or failing him of )  
as my/ our proxy to attend and vote for me/ us and on my/ our behalf at the (Annual or Extraordinary, as the case may be) General Meeting of the Company to be held on the day of and at any adjournment thereof.  
As Witness my / our hand(s) this day of 19  
Signed by the said.

Provided always that an instrument appointing a proxy may be in any of the forms set out in Schedule IX to the Act.

Restriction.

87. No member shall be entitled to exercise any voting rights either personally or by proxy at any meeting of the Company in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has; and has exercised, any right of lien :

Validity of lien.

88. (1) Any objection as to the admission or rejection of a vote, on a show of hands, or, on a poll made in due time, shall be referred to the Chairman who shall forthwith determine the same, and such determination made in good faith shall be final and conclusive.  
(2) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes.

**V. DIRECTORS**

(a) GENERAL

Number.

89. Until otherwise determined by special resolution, the number of the Directors of the Company shall not be less than three or more than twelve.

As amended on 24-12-1988

Proportion to retire by rotation.

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

First Directors.

91. The persons hereinafter named shall become and be the first Directors of the Company, that is to say :
1. SHRI RADHAKISSEN KANORIA
  2. SHRI BASUDEO KANORIA
  3. SHRI BINOD KUMAR KANORIA

Additional Directors.

92. The Board shall have power from time to time and at any time to appoint any person as a Director as an addition to the Board but so that the total number of Directors shall not

at any time exceed the maximum number fixed by these Articles. Any Director so appointed shall hold office only until the next Annual General Meeting of the Company and shall then be eligible for reappointment.

93. Unless otherwise determined by the Company in General Meeting a Director shall be Qualification. required to be registered in respect of one Equity share as Directors qualification.

93A. While any money remains due under any Debenture secured by Debenture Trust Deed or Deeds executed by the Company under which the Industrial Finance Corporation of India is the trustees or under the said Debenture Trust Deed or Deeds or under any Deed of Mortgage and/ or Deed of Hypothecation executed by the Company in favour of the Industrial Finance Corporation of India (hereinafter called the Corporation), the later shall have or may exercise the right to appoint from time to time any person or persons to be a director or directors of the Company but so that not more than two persons shall at any time hold office by virtue of appointment made under this Article. Any person so appointed may at any time be removed from office by the said Corporation who may from the time of such removal or in case of death or resignation of the person appointed appoint any other or others in his place. Any such appointment or removal shall be by writing signed by the Corporation and served on the Company. As amended on 7-3-1962

93B. The Directors appointed by the Corporation under Article 93A shall not be required to possess any share qualifications as prescribed by Article 93 and the provisions in the Articles of Association of the Company as to the retirement of Directors by rotation shall not apply to them. As amended on 7-3-1962

93C. Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to the Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI), The Industrial Credit and Investment Corporation of India Limited (ICICI), The Industrial Reconstruction Corporation of India Limited (IRCI), Life Insurance Corporation of India (LIC), Unit Trust of India (UTI), General Insurance Corporation of India (GIC), National Insurance Company Limited (NIC), The Oriental Fire and General Insurance Company Limited (OFGI), The New India Assurance Company Limited (NIA), United India Insurance Company Limited (UI), West Bengal Industrial Development Corporation Limited (WBIDC), U. P. State Industrial Development Corporation Ltd. (UPSIDC), and The Pradeshiya Industrial & Investment Corporation of U. P. Ltd. (PICUP) or a State Financial Corporation or any financial institution owned or controlled by the Central Government or a State Government or the Reserve Bank of India or by two or more of them or by Central Government or State Government by themselves (each of the above is hereinafter in this Article referred to as 'the Corporation') out of any loans/ debenture assistance granted by them to the Company or so long as the corporation holds or continues to hold Debentures/Shares in the Company as a result of underwriting or by direct subscription or private placement, or so long as any liability of the Company arising out of any Guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors, whole-time or non- whole-time, (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. As amended on 7-12-1982

The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s. At the opinion 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 shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds or continues to hold Debentures/shares in the Company as a result of underwriting or by direct subscription or private placement or the liability of the Company arising out of the guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately the moneys owing by the Company to the Corporation are paid off or on the Corporation ceasing to hold Debentures/shares in the Company or on the satisfaction of the liability of the Company arising out of the guarantee furnished by the Corporation.

The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and of the Meetings of the Committee 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 whole-time Directors/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 a whole time Director in the management of the affairs of the Company. Such whole-time Director/s shall be entitled to receive such remuneration, fees, commission, and monies as may be approved by the Corporation.

As amended on  
29-9-1965.

93D. So long as the U. P. State Industrial Corporation Limited hold shares of such sum as may be agreed upon between the Company and the said U. P. State Industrial Corporation Limited (hereinafter called the Corporation), they shall have or may exercise the right to appoint from time to time any person to be Director of the Company. The Director appointed by the Corporation under this Article shall not be required to possess any share qualification as prescribed by Article 93 and the provisions in the Articles of Association of the Company as to the retirement of Directors by rotation shall not apply to him.

93E. IFC's right to nominate Director

As amended on  
26-7-2007.

(a) As long as IFC holds at least 5% shares of the Company, it shall have a right to nominate a member to the Company's Board of Directors (the "IFC Director"), and the right to remove such IFC Director. However, nothing contained in this Article shall in any manner limit IFC's rights as a shareholder of the Company with respect to the nomination or election of Director pursuant to the other Articles of the Articles of Association. The Existing Shareholders shall take all steps as specified in Article 178(a) of these Articles to ensure that the IFC Director is duly elected (or removed, as the case may be). The Company shall, no later than 15 days after notice from IFC exercising its right to nominate

the IFC Director is received, convene and hold a meeting of the Board of Directors and appoint the IFC Director as an additional Director.

- (b) IFC may require the removal of any IFC Director at any time and shall be entitled, subject to Article 93E(a), to nominate another person as IFC Director in place of any IFC Director so removed. In the event of the resignation, retirement or vacation of office of the IFC Director, IFC shall be entitled, subject to Article 93E(a) to nominate another person as IFC Director in place of such IFC Director.
  - (c) The IFC Director shall be a retiring non-executive Director and shall not be in charge of/responsible for day to day management and/or operations of the Company. Such IFC Director shall not be "an officer in default" as prescribed under Section 5 of the Companies Act and shall not be liable for any default or failure of the Company in complying with the provisions of any laws. The Company shall, subject to applicable laws, indemnify such Director against any liability that may arise in respect of the above. If IFC exercises such right of nomination, the Company shall procure appropriate directors' and officers' insurance with regard to such IFC Director at the cost and expense of the Company.
  - (d) If IFC does not elect to nominate an IFC Director pursuant to Article 93E(a), IFC shall have the right to appoint a non-voting observer to the Board of Directors (the "Observer"), who shall be entitled to attend meetings of the Board of Director, Committee and the Board or other managing body of the key subsidiaries and be given notice of meetings of the Board of Directors, Committee, accompanied by all documents, minutes, consents and other materials that the Company provides to other Directors. The appointment of such an Observer by IFC shall not affect its right to appoint an IFC Director subsequently and during the period in which the Observer is appointed, the Board of Directors shall be constituted without an IFC Director.
  - (e) The Company shall indemnify its Directors to the maximum extent permitted under law and shall reimburse the reasonable costs incurred by a non-employee Director or an Observer in attending a meeting of the Board of Directors or Committee or a General Shareholders' Meeting (including the reasonable costs of travel and attendance of the IFC Director or Observer).
  - (f) The Company shall authorize the IFC Director or the Observer, if appointed, to communicate to IFC any information or documents received by such IFC Director or Observer, as the case may be, unless the Board of Directors determines otherwise for bona fide and substantial business reasons.
94. Unless otherwise determined by the Company in General Meeting, each Director shall be entitled to receive out of the fund of the Company for attending meetings of the Board such sum as may be prescribed by the Act or the Central Government from time to time for each meeting of the Board of Directors attended by him, and in addition may also be as may be determined by the Board from time to time paid a commission of not exceeding 1% of the nett profits of the Company. All other remuneration, if any, payable by the Company to each Director in respect of his services as a Director in the whole 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 and hotel and other expenses incurred in the execution of their duties as Directors.
95. The Continuing Directors may act notwithstanding any vacancy in their body, but so that if the number falls below the minimum above fixed the Board shall not, except for the purpose of filling vacancies, act so long as the number is below the minimum.

Remuneration and Expenses.

As amended on 24-12-1988.

Board may act notwithstanding vacancy.

(b) VACATION OF OFFICE

96. (1) The office of a Director shall ipso facto be vacated if :
- (a) When a qualification is required, he fails to obtain within the time specified in Section 270(1) of the Act, or at any time thereafter ceases to hold the share qualification necessary for his appointment; or
  - (b) he is found to be of unsound mind by a court of competent jurisdiction; or
  - (c) he applies to be adjudicated an insolvent; or
  - (d) he is adjudged an insolvent; or
  - (e) he is convicted by a court in India of any offence and is sentenced in respect thereof to imprisonment for not less than six months; or
  - (f) he fails to pay any call in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call; or
  - (g) he absents himself from three consecutive meetings of the Board or from all meetings of the Board for a continuous period of three months, whichever is the longer, without obtaining leave of absence from the Board; or
  - (h) he, or any firm of which he is a partner, or any private company of which he is a director, accepts a loan, or any guarantee or security for a loan, from the Company in contravention of Section 295 of the Act; or
  - (i) he acts in contravention of Section 299 of the Act; or
  - (j) he becomes disqualified by an order of court under Section 203 of the Act: or
  - (k) he be removed from office in pursuance of Section 284 of the Act; or
  - (l) by notice in writing to the Company he resigns his office; or
  - (m) an office or place of profit under the Company or under any subsidiary of the Company is held in contravention of Section 314(1) of the Act and by the operation of that Section he is deemed to vacate office.
- (2) Notwithstanding any matter or thing in sub-clauses (d) (e) and (j) of clause (1), the disqualification referred to in those sub-clauses shall not take effect ;
- (a) for thirty days from the date of adjudication, sentence or order; or
  - (b) where an appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence of conviction resulting in the sentence, or order, until the expiry of seven days from the date on which such appeal or petition is disposed of; or
  - (c) where within the seven days aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order, and the appeal or petition, if allowed, would result in the removal of the disqualification, until such further appeal or petition is disposed of.

(c) INTERESTED DIRECTORS

Office of Profit under the Company or its subsidiary.

97. No Director, no partner or relative of a Director, no firm in which a Director or his relative is a partner, no private company of which a Director is a director or member and no director, managing agent, secretaries and treasurers or manager of such a private company shall, without the previous consent of the Company by special resolution, hold any office or place of profit under the Company or under any subsidiary of the Company (unless the remuneration received from such subsidiary in respect of such office or place is paid over to the Company or its holding company in so far as such

remuneration is over and above the remuneration to which he is entitled as a director of such subsidiary) except that of a managing director, managing agents, secretaries and treasurers, manager, legal or technical adviser, banker or trustee for the holders of debentures.

98. A Director of the Company may be or become a director of any company promoted by the Company or in which it may be interested as a vendor member or otherwise and no such Director shall be accountable for any benefits received as a director or member of such Company. Retainment of benefits from associated company.
99. Subject to provisions of Section 297 of the Act, a Director shall not be disqualified from contracting with the Company either as vendor, purchaser or otherwise for goods, materials or services or for underwriting the subscription of any shares in or debentures of the Company nor shall any such contract or arrangement entered into by or on behalf of the Company with a relative of such Director, or a firm in which such Director or relative is a partner or with any other partner in such firm, or with a private company of which such Director is a member or director be avoided, nor shall any Director so contracting or being such member or so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established. Conditions of contract with company.
100. Every Director who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement, entered into or to be entered into, by or on behalf of the Company shall disclose the nature or his concern or interest at a meeting of the Board as required by Section 299 of the Act. A general notice, renewable in the last month of each financial year of the Company, that a Director is a director or a member of any specified body corporate or is a member of any specified firm and is to be regarded as concerned or interested in any subsequent contract or arrangement with that body corporate or firm shall be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made and after such general notice, it shall not be necessary to give special notice relating to any particular contract or arrangement with such body corporate or firm, provided such general notice is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given. Disclosure of Interest.
101. No Director shall, as Director, take any part in the discussion of or vote on, any contract or arrangement in which he is in any way whether directly or indirectly concerned or interested, nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote. This prohibition shall not apply to (a) any contract of indemnity against any loss which the Directors or any of them may suffer by reason of becoming or being sureties or a surety for the Company; or (b) any contract or arrangement entered into or to be entered into by the Company with a public company, or with private company which is a subsidiary of a public company, in which the interest of the Director consists solely in his being a director of such company and the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a director thereof, he having been nominated as such director by the Company. Discussion and voting.

(d) ROTATION OF DIRECTORS

102. At each Annual General Meeting of the Company one-third of such of the Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office. An additional Director appointed by the Board under Article 92 hereof shall not be liable to retire by rotation within the meaning of this Article. Retirement by rotation.
103. The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between person who become Directors on the same day, those to retire shall, in default of and subject to any agreement among themselves, be determined by lot. Which Directors to retire.

(e) APPOINTMENT & REMOVAL OF DIRECTORS

- Resolution for appointment.
- Vacancies.
104. Save as permitted by Section 263 of the Act, every resolution of a general meeting for the appointment of a Director shall relate to one named individual only.
105. The Company, at the Annual General Meeting at which a Director retires by rotation in manner aforesaid, may, fill the vacated office by appointing the retiring Director or some other person thereto.
- If the place of the retiring Director is not so filled and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place. If at the adjourned meeting also, the place of the retiring Director is not filled and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting unless :
- (a) at the meeting or at the previous meeting a resolution for the re-appointment of such Director has been put to the vote and lost; or
  - (b) the retiring Director has by notice in writing addressed to the Company or the Board expressed his unwillingness to be re-appointed; or
  - (c) he is not qualified or is disqualified for appointment; or
  - (d) a resolution, whether special or ordinary, is required for his appointment or re-appointment by virtue of any provisions of the Act; or
  - (e) the proviso to Section 263 (2) or Section 280 (3) of the Act is applicable to the case.
- Power to remove Director.
106. The Company may, subject to the provisions of Section 284 of the Act, by ordinary resolution of which special notice has been given, remove any Director before the expiration of his period of office and may by ordinary resolution of which special notice has been given, appoint another person in his stead, if the Director so removed was appointed by the Company in General Meeting or by the Board under Article 107. The person so appointed shall hold office until the date upto which his predecessor would have held office if he had not been so removed. If the vacancy created by the removal of a Director under the provisions of this Article is not so filled by the meeting at which he is removed the Board may at any time thereafter fill such vacancy under the provisions of Article 107.
- Power to fill casual vacancies.
107. If any director appointed by the Company in General Meeting vacates office as a Director before his term of office will expire in the normal course the resulting casual vacancy may be filled by the Board but any person so appointed shall retain his office so long only as the vacating Director would have retained the same if no vacancy had occurred. Provided that the Board may not fill such a vacancy by appointing thereto any person who has been removed from the office of Director under Article 106.
- Notice of proposed appointment.
- As amended on 24-12-1988
108. 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 and nor more than two months 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 five hundred rupees which shall be refunded to such person or, as the case may be, to such member, if the person succeeds in getting elected as a Director.

(f) ALTERNATE DIRECTORS

- Power to appoint.
109. The Board may appoint any person to act as alternate Director for a Director during the latter's absence for a period of not less than three months from the State in which meetings of the Board are ordinarily held and such appointment shall have effect and such appointee, whilst he holds office as an alternate director, shall be entitled to notice of meetings of the Board and to attend and vote thereat accordingly; but he shall not require any qualification and shall ipso facto vacate office if and when the absent Director

returns to the State in which meetings of the Board are ordinarily held or the absent Director vacates office as a Director.

(g) PROCEEDINGS OF DIRECTORS

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| 110. The Board shall meet together at least once in every three months for the despatch of business and may adjourn and otherwise regulate its meetings and proceedings as it thinks fit. Notice in writing of every meeting of the Board shall be given to every Director for the time being in India, and at his usual address in India to every other Director, unless otherwise determined from time to time and at any time by the consent of all the Directors for the time being in India, meetings of the Board shall take place at the office.  | Meetings.                             |
| 111. The Chairman or a Director at any time, and the Secretary shall upon the request of a Director made at any time, convene a meeting of the Board.  | Convening of meetings.                |
| 112. The Board may choose a Chairman from among the Directors. The Board may also appoint the same individual as the Chairman as well as the Managing Director of the Company at the same time. Such person shall preside at all Meetings of the Board as well as the General Meetings of the Company.<br><br>If at any Board Meeting the Chairman is not present within five minutes after the time appointed for holding the Meeting, the Directors present shall choose someone of their number to be Chairman of such Meeting.   | Chairman<br>As amended on 05-09-2014. |
| 113. The quorum for a meeting of the Board shall be determined from time to time in accordance with the provisions of Section 287 of the Act. If a quorum shall not be present within fifteen minutes from the time appointed for holding a meeting of the Board, it shall be adjourned until such date and time as the Chairman of the Board shall appoint.   | Quorum.                               |
| 114. A meeting of the Board at which a quorum be present shall be competent to exercise all or any of the authorities, powers and discretions by or under these Articles for the time being vested in or exercisable by the Board.   | Power of meeting.                     |
| 115. Subject to the provisions of Sections 316, 372 (4) and 386 of the Act, questions arising at any meeting shall be decided by a majority of votes, and in case of an equality of votes, the Chairman of the Board shall have a second or casting vote.  | Decisions.                            |
| 116. The Board may, subject to the provisions of the Act, from time to time and at any time delegate any of its powers to a committee consisting of such Director or Directors as it thinks fit and may from time to time revoke such delegation. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed upon it by the Board.  | Power to appoint committee.           |
| 117. The meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board so far as the same are applicable thereto, and are not superseded by any regulations made by the Board under the last preceding Article.   | Proceedings of committee.             |
| 118. Acts done by a person as a Director shall be valid notwithstanding that it may afterwards be discovered that his appointment was invalid by reason of any defect or disqualification or had terminated by virtue of any provisions contained in the Act or in these Articles. Provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.  | Validity of acts of Director.         |
| 119. Save in those cases where a resolution is required by Sections 262, 292, 297, 316, 372 (4) and 386 of the Act, to be passed at a meeting of the Board, a resolution shall be as valid and effectual as if it had been passed at a meeting of the Board or committee of the Board, as the case may be, duly called and constituted, if a draft thereof in writing is circulated, together with necessary papers if any, to all the Directors, or to all the members of the committee of the Board, as the case may be, then in India (not being, less in number than the quorum fixed for a meeting of the Board or committee, as the case may be) and to all other Directors or members of the committee at their usual address in India, and has been approved by such of them as are then in India or by a majority of such of them, as are entitled to vote on the resolution. | Resolution by circulation.            |

(h) MINUTES

Minutes to be made.

120. (1) The Board shall cause minutes to be duly entered in books provided for the purpose:
- (a) of the names of the Directors present at each meeting of the Board and of any committee of the Board and 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;
  - (b) of all orders made by the Board and any committee of the Board;
  - (c) of all appointment of Directors and other officers of the Company; and
  - (d) of all proceeding of general meetings of the Company and of meetings of the Board and any committee of the Board.

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

Provided that no matter need be included in any such minutes which the Chairman of the meeting, in his absolute discretion, is of opinion;

- (a) is or could reasonably be regarded as, defamatory of any person;
  - (b) is irrelevant or immaterial to the proceedings; or
  - (c) is detrimental to the interests of the Company.
- (2) Any such minutes of any meeting, of the Board or of any committee of the Board or of the Company in General Meeting, if purporting to be signed by the Chairman of such meeting or by the Chairman of the next succeeding meeting, shall be evidence of the matters stated in such minutes. The minute books of general meetings of the Company shall be kept at the office and shall on his giving to the Company not less than twenty-four hours' previous notice in writing of his intention to inspect, be open to inspection by any member on business days between the hours of 11 a.m. and 1 p.m.

(i) POWERS OF DIRECTORS

General Power.

121. Subject to the provisions of the Act, the control of the Company shall be vested in the Board who shall be entitled to exercise all such powers, and to do all such acts and things as the Company is authorised to exercise and do. Provided that the Board shall not exercise any power or do any act or thing which is directed or required, whether by the Act or any other statute or by the Memorandum of the Company or by these Articles or otherwise, to be exercised or done by the Company in General Meeting. Provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions in that behalf contained in the Act or any other statute or in the Memorandum of the Company or in these Articles, or in any regulations not inconsistent therewith and duly made thereunder, including regulations made by the Company in General Meeting, but no regulation made by the Company in the General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

As amended on 8-9-1981

- 121A. The Directors shall, if they consider it to be necessary and in the interest of the Company, be entitled to amend the Audited Accounts of the Company of any financial year which have been laid before the Company in General Meeting. The amendments to the Accounts effected by the Directors in pursuance of this Article shall be placed before the Members in General Meeting for their consideration and approval.

**VI. MANAGEMENT**

(a) MANAGING AGENT

Appointment etc.

122. The Company may from time to time with the approval of the Central Government and the general meeting appoint such person, firm or Company as the Managing Agent of the Company for such period and on terms with such powers and authority as shall be

recorded in an agreement to be executed between the Company and such Managing Agent for the purpose of managing the business and affairs of the Company.

(b) MANAGING DIRECTORS

123. Subject to the provisions of Sections 316 and 317 of the Act, the Board may, from time to time, appoint one or more Directors to be Managing Director or Managing Directors of the Company, either for a fixed term or without any limitation as to the period for which he or they is or are to hold such office, and may, from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places. Appointment etc.
124. Subject to the provisions of the Act and in particular to the prohibition and restrictions contained in Section 292 thereof, the Board may, from time to time, entrust to and confer upon any Managing Director for the time being such of the powers exercisable under these presents by the Board as it may think fit, and may confer such powers for such time, and to be exercised for such restrictions as it thinks fit; and it may confer such powers either collaterally with or the exclusion of, and in substitution for all or any of the powers of the Board in that behalf; and may from time to time revoke, withdraw, alter or vary all or any of such powers. Powers.
125. Subject to the provisions of Section 255 of the Act, a Managing Director may be appointed on terms that he shall not, while he continues to hold that office, be subject to retirement by rotation within the meaning of Articles 102 but (subject to the provisions of any contract between him and the Company) each Managing Director shall be subject to the same provisions as to resignation and removal as the other Directors of the Company and he shall ipso facto and immediately, cease to be a Managing Director if he ceases to hold the office of Director for any cause. Retirement, resignation etc.
126. Subject to the provisions of Sections 309, 310 and 311 of the Act, a Managing Director shall, in addition to the remuneration payable to him as a Director of the Company under these Articles receive such additional remuneration as may from time to time be sanctioned by the Company in General Meeting. Remuneration.

(c) SECRETARIES & TREASURERS

127. Subject to the approval of the Central Government, the Company may from time to time appoint a firm or body corporate as its secretaries and treasurers for any period and may fix the remuneration to be paid to and determine the powers exercisable and duties (in addition to the duties, if any, prescribed in these Articles or the Act) to be performed by such secretaries and treasurers. The secretaries and treasurers shall subject to the superintendence, control and direction of the Board, have and be entitled to the management of the whole or substantially the whole of the affairs of the Company. Appointment etc.

**VII. THE SEAL**

128. The Board shall provide for the safe custody of the Seal and the Seal shall never be used except by the authority previously given of the Board or a Committee of the Board authorised by the Board in that behalf and any one Director shall sign every instrument to which the seal is affixed. Provided nevertheless, that any instrument bearing the Seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority of the Board to issue the same. The Seal.

**VIII. ANNUAL RETURNS**

129. The Company shall comply with the provisions of Sections 159 and 161 of the Act as to the making of Annual Returns. Annual Return.

**IX. DIVIDENDS**

130. Subject to the rights of members entitled to shares (if any) with preferential or special rights attached thereto, the profits of the Company, which it shall from time to time Application of divisible profits.

determine to divide in respect of any year or other period, shall be applied in the payment of a dividend on the ordinary shares of the Company but so that a partly paid up share shall only entitle the member registered respect thereof to such a proportion of the dividend to a fully paid up share as the amount paid thereon bears to the nominal amount of such share and so that where capital is paid up in advance of calls upon the footing that the same shall carry interest such capital shall not, whilst carrying interest, confer a right to participate in profits.

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| Declaration.                 | 131. The Company in General Meeting may declare a dividend to be paid to the members according to their rights and interest in the profits and may, subject to the provisions of Section 207 of the Act, fix the time for payment.  |
| Restriction on amount.       | 132. No larger dividend shall be declared than is recommended by the Board, but the Company in General Meeting may declare a smaller dividend.  |
| Payable out of profits etc.  | 133. No dividend shall be payable except out of the profits of the Company or of moneys provided by the Central or a State Government for the payment of the dividend in pursuance of any guarantee given by such Government and no dividend shall carry interest against the Company.  |
| Interim payments.            | 134. The Board may, from time to time, pay to the members such interim dividends as appear to the Board to be justified by the profits of the Company.  |
| Deduction of debts.          | 135. 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.   |
| Call not be exceed dividend. | 136. Subject to the provisions of Article 18, any general meeting declaring a dividend may make a call on the members of such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the member, be set off against the call.   |
| Payment in specie.           | 137. Any general meeting declaring a dividend may resolve that such dividend be paid, wholly or in part, by the distribution of specific assets, and in particular of paid up shares, debentures or debenture-stock of the Company, or paid up shares, debentures or debenture-stock of any other Company, or in any one or more of such ways.  |
| Effect of transfer.          | 138. A transfer of shares shall not pass the rights to any dividend declared thereon before the registration of the transfer by the Company.  |
| To whom payable.             | 139. No dividend shall be paid in respect of any share except to the member registered in respect of such share or to his order or to his bankers, but nothing contained in this Article shall be deemed to require the bankers of a member to make a separate application to the Company for the payment of the dividend.  |
| Members registered jointly.  | 140. Any one of several persons who are registered jointly in respect of any share may give effectual receipts for all dividends, bonuses and other payments in respect of such share.  |
| Notice.                      | 141. Notice of any dividend, whether interim or otherwise, shall be given to the persons entitled to a share in the manner hereinafter provided.  |
| Payment.                     | 142. Unless otherwise directed in accordance with Section 206 of the Act, any dividend, interest or other moneys payable in cash in respect of any share may be paid by cheque or warrant sent by post to the registered address of the member or in the case of members registered jointly to the registered address of that one of the members registered jointly who is first named on the Register in respect of such share or to such person and such address as the member or members registered jointly, as the case may be, may direct and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent. |

143. Any dividend unclaimed for one year after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and any dividend the claim to which has become barred by law may be forfeited by the Board for the benefit of the Company, but the Board may annul the forfeiture whenever it may think proper.
- Unclaimed dividends.  
As amended on 24-12-1962

#### X. CAPITALISATION OF RESERVES

144. A general meeting may resolve that the whole or any part of the undivided profits of the Company (which expression shall include any premiums received on the issue of shares and any profits or other sums which have been set aside as a reserve or reserves or have been carried forward without being divided) be capitalised and distributed amongst such of the members as would be entitled to receive the same if distributed by way of dividend and in the same, proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalised amount be applied on behalf of such members in paying up in full any unissued shares, debentures or debenture-stock of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares, and that such distribution or payment shall be accepted by such members in full satisfaction of their interest in the said capitalised amount. Provided that any sum standing to the credit of a share premium account or a capital redemption reserve fund may, for purposes of this Article, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.
- Capitalisation.
145. A general meeting may resolve that any surplus money arising from the realisation of any capital assets of the Company or any investments representing the same, or any other undistributed profits of the Company not subject to charge for income tax, be distributed among the members on the footing that they receive the same as capital.
- Surplus moneys.
146. For the purpose of giving effect to any resolution under the last two preceding Articles, the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and in particular may issue fractional certificates, and may fix the value for distribution of any specific assets, and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest such cash or specific assets in trustees upon such trusts for the persons entitled to the dividend or capitalised funds as may seem expedient to the Board. Where requisite, a proper contract shall be filed in accordance with Section 75 of the Act, and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalised fund, and such appointment shall be effective.
- Fractional certificates.

#### XI. BOOKS AND ACCOUNTS

147. The Board shall cause to be kept in accordance with Section 209 of the Act proper books of account.
- Books of account.
148. The books of account shall be kept at the Office or at such other place in India as the Board thinks fit, and shall be open to inspection by any Director during business hours.
- Place of keeping.
149. The Board shall, from time to time, determine whether and to what extent and at what times and places and under what conditions or regulations the books of account and books and documents other than those referred to in Articles 120 (2) and 168 or any of them, shall be open to inspection by the members (not being a Director) and no member (not being a Director) shall have any right of inspecting any book of account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in General Meeting.
- Inspection by members.
150. At every Annual General Meeting the Board shall lay before the Company a balance sheet and profit and loss account made up in accordance with the provisions of Section 210 of the Act and such balance sheet and profit and loss account shall comply with the
- Blance Sheet and Profit and Loss account.

requirements of Section 210, 211, 212, 215 and 216 and Schedule VI to the Act so far as they are applicable to the Company but, save as aforesaid, the Board shall not be bound to disclose greater details of the result or extent of the trading and transactions of the Company than it may deem expedient.

- Report by Board. 151. There shall be attached to every balance sheet laid before the Company a report by the Board complying with Section 217 of the Act.
- Balance Sheet to be sent to members etc. 152. A copy of every balance sheet (including the profit and loss account, the report by the auditor and every other document required by law to be annexed or attached to the balance sheet) shall, as provided by Section 219 of the Act, not less than twenty-one days before the meeting be sent to every such member, debenture-holder, trustee and other person to whom the same is required to be sent by the said section.
- Balance Sheet etc. to be filed. 153. The Company shall comply with Section 220 of the Act as to filing copies of the balance sheet, profit and loss account and documents required to be annexed or attached thereto with the registrar.

## XII. AUDITORS

- Audit. 154. Once at least in every year the books of account of the Company shall be examined by one or more auditor or auditors.
- Appointment and remuneration of auditors. 155. The Company at each Annual General Meeting shall appoint an auditor or auditors to hold office until the next Annual General Meeting and his or their appointment, remuneration, rights and duties shall be regulated by Sections 224 to 227 of the Act.
- Accounts of branch office. 156. Where the Company has a branch office the provisions of Section 228 of the Act shall apply.
- Attendance at general meeting. 157. All notices of, and other communications relating to any general meeting of the Company which any member is entitled to have sent to him shall also be forwarded to the auditor; and the auditor shall be entitled to attend any general meeting and to be heard at any general meeting which he attends on any part of the business which concerns him as auditor.
- Report to be read. 158. The report by the auditor shall be read before the Company in General Meeting and shall be open to inspection by any member.
- When accounts conclusive. 159. Every balance sheet and profit and loss account when audited and adopted by the Company in General Meeting shall be conclusive.

## XIII. SERVICE OF NOTICES AND DOCUMENTS

- Method of service. 160. A Notice or other document may be served by the Company to any member either personally, or by sending it by post to him to his registered address, or (if he has no registered address in India) to the address within India supplied by him to the Company for the giving of notices to him.
- Service by post. 161. Where a notice or other document is sent by post :
- (a) service thereof shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice or document; provided that where a member has intimated to the Company in advance that notice or documents should be sent to him under a certificate of posting or by registered post with or without acknowledgement due and has deposited with the Company a sufficient sum to defray the expenses of doing so, service of the notice or document shall not be deemed to be effected unless it is sent in the manner intimated by the member; and
  - (b) unless the contrary is proved, such service shall be deemed to have been effected :

- (i) In the case of a notice of a meeting at the expiration of forty-eight hours after the letter containing the same is posted, and
  - (ii) in any other case, at the time at which the letter would be delivered in the ordinary course of post.
162. A member shall supply the Company with an address in India for the giving of notice to him. Address in India.
163. A notice or other document may be served by the Company on the members registered jointly in respect of a share by serving on the member named first in the Register. Notice to members registered jointly.
164. A notice or other document may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a member by sending it by post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased or assignee of the insolvent or by any like description at the address in India supplied for the purpose by the persons claiming to be so entitled, or, until such an address has been so supplied, by giving the notice in any manner in which the same might have been given if the death or insolvency had not occurred. Notice to persons entitled by transmission.
165. Every person who by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by every notice in respect of such share which previously to his name and address being entered on the Register is required to be given to the person from whom he derives his title to such share. Transferee, etc. bound by prior notice.
166. Subject to the provisions of Article 164, any notice or document delivered or sent by post to or left at the registered address of any member in pursuance of these Articles shall notwithstanding that such member be then deceased and whether or not the Company had notice of his decease, be deemed to have been duly served in respect of any share, whether registered solely or jointly with other persons, until some other person be registered in his stead as the member in respect thereof and such service shall for all purpose of these presents be deemed a sufficient service of such notice or document on his or her heirs, executors or administrators and all persons, if any, jointly interested with him or her in any such share. Notice to deceased member.
167. Subject to the provisions of Sections 497 and 509 of the Act, in the event of a winding-up of the Company, every member of the Company who is not for the time being in the neighbourhood of the Office shall be bound, within eight weeks after the passing of an effective resolution to wind up the Company voluntarily or the making of an order for the winding-up of the Company, to serve notice in writing on the Company appointing some house-holder residing in the neighbourhood of the Office upon whom all summons, notices, process, orders and judgements in relation to or under the winding-up of the Company may be served, and in default of such nomination the liquidator of the Company shall be at liberty on behalf of such member to appoint some such person, and service upon any such appointee whether appointed by the member or the liquidator shall be deemed to be good personal service on such member for all purposes, and where the liquidator makes any such appointment he shall with all convenient despatch give notice thereof to such member by advertisement in some daily newspaper circulating in the neighbourhood of Office or by a registered letter sent by post and addressed to such member at his address as registered in the Register and such notice shall be deemed to be served on the day on which the advertisement appears or the letter would be delivered in the ordinary course of post. The provisions of this Article shall not prejudice the right of the liquidator of the Company to serve any notice or other document in any other manner prescribed by these Articles. Service of process in winding up.

#### XIV. KEEPING OF REGISTERS AND INSPECTION

168. The Company shall duly keep and maintain at the Office, in accordance with the requirements of the Act in that behalf, the following registers: Registers to be maintained.
- (1) A register of charges pursuant to Section 143 of the Act.

- (2) A register of members pursuant to Section 150 and, whenever the Company has more than fifty members unless such register of members is in a form which itself constitutes an index, an index of members pursuant to Section 151 of the Act.
- (3) A register of debenture holders pursuant to Section 152 and whenever the Company has more than fifty debenture holders, unless such register of debenture holders itself constitutes an index, an index of debenture holders pursuant to Section 152 (2) of the Act.
- (4) A register of contracts pursuant to Section 301 of the Act.
- (5) A register of directors, managing agents, secretaries and treasurers, manager, managing director and secretary pursuant to Section 303 of the Act.
- (6) A register of directors' shareholdings pursuant to Section 307 of the Act.
- (7) A register of investments made by the Company in shares and debentures of bodies corporate in the same group pursuant to Section 372 of the Act
- (8) A register of investments not held by the Company in its own name pursuant to Section 49(7) of the Act.

The Company shall also keep and maintain at the Office such of the registers as are required from time to time, under Sections 356, 357, 358, 359 and 360 of the Act.

Supply of copies  
As amended on  
05-09-2014

169. Any Member, beneficial owner, debenture-holder, other security-holder or other person entitled to copies of any documents/registers/records to be kept or maintained by the Company in physical or electronic form under the provisions of the Companies Act, 2013 or the Rules thereunder or any earlier enactment or rules, shall be provided copies thereof upon request on payment of Rs. 10/- per page or such other fee as may be prescribed from time to time and as may be determined by the Board.

Inspection.

170. Where under any provision of the Act, any person, whether a member of the Company or not, is entitled to inspect any registered deed, document, instrument, return or certificate required to be kept or maintained by the Company, the person so entitled to inspection shall, on his giving to the Company not less than twenty-four hours' previous notice in writing of his intention to inspect, be permitted to inspect the same during the hours of 11 a.m. and 1 p.m. on such business days as the Act requires them to be open for inspection.

Closure of register  
of members, etc.

171. The Company may, after giving not less than seven days' previous notice by advertisement in some newspaper circulating in the neighbourhood of the Office, close the register of members or of the debenture holders, as the case may be, 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.

#### XV. RECONSTRUCTION

Reconstruction.

172. On any sale of the undertaking of the Company the Board or the liquidators on a winding-up may, if authorised by a special resolution, accept fully paid or partly paid up shares, debentures or securities of any other Company, whether incorporated in India or not either then existing or to be formed for the purchase in whole or in part of the property of the Company, and, the Board (if the profits of the Company permit) or the liquidators (in a winding-up) may distribute such shares or securities or any other property of the Company amongst the members without realisation, or vest the same in trustees for them, and any special resolution may provide, for the distribution or appropriation of the cash, shares or other securities, benefits or property otherwise than in accordance with the strict legal rights of the members or contributories of the Company, and for the valuation of any such securities or property at such price and in such manner as the meeting may approve and all members shall be bound to accept and shall be bound by any valuation or distribution so authorised, and waive all rights in relation thereto, save only in case the Company is proposed to be or is in the course of being wound up, such statutory rights, if any, under Section 494 of the Act as are incapable of being varied or excluded by these Articles.

**XVI. SECRECY**

173. Every Director of the Company shall, if so required by the Board, before entering upon his duties, sign a declaration pledging himself to observe a strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Board or by any meeting or by a court of law and except so far as may be necessary in order to comply with any of the provisions contained in these Articles. Secrecy.
174. No member or other person (not being a Director) shall be entitled to enter upon the property of the Company or to inspect or examine the Company's premises or properties without the permission of the Board or, subject to Article 150, to require discovery of or any information respecting any detail of the trading of the Company or any matter which is or may be in the nature of a trade secret, mystery of trade, or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to communicate. No member to enter the premises of the Company without permission.

**XVII. WINDING-UP**

175. If the Company shall be wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital 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 which ought to have been paid up at the commencement of the winding-up on the shares in respect of which they were respectively registered. And if in a winding-up the assets available for distribution among 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, at the commencement of the winding-up, paid up or which ought to have been paid up on the shares in respect of which they were respectively registered. But this Article is to be without prejudice to the rights of the members registered in respect of shares issued upon special terms and conditions. Distribution of assets.
176. If the Company shall be wound up, whether voluntarily or otherwise, the liquidators may, with the sanction of special resolution, divide among the contributories, in specie or kind, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them as the liquidators, with the like sanction, shall think fit. Distribution in specie.

**XVIII. INDEMNITY**

177. Every director, secretary or officer of the Company, any person (whether an officer of the company or not) employed by the Company, and any person appointed as auditor shall be indemnified out of the funds, of the Company against all liabilities incurred by him as such director, secretary or officer, employee or auditor in defending any proceedings, whether civil or criminal, in which judgement is given in his favour, or in which he is acquitted, in connection with any application under Section 633 of the Act in which relief is granted to him by the Court. Indemnity.
178. Obligations of Existing Shareholders
- (a) All Existing Shareholders of the Company shall attend or cause their duly authorized representatives to attend all relevant meetings (General Meetings and meetings of the Board of Directors or Committees), and to vote their respective shares, cause their representatives on the Board of Directors to vote or extend consents, as the case may be, and to take all necessary action (including causing the Company to convene a General Meeting as well as meetings of the Board of Directors or As amended on 26-7-2007.

Committees, including through its representatives or nominees on the Board of Directors) so as to give effect to the provisions of Articles 5B, 5C, 48C and 93E (appointment of IFC Director) of the Articles of Association.

- (b) None of the Existing Shareholders shall in any circumstances hold out IFC to be a “person acting in concert”, as such term is defined under Regulation 2(1)(e) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended from time to time or as persons co-operating with each other (directly or indirectly) or as persons having a common objective or purpose of substantial acquisition of Shares or voting rights or gaining control over the Company, unless agreed in writing by IFC.
- (c) Subject to applicable laws, the Existing Shareholders shall ensure that IFC or the World Bank shall not be named or deemed as a ‘promoter’ in the prospectus or any other documents related to a public offering or otherwise and shall not be required to offer or make available the shares held by IFC for the purposes of any mandatory lock-in as applicable to ‘promoters’ under the Securities and Exchange Board of India (Disclosure & Investor Protection) Guidelines, 2000 in respect of public offerings or otherwise, nor shall any declaration or statement be made, either directly or indirectly in filings with regulatory or governmental authorities as also stock exchanges, offer documents or otherwise and that restrictions under applicable law applicable to ‘promoters’ or ‘promoter group’ do not apply to IFC, which is a financial investor in and not a promoter or part of the promoter group of the Company.
- (d) So long as any amount of the loan agreed to be taken from IFC remains available for disbursement by IFC and thereafter until all the IFC indebtedness has been paid in full by the Company or so long as IFC holds any shares of the Company :
  - (i) The Existing Shareholders shall at all times collectively maintain, directly, not less than 40% of the legal and beneficial ownership of the shares free from all Prohibited Transfers; and retain in the aggregate Effective Control of the Company;
  - (ii) None of the Existing Shareholders shall transfer the shares it owns on the April 26, 2007 or thereafter from time to time acquire if after giving effect to such transfer, the provisions of Article 178(d)(i) would be breached; and
  - (iii) Each Existing Shareholder shall take all actions as shall be required on its part, including the exercise, to the extent permitted by law, of all its pre-emptive rights under these Articles, to ensure that at all times, it complies with the above provisions.

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

Names, Addresses and Description of Subscribers	Number of Equity Shares taken by each Subscriber	Names, Address and Descriptions of Witnesses
1. Radhakissen Kanoria 9, Brabourne Road, Calcutta – Merchant	400 (Four Hundred) Equity	
2. Basudeo Kanoria 9, Brabourne Road, Calcutta – Merchant	400 (Four Hundred) Equity	
3. Binod Kumar Kanoria 9, Brabourne Road, Calcutta – Merchant	400 (Four Hundred) Equity	
4. Pawan Kumar Kanoria 9, Brabourne Road, Calcutta – Merchant	400 (Four Hundred) Equity	Suparshvamull Borar 9, Brabourne Road, Calcutta – Service
5. Jagdish Prasad Nangalia 8, Mandir Street, Calcutta – Service	10 (Ten) Equity	
6. Hariram Dhurka 117A, Chittaranjan Avenue, Calcutta – Service	10 (Ten) Equity	
7. Kailash Kumar Kanoria 9, Brabourne Road, Calcutta – Merchant	400 (Four Hundred) Equity	
	2,020 Shares	

Dated the 5th day of November, 1960.

## IN THE HIGH COURT AT CALCUTTA

(Original Jurisdiction)

Company Petition No. 336 of 1982

Connected with

Company Application No. 94 of 1982

The Honourable Mr. Justice D. K. Sen

IN THE MATTER of the Companies Act, 1956

And

IN THE MATTER of an application under Section 391 (2) and 394 of the said Act,

And

- IN THE MATTER of *Anil Synthetics Limited*, a Company incorporated under the Companies Act, 1956 and having its registered office at Rakhiyal Road, Ahmedabad outside the aforesaid jurisdiction

And

IN THE MATTER of *Kanoria Chemicals & Industries Limited*, a Company incorporated under the Companies Act, 1956 having its registered office at 16A, Brabourne Road, Calcutta within the jurisdiction aforesaid.

*Kanoria Chemicals & Industries Limited - Petitioner.*

The above petition coming on for hearing on this day UPON READING the said Petition the order dated the eleventh day of May in the year One thousand nine hundred and eighty two whereby the above named Kanoria Chemicals and Industries Limited (hereinafter referred to as the said Transferee Company) was ordered to convene three separate meetings of the Equity Shareholders, the nine point five per cent Preference Shareholders and the nine point eight per cent Preference Shareholders of the said transferee company for the purpose of considering and if thought fit approving with or without modification the Scheme of Amalgamation proposed to be made between the said transferee Company and the above-named Anil Synthetics Limited (hereinafter referred to as the said Transferor Company) and annexed to the affidavit of Bhagwati Prasad Dhanuka filed on the eleventh day of May in the year One thousand nine hundred and eighty two the Slateman and the Aaj Kal both dated the thirty first day of May in the year One thousand nine hundred and eighty two

each containing the advertisement of the said Notice convening the said meetings directed to be held by the said order dated the eleventh day of May in the year One thousand nine hundred and eighty two the affidavit of Bhagwati Prasad Dhanuka filed on the sixteenth day of June in the year One thousand nine hundred and eighty two showing the publication and despatch of the Notices convening the said meetings the Reports of the Chairman of the said meetings respectively dated the ninth day of July in the year One thousand nine hundred and eighty two, seventh day of July in the year One thousand nine hundred and eighty three and the seventh day of July in the year One thousand nine hundred and eighty two as to the result of the said meetings. And upon reading on the part of the Petitioner Companies an affidavit of Lakshmi Narayan Shastri filed on the twenty fourth day of July in the year One thousand nine hundred and eighty two and the exhibit annexed thereto and another affidavit of the said Bhagwati Prasad Dhanuka filed

on the fifth day of October in the year One thousand nine hundred and eighty three and the exhibits annexed thereto and upon reading on the part of the Regional Director, Company Law Board, Eastern Region, Calcutta an affidavit of Lalgudi Doraiswami Venkataraman filed on the fifth day of October in the year One thousand and nine hundred and eighty three and the exhibits annexed thereto and upon reading the order made herein and dated the fourteenth day of July in the year One thousand nine hundred and eighty two and upon hearing Mr. R. C. Nag (Mr. P. K. Jhunjhunwala appearing with him) advocates for the Petitioner Companies and Mr. P. C. Sen (Mr. Sunil Mukherjee appearing with him) advocate for the Company Law Board and it appearing from the report that the Proposed Scheme of amalgamation has been approved by a requisite majority under Section 391 (2) of the Companies Act, 1956 by Equity Shareholders, nine point five per cent Preference Shareholders and nine point eight per cent Preference Shareholders of the said transferee company.

This Court doth hereby sanction the Scheme of Amalgamation set forth in Annexure 'A' of the Petition herein and specified in the Schedule 'A' hereto and doth hereby declare the same to be binding with effect from the first day of March in the year One thousand nine hundred and eighty two (hereinafter referred to as the said transfer date) on the said transferor company the said transferee company and their shareholders respectively.

**THIS COURT DOTH ORDER.**

1. That all the Properties, rights and interests of the said transferor company specified in the first, second and third parts of the Schedule 'B' hereto and all other the Property rights and interests of the said transferor company be transferred from the said transferee company for all the estate and interest the said transferee company and accordingly the same shall pursuant to Section 394 (2) of the Companies Act, 1956 be transferred to and vest in the said transferee company for all the estate and interest of the said transferor company therein but subject nevertheless to all charges now affecting the same and

2. That all the liabilities and duties of the said transferor company be transferred from the said transfer date without further act or deed to the said transferee company and accordingly the same shall pursuant to Section 394 (2) of the Companies Act, 1956 be transferred to and become the liabilities and duties of the said transferee company and

3. That all proceedings and/or suits and/or appeals now pending by or against the said transferor company be continued by or against the said transferee company and

4. That the equity shares of the said transferor company held by the said transferee company either in its own name or in the name of its nominees shall stand cancelled and.

5. That the said transferee company shall in respect of the uncalled shares without further application issue and allot to every equity shareholders of the said transferor company two equity shares of Rupees ten each fully paid up for every five equity shares held by him in the said transferor company and

6. That the said transferor company and the said transferee company do within thirty days after the date of this order cause a certified copy of this order to be delivered to the Registrar of Companies, Gujarat and West Bengal for registration and

7. That any person interested shall be at liberty to apply to the Court in the above matter for any deviation that may be necessary and

8. That leave be and the same is hereby granted to the said transferor Company to file the Schedule of Assets within a fortnight from the date hereof and

9. That all parties do act on a copy of the minutes of this order duly signed by an officer of this Court being served on them and

10. That the Petitioner Companies do pay to the Central Government its costs of and incidental to this application assessed on ten Gold Mohurs.

Witness Shri Tarun Kumar Basu, Acting Chief Justice at Calcutta aforesaid this ninth day of November in the year One thousand nine hundred and eighty three.

Khaitan & Co. — Advocates  
S. Gooptu — Advocata }

Sd/- A. K. Ghose 9. 12. 83

For Registrar.

**SCHEDULE 'A' ABOVE REFERRED TO**  
**SCHEME OF AMALGAMATION OF ANIL SYNTHETICS**  
**LTD.**  
**WITH**  
**KANORIA CHEMICAL & INDUSTRIES LTD.**

**PART-I**

**DEFINITIONS :**

**A. For the purpose of this Scheme**

'Anil' shall mean Anil Synthetics Limited, a Company incorporated under the Companies Act, 1956 and having its registered office at Rakhial Road, Ahmedabad, Gujarat.

**B. 'Kanoria'** shall mean Kanoria Chemicals & Industries Limited, Company incorporated under the Companies Act, 1956 and having its registered office at 16A, Brabourne Road, Calcutta.

**C. 'Transfer Date'** shall mean the 1st day of March, 1982.

**D. 'Undertaking of Anil'** shall mean and include all rights, powers, interests, authorities, privileges and all properties and assets movable, or immovable, real or personal, corporeal or incorporeal in possession or reversion present or contingent of whatsoever nature, wheresoever situate including lease and agency rights and all other interests or rights in or arising out of such property together with all licences, trade marks, import entitlements and other quotas held applied for or as may be obtained thereafter by Anil or which Anil is entitled to and all debts, liabilities, duties and obligations of Anil of whatsoever kind.

**WHEREAS :**

1. Anil has an Authorised Share Capital of Rs. 50,00,000/- divided into 5,00,000 Equity Shares of Rs. 10/- each. The issued and subscribed Share Capital of Anil is Rs. 20,00,000/- divided into 2,00,000 Equity Shares of Rs. 10/- each fully paid up.

2. Kanoria has an Authorised Share Capital of Rs. 5,00,00,000/- divided into 30,00,000 Equity Shares of Rs. 10/- each and 2,00,000 Preference Shares of Rs. 100/- each and a Paid up Share Capital of Rs. 3,03,64,000/- divided into (a) 19,990 9.8% Redeemable Cumulative Preference Shares of Rs. 100/- each fully paid up (b) 15,000 9.8% Redeemable Cumulative Preference Shares of Rs. 100/- each fully paid up and (c) 26,86,500 Equity Shares of Rs. 10/- each fully paid up.

3. Anil owns a composite textile mill at Rakhial Road, Ahmedabad in the State of Gujarat for the manufacture of yarn and fabrics. By reason, inter alia of losses in the past and liabilities Anil is at present financially not viable.

4. Kanoria is engaged in the business of manufacturing and dealing in various chemicals and jute goods.

5. In order to facilitate the rehabilitation and revival of sick unit of ANIL a proposal for amalgamation of ANIL with KANORIA has been envisaged. Anil is at present a subsidiary of Kanoria.

**PART-II**

**SCHEME :**

1. With effect from the Transfer date the Undertaking of Anil shall without further act or deed be transferred to and be vested or deemed to be vested in Kanoria pursuant to Section 394 (2) of the Companies Act, 1956 (hereinafter called the Act) subject to all charges, liens, mortgages, if any, then affecting the same or any part thereof.

2. If any suit, appeal or other proceedings of whatsoever nature (hereinafter called the "proceedings") by or against Anil 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 Anil or anything contained in the Scheme but the proceedings may be continued presented and enforced by or against Kanoria in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against Anil 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 Kanoria under Clause 2 hereof shall not affect any transaction or proceedings already concluded by Anil on and after the transfer date to the end and intent that Kanoria accepts and adopts all acts, deeds and things done and executed by Anil.

4. Subject to other provisions contained in this Scheme all contracts, deeds, bonds, agreements and other instruments of whatsoever nature to which Anil is a party subsisting or having effect immediately before the amalgamation shall remain in full force and effect against or in favour of KANORIA and may be enforced as fully and effectually as if instead of Anil, Kanoria had been a party thereto.

5. Upon the Scheme being sanctioned by the Hon'ble High Courts and transfers taking place, as stipulated in Clause 1 hereof (a) the Equity Shares in Anil held by Kanoria either in its name or in the names of its nominees shall stand cancelled. (b) Kanoria shall without application issue and allot to every member of Anil two Equity Shares of Rs. 10/- each fully paid up in Kanoria for every five Equity Shares of Rs. 10/- each held by them in Anil and all such members holding Equity Shares in Anil shall accept the said Equity Shares in Kanoria as aforesaid in lieu of their shareholding in Anil. (c) Every member of Anil shall surrender to Kanoria for cancellation of his Share Certificate (s) in respect of shares held by him in Anil and take all steps to obtain from Kanoria a Certificate for shares in Kanoria to which he may be entitled under Sub-Clause (b) hereof. (d) All the shares to be issued and allotted under sub-clause (b) hereof shall carry dividend declared for the Accounting Year 1982-83 and onwards.

6. Kanoria will on such transfer take over all employees of Anil on the same terms and conditions of service on which they are employed by Anil without any interruption and with continuity of service.

**PART-III**

1. Necessary applications and/or Petitions shall be made to the Hon'ble High Courts of Gujarat and Calcutta for the sanction of this Scheme.

2. Until this Scheme is sanctioned and transfers effected as aforesaid Anil shall carry on its business in usual course and shall be deemed to be carrying on the said business for and on behalf of and in trust for Kanoria with effect from the Transfer date.

3. Kanoria shall pay all the cost, charges and expenses incurred in executing this Scheme.

4. Necessary application will be made to the Central Government under Section 72A of the Income Tax Act, 1961.

5. The Board of Directors of Kanoria and Anil was assent on behalf of all concerned to any modification to this Scheme including any modification relating to change in effective date, of amalgamation or to any condition which the Hon'ble Courts at Gujarat and Calcutta or any other statutory authority including specified authority under Section 72A of the Income Tax Act, 1961 may impose or to any other modification which they may deem fit and the said Board of Directors may do all acts, things and deeds necessary in connection with or to carry out this Scheme into effect.

6. In the case of any doubt or difficulty in interpretation or implementation of this Scheme the same shall be settled and decided mutually by and between the Board of Directors of Kanoria and Anil respectively and failing such decision, the same shall be referred to the sole arbitration of Sri P. K. Khaitan, Advocate, whose decision shall be final and binding on all concerned..

Sd/- A. K. Ghose 9.12.83

For Registrar.

#### SCHEDULE 'B' ABOVE REFERRED TO

Schedule of Assets and Properties of Anil Synthetics Limited (hereinafter referred to as the transferor company) which will vest in Kanoria Chemical & Industries Limited

##### PART-I

Short description of freehold properties of the transferor Company.

Nil

##### PART-II

Short description of leasehold properties of the transferor company.

All that piece or parcel of land together with all buildings and structures thereon, situate in village Rakhial in the District of Ahmedabad in the State of Gujarat admeasuring 96,048.24 square metres more or less and comprised as follows:-

Sl. No.	S. No./F. P. No.	Area as on date square metres
1.	S. No. 313/1, 313/3, 313/4, 313/5, 314/1, 314/2, 314/3, 314/4, 318/1, 318/2, 318/3, 318/4, 318/5, 318/6, 317, 318/8 of sub-plot No. 10/A	75394.81
2.	Part of S. No. 322/2 of sub-plot No. 10/B.	519.22
3.	Part of S. No. 314/8 of Sub-plot No. 10/C.	282.10
4.	S. No. 319/A-1 319/A-2, S. No. 320/2, 321/2 of Sub-plot No. 10/E.	19,852.11

##### PART-III

Short description of all stocks, shares, debentures and other choses in action of the transferor company.

2,004 Equity Shares of Rs. 25/- each of the Mansik Chowk Co-operative Bank Ltd., fully paid up.

Sd/- A. K. Ghose 9. 12. 83

For Registrar.

I do hereby certify that this is a true copy of the original in my custody.

Dated this 15th day of February, 1984.

Sd/- P. K. Mitra

For Registrar of the High Court at Calcutta. Original Side.

# IN THE HIGH COURT AT CALCUTTA

(Original Jurisdiction)

Company Petition No. 343 of 1982

Connected with

Company Application No. 95 of 1982

The Honourable Mr. Justice T. K. Basu

IN THE MATTER of the Companies Act, 1956

And

IN THE MATTER of an application under Section 391 (2) and 394 of the said Act.

And

IN THE MATTER of *Kanoria Chemicals & Industries Limited*, a Company incorporated under the Companies Act, 1956 and having its registered office at 16A, Brabourne Road, within the aforesaid jurisdiction aforesaid.

And

IN THE MATTER of *Aekta Limited*, a Company incorporated under the Companies Act, 1956 having its registered office at 16A, Brabourne Road, Calcutta within the jurisdiction aforesaid.

1. Kanoria Chemicals & Industries Limited.
2. Aekta Limited—Petitioners.

The above Petition coming on for hearing on this day UPON READING the said Petition the order dated the twelfth day of May in the year One thousand nine hundred and eighty two whereby the above named petitioner No. 1 Kanoria Chemicals & Industries Limited (hereinafter referred to as the said transferor Company) and the above named petitioner No. 2 Aekta Limited (hereinafter referred to as the said transferee Company) were ordered to convene separate meetings of the Equity and Preference Shareholders of the said transferor Company and the said transferee Company and secured debenture holders of the said transferor Company for the purpose of considering and if thought fit approving, with or without modification, the Scheme of Arrangement proposed to be made between the said transferee Company and annexed to the affidavit of Bhagawati Prasad Dhanuka filed on the twelfth day of May in the year One thousand nine hundred and eighty two the Statesman and the Aajkal both dated the first day of June in the year One thousand nine hundred and eighty two each containing the advertisement of the notice convening the said meetings directed to be held by the said order dated the twelfth day of May in the year One

thousand nine hundred and eighty two the affidavit of Bhagawati Prasad Dhanuka filed on the sixteenth day of June in the year One thousand nine hundred and eighty two showing of the publication and despatch of the notices convening the said meetings the report of the Chairman of the said meetings dated respectively the seventh day of July in the year One thousand nine hundred and eighty two and the eighth day of July in the year One thousand nine hundred and eighty two as to the result of the said meetings. And upon reading on the Part of the Petitioner Companies an affidavit of Lakshmi Narayan Shastri filed on the thirteenth day of August in the year One thousand nine hundred and eighty two and the exhibits annexed thereto and an affidavit of Bhagawati Prasad Dhanuka filed this day and the exhibits annexed thereto and another affidavit of the said Bhagawati Prasad Dhanuka filed this day and the exhibits annexed thereto and upon reading the order made therein and dated the twentieth day of July in the year One thousand nine hundred and eighty two and the allegations contained in the supplementary affidavit are not admitted by the Central Government and upon having Mr. S. B. Mukherjee (Mr. P. C. Sen, Mr. S. N. Chowdhury and Mr. S. Khaitan

appearing with him) advocate for the Petitioner Companies and Mrs. U. B. Mukherjee advocate for the Central Government and it appearing from the report that the proposed modified scheme of Arrangement has been approved by the requisite majority of the Equity and Preference Share holders of the said transferor Company and the said transferee Company and the secured Debenture holders of the said transferor Company.

This court doth hereby sanction the modified Scheme of Arrangement set forth in Annexure 'B' to the affidavit of Bhagawan Prasad Dhanuka affirmed on the twentysixth day of June in the year One thousand nine hundred and eighty five and specified in the Schedule 'A' hereto and doth hereby declare the same to be binding with effect from the first day of July in the year One thousand nine hundred and eighty five (hereinafter referred to as the said transfer date) on the said transferor Company and the said transferee Company and their Shareholders and secured Debenture holders respectively.

#### THIS COURT DOTH ORDER

1. That "Mills" as defined and mentioned in the said modified Scheme of Arrangement of the said transferor Company specified in the first, second and third parts of the Schedule 'B' hereto be transferred from the said transfer date and vested in without further act or deed to the said transferee Company and accordingly the same shall pursuant to Section 394(2) of the Companies Act, 1956 be herein referred to and vested in the said transferee Company for all the estate and interest of the said transferor Company therein but subject nevertheless to all charges now affecting the same, and

2. That all the liabilities and duties appertaining to the "Mills" of the said transferor Company except those mentioned in the Schedule 'B' to the said modified Scheme of Arrangement be transferred from the said transfer date without further act or deed to the said transferee Company and accordingly the same shall pursuant to Section 394(2) of the Companies Act, 1956 be transferred to and become the liabilities and duties of the said transferee Company, and

3. That all proceedings and/or suits and/or appeals now pending by or against the said transferor Company relating to the "Mills" of the said transferor Company be continued by or against the said transferee Company and

4. That the said transferee Company do without further application issue and allot to the said transferor Company five lacs Equity Shares of Rupees ten each in the said transferee Company as have not given such notice of dissent as is credited as fully paid up and shall give credit to the said transferee Company for the balance amount of consideration as mentioned in clause (b) of part III of the said modified Scheme of Arrangement and

5. That the said transferor Company and the said transferee Company do within thirty days as per the date of this order cause a certified copy of this order to be delivered to the Registrar of Companies, West Bengal for registration and

6. That any person interested shall be at liberty to apply to the court in the above matter for any direction that may be necessary and

7. That the Schedule of assets be filed within three weeks from the date hereof and

8. That the said transferee Company do pay to the Central Government his costs of and incidental to this application assessed at thirty Gold Mohur and

9. That all parties do act on a copy of the minutes of this order duly signed by an officer of this court being served on them.

Witness Mr. Satish Chandra, Chief Justice at Calcutta aforesaid this sixth day of August in the year One thousand nine hundred and eighty five.

Khaitan & Co., Advocates

Sd/- A. K. Dutt 29. 8. 85

For Registrar

SCHEDULE 'A' ABOVE REFERRED TO  
SCHEME OF ARRANGEMENT  
BETWEEN  
KANORIA CHEMICALS & INDUSTRIES LTD.  
AND  
AEKTA LIMITED  
AND  
THEIR SHAREHOLDERS  
PART-I

#### DEFINITIONS :

- A. "Kanoria" means Kanoria Chemicals & Industries Limited, a Company incorporated under the Companies Act, 1956 having its Registered Office at 16A, Brabourne Road, Calcutta-700 001, in the State of West Bengal.
- B. "Aekta" means Aekta Limited, a Company incorporated under the Companies Act, 1956 and having its Registered Office at 16A, Brabourne Road, Calcutta-700 001, in the State of West Bengal.
- C. "Effective Date" means the 1st day of July, 1985.
- D. "Mills" means Mills situated at Chengail, District Howrah, (West Bengal), known as Ludlow Jute Mills and forming part of the undertaking of Kanoria and more precisely:—
- (a) (i) All moveable and immoveable assets, properties, land hereditaments and premises appertaining to the Ludlow Jute Mills of "Kanoria" at Chengail, District Howrah, together with all compounds, yards, factory, buildings, plant and machinery, water-courses, drains, liberties, rights, easements advantages and all appurtenances belonging to or in any way connected thereto and all tenancy and other rights in all other immoveable properties

appertaining thereto, except the assets and properties mentioned in the Schedule 'A' hereunder, and

- (ii) All current assets, book debts, loans, advances, claims whether present, future or contingent, stocks of finished goods, semi-finished goods, processed goods, raw materials and other making and packing materials, stores and spares and stocks in process and investments, bills of exchange, deposits, cash and bank balances, appertaining to the Mills, and
  - (iii) All licences, registrations, quotas, trade marks, patents, benefits of all pending contracts and engagements, papers and documents relating, inter-alia to land, buildings and plant and machinery, and
- (b) All liabilities, duties, and obligations of Kanoria arising out of or relating to or appertaining to Mills except those mentioned in the Schedule 'B' hereunder, Whereas Kanoria has agreed to transfer its Mills to Aekta and whereas the plant and machineries mentioned in Schedule 'A' hereto and the liabilities mentioned in Schedule 'B' hereto shall not be transferred from Kanoria to Aekta and such plant and machinery shall remain the property of Kanoria and such liabilities shall remain the liabilities of Kanoria and whereas Kanoria intends to remain in jute business, and whereas Kanoria has agreed to allow Aekta to use various plants and machineries specified in Schedule 'A' on leave and licence basis and whereas Aekta has undertaken and agreed to produce and manufacture jute goods as may be required by Kanoria from time to time for its said jute business

#### PART-II

- (a) (i) That all the properties, rights and powers of Kanoria appurtenant to its Mills defined in Part I except those mentioned in the Schedule 'A' hereunder as on the effective date with effect from the effective date shall stand vested in and transferred to Aekta without any further act or deed and accordingly the same shall pursuant to Section 394(2) of the Companies Act, 1956 be transferred to and vested in AEKTA for all the estate and interest of KANORIA but Subject to nevertheless to all charges now effective the same and that KANORIA SHALL IN DUE COURSE arrange release of charges in connection with and/or relating to the secured debentures of Rs. 150 lacs issued by KANORIA.
  - (ii) The rest of the assets and business of Kanoria shall continue to be carried on by and belong to and remain in possession and control of Kanoria.
- (b) (i) That all liabilities and obligations appertaining to its Mills as defined in Part I except those mentioned in the Schedule 'B' hereunder pursuant to all lease, contracts and commitments in the ordinary course of business of Kanoria including the liabilities and obligations of Kanoria concerning to staff and workmen of the Mills working at the factory, head office and any other places with respect to gratuity, termination benefits etc. be on the effective date whether existing, future or contingent shall be

transferred without any further act or deed to Aekta and accordingly the same shall pursuant to Section 394(2) of the Companies Act, 1956 be transferred to and become the liabilities and duties of Aekta.

- (i) Aekta will indemnify and keep Kanoria indemnified from and against all the liabilities, claims, duties and obligations of Kanoria appertaining to the Mills transferred to and vested in Aekta as aforesaid
  - (ii) All the employees of the Mills in service on the date immediately preceding the effective date shall become the employees of the Aekta with continuity of services and without interruption on the same terms and conditions of service.
- (c) (i) Kanoria shall permit and grant licence to Aekta to use the assets and properties mentioned in the Schedule 'A' hereunder upon payment of a licence fee calculated at the rate of Rs. 2 lacs per month or as otherwise decided by the Board of Director of Kanoria.
- (ii) The said leave and licence shall be revocable at any time at the option of Kanoria.
  - (iii) No right, title or interest in the said assets and properties specified in Schedule 'A' hereunder shall be vested, deemed to be vested in Aekta and the ownership of the said assets and properties, shall remain in Kanoria and Aekta shall be under an obligation to deliver immediately the said assets and properties to Kanoria on revocation of the said leave and licence by Kanoria.
  - (iv) Kanoria shall have right to process and/or produce Jute Goods at Mills and/or Aekta shall process and/or produce Jute Goods as if and on behalf of Kanoria as may be required by Kanoria from time to time and Aekta shall be under an obligation to process and/or produce the said Jute Goods from the raw material either supplied by Kanoria or using its own materials on priority basis for and on behalf of Kanoria on such terms and conditions as may be mutually agreed upon.
  - (v) Kanoria may at its option install such additional plant & machineries in the Mills as may be required on leave and licence basis on such terms and conditions as may be mutually agreed upon. Such leave and licence shall be revocable at any time at the option of Kanoria and no right, title or interest in the said plant and machineries shall be vested or deemed to be vested in Aekta and the ownership in the said plant and machineries shall remain in Kanoria and Aekta shall be under an obligation to deliver immediately, the said plant and machineries to Kanoria on revocation of the leave and licence by Kanoria.
  - (vi) All benefits including subsidy, claims, compensation, accretion on the said properties and assets mentioned in the Schedule 'A' hereunder and also the further plant and machineries as may be installed as mentioned aforesaid shall be available and/or shall accrue to Kanoria and Aekta shall have no right or claim over the same.

- (vii) Kanoria shall insure all the assets and properties granted or to be granted on the leave and licence to Aekta and Aekta shall keep all such assets and properties in good and proper condition. Aekta shall be liable for all loss and damages caused or sustained to the said assets and properties save the wear and tear of the assets and properties in the usual course of business.
- (d) All legal proceedings now pending by or against Kanoria in respect of the Mills shall be continued by or against Aekta.
- (e) Aekta shall be responsible for and liable to the payment of dues to the Creditors in respect of any debts or obligations or claims arising out of or in respect of any transaction prior to the effective date in respect of the Mills. All the debts, liabilities, obligations and commitments whatsoever relating to the Mills except those mentioned in Schedule 'B' hereunder which existed on the effective date or which may arise at any time thereafter shall be unconditionally taken over and assured by Aekta without any question whatsoever as to the period to which it may relate and irrespective of whether or not these debts, liabilities, obligations and commitments existing on the effective date were or were not reflected in the accounts as of that date.

#### PART-III

- (a) An account as on the effective date shall be taken on the basis of arrangement mentioned hereinabove, of all the assets, properties, debts, liabilities, obligations etc. proposed to be transferred to the Aekta on book value as appearing in the book of Kanoria and the finished goods will be valued at cost or market rate whichever is lower. All receivable (except those mentioned in clause c (iv) of Part-III) and liabilities of the Mills for the period after the effective date will be on account of Aekta. The Book value of the current assets and liabilities as shall be certified by the Auditors of Kanoria will be binding on Aekta.
- (b) Aekta shall in consideration of the transfer of the assets and liabilities as aforesaid, without any further application issue and allot to Kanoria 5,00,000 Equity Shares of Rs. 10/- each in Aekta credited as fully paid up, and shall give credit to Kanoria for the balance amount of consideration in the books, which shall be treated as a loan by Kanoria to Aekta and shall be on terms and conditions, as may be mutually agreed by the Board of Directors of the two Companies subject to the provision that total repayment shall be made within 7 years from the date of sanction of the Scheme by the Court. As security for repayment of the said loan, Kanoria shall have a second charge on current assets of Aekta subject to prior charge of financial institutions and banks present and future and first charge on the fixed assets of Aekta.

#### PART-IV

- (a) Any revision or alteration in the above arrangement or any modification thereof or in case of any doubt or difficulty in interpretation or implementation of this Scheme the same shall be settled and decided mutually by and between the Board of Directors of Kanoria and

Aekta respectively and failing such decision the same shall be referred to the sole arbitration of Shri P. K. Khaitan, Advocate and in case of his inability, to any senior partner of M/s. Khaitan & Co., Advocates, Calcutta, whose decision shall be final and binding on all concerned.

- (b) The Directors of the Kanoria and the Aekta may assent to any modification in this Scheme or to any alteration which the Court or any other authority may approve or impose.
- (c) Aekta shall take necessary steps to increase its authorised share capital to Rs. 60,00,000/- and shall also take necessary steps to change its name suitably to indicate the new activities.
- (d) Necessary application and/or petition will be made to the Hon'ble High Court at Calcutta for holding meetings of the Shareholders of Kanoria and the Aekta for sanction of this Scheme of Arrangement.
- (e) Until the Scheme is finally sanctioned by the Court and becomes operative Kanoria shall carry on and manage and be deemed to carry on and manage the Mills for and on behalf of and in trust for the Aekta after the effective date.

#### SCHEDULE 'A' REFERRED TO HEREIN ABOVE.

Description	Quantity
1. Battery Charger	1 No.
2. Electric Hoist	4 Nos.
3. Evenness Tester	1 No.
4. Calender	1 No.
5. Lapping Machine	1 "
6. Bearing Machine	1 "
7. Damping Machine	1 "
8. Heracle Machine	15 Nos.
9. Hammering Machine	6 "
10. D. G. Sets 180 KVA	4 "
11. D. G. Sets 250 KVA	3 "
12. SKL D. G. Set 1100 KVA	1 No.
13. Apron Draft Spinning Frame-Lagar	1 "
14. Apron Draft Spg. Frame-Imported	16 Nos.
15. Monohead Drawing Frames	6 "
16. Cop Winder	8 "
17. Sacking Looms	193 "
18. Cutting Machine	1 No.
19. Weigh Bridge	1 "
20. Avery Scale	1 "
21. Water Supply Installation	1 "
21. Macneil Magor Forklift Truck	1 "

SCHEDULE 'B' REFERRED TO HEREINABOVE

	Rs. P.
1. Term Loans from Central Bank of India, Calcutta	10,32,000.00
2. Deferred Payments Credits :	
(a) Under IDBI Bills Re-discounting Scheme :	
(i) Central Bank of India, Calcutta	1,32,804.00
(ii) Allahabad Bank, Calcutta	26,21,071.88
(b) Under Italian Suppliers Credit Scheme :	
(i) Allahabad Bank Calcutta	
\$ 3,08,890 Equivalent	
(Rs. 100 = \$ 10.83)	29,03,951.07
Guarantee Commission - Deferred Payable :	
(a) Allahabad Bank, Calcutta	80,345.50
	<u>67,70,173.45</u>

Sd/- A. K. Dutta 29.8.85

For Registrar

Schedule "B" above referred to

Schedule of Assets of Kanoria Chemicals and Industries Limited (The transferor Company) to be transferred to and vested in Aekta Limited (The transferee Company)

Part - I

A short description of the Freehold Property of the transferor Company.

All the Piece or parcel of land together with all buildings and structures etc, thereon situate in village Sijberia and Chengail in P. S. Ukuberia in the District of Howrah in the state of West Bengal admeasuring 517143.82 Sq. mts. more or less and comprised as follows :-

Mouza	Khaten No.	Plot No.	Area in Acres	Classification
Sijberia JL-106	408	1654	0.35	Bastu
		1856/1677	0.10	Khal
			<u>0.45</u>	
	583	1650	0.73	Danga
		1655	0.31	-do-
		1664/1668	0.21	-do-
		1028	0.59	-do-
			<u>1.84</u>	
	584	1648	0.67	Khal
		1649	0.38	Danga
		1651	0.40	Bastu
		1652	1.40	-do-
		1653	0.71	-do-
		1656	0.14	Khal
		1657	0.27	-do-
		1658	0.83	Tank
		1659	1.23	-do-
		1660	1.82	-do-
		1661	3.35	Bastu
		1662	2.26	-do-
		1663	1.28	-do-
		1663/1663	0.05	Bastu
		1656/1664	0.91	-do-
		1656/1665	0.15	-do-
	1664/1680	0.08	-do-	
	1665	0.15	Bandh	
			<u>16.57</u>	

Mouza	Khafan No.	Plot No.	Area in Acres	Classification
	589	1663/1678 1658/1678	0.62 0.39	Bastu Tank
			<u>1.01</u>	
	590	1663/1680 1663/1681 1663/1682 1665/1686	0.64 0.06 0.29 0.11	Bastu -do- -do- Bandh
			<u>1.10</u>	
Chengal JL. No. 105	68	4051/4362	0.25	Bharl
	437	789/1205	0.05	Path
	1013	4003	0.09	Danga
		4011	0.08	Rasta
		4012	0.06	Pukur
		4017	0.15	-do-
		4018	0.19	-do-
		4064	0.42	Factory
		4065	0.12	-do-
		4091	0.20	Danga
		4092	0.14	Bandh
		4093	0.16	Danga
		4094	0.02	Bandh
		4097	0.20	Factory
		4098	0.26	Bandh
		4101	0.16	Khal
		4105	0.02	-do-
		4106	0.04	-do-
		4107	0.38	Saswan
		4108	0.27	Bandh
		4109	0.43	Bastu
		4112	2.95	Danga
		4115	1.86	-do-
		4119	0.01	-do-
		4120	0.02	Rasta
		4125	0.03	Danga
		4126	0.02	Rasta
		4127	0.02	Danga
		4134	0.26	-do-
		4135	0.12	Rasta
		4136	1.04	Danga
		4137	0.73	Bazar
		4141	0.31	Danga
		4142	0.09	Rasta
		4143	0.33	-do-
	4147	0.03	Danga	
	4154	0.05	Pukur	
	4158	0.30	-do-	
	4161	4.13	Bastu	
	794	0.25	Kabar	
	4115/4400	0.04	Rasta	
	4115/4401	0.03	Danga	
	4115/4402	0.01	-do-	
	4115/4403	0.22	Rasta	
	4115/4404	0.04	Danga	
	4115/4405	0.16	-do-	
	4161/4407	0.03	Rasta	
	4161/4408	0.01	Danga	
			<u>16.48</u>	

Mouza	Khatian No.	Plot No.	Area in Acres	Classification
	1014	4004	0.25	Danga
		4005/4350	0.02	-do-
		4007	0.43	-do-
		4008	0.39	Rasta
		4010	0.31	-do-
		4013	1.59	Pukur
		4014	1.76	-do-
		4015	0.70	-do-
		4016	1.74	-do-
		4019	0.92	-do-
		4020	11.20	Factory
		4021	0.07	Rasta
		4025	0.11	-do-
		4026	9.84	Factory
		4027	0.70	Pukur
		4028	0.62	-do-
		4029	0.91	Khal
		4031	0.41	Bastu
		4032	1.15	Danga
		4035	0.12	Rasta
		4036	0.02	Khal
		4037	0.08	Bastu
		4041	0.35	Danga
		4042	0.18	Rasta
		4043	0.94	Bastu
		4046	0.29	Bandh
		4047	0.60	Danga
		4049	0.07	-do-
		4050	0.02	Khal
		4051	0.66	Danga
		4052	0.50	Bandh
		4058	0.28	Factory
		4063	1.27	-do-
		4066	0.17	-do-
		4073	0.14	Rasta
		4074	0.20	Bandh
		4075	0.19	Khal
		4081	5.41	Danga
		4086	0.03	-do-
		4096	0.10	Bandh
		4099	0.24	-do-
		4101	0.09	Khal
		4102	0.04	-do-
		4103	0.05	Danga
		4113	4.44	-do-
		4116	0.33	-do-
		4117	0.06	-do-
		4118	0.16	-do-
		4124	0.08	Rasta
		4128	0.10	Rasta
		4129	4.22	Danga
		4131	0.13	School
		4132	0.44	Rasta
		4133	0.49	Danga
		4138	1.29	Bazar
		4139	0.05	Rasta
		4140	0.12	Danga
		4144	0.05	Bastu
		4145	0.36	-do-
		4146	0.94	-do-
		4150	0.63	Bandh
		4157	0.28	Vita
		4165	0.11	Danga

Mouza	Khatan No.	Plot No.	Area in Acres	Classification
	1014	4166	0.05	Bastu
		4167	1.76	-do-
		4172	0.13	Danga
		4173	0.09	Rasta
		4061/4344	2.88	Factory
		4174/4353	0.02	Danga
		4174	0.06	-do-
		4005	0.03	Shop
		4174/4354	0.02	Danga
		4005/4362	0.01	Shop
		4005/4351	0.01	-do-
		4069	0.02	Pukur
		4099/4393	0.02	Rasta
		4100/4395	0.02	-do-
		4100/4396	0.01	Khal
		4113/4399	0.10	Rasta
		4113/4398	0.20	-do-
		4113/4411	0.03	Danga
	1372/1	4113/4412	0.98	Rasta
		4128/4397	0.03	-do-
		4138/4408	0.03	
		4148/4410	0.02	
			<u>65.96</u>	
	1169	4059	0.11	Factory
		4060	0.17	-do-
		4067	0.04	-do-
		4083	2.65	-do-
			<u>2.97</u>	
	1825	4038	0.65	Bastu
		4039	0.14	Rasta
		4053	0.19	Bandh
		4054	0.08	Khal
		4055	3.20	Bastu (Hospital)
		4095	0.08	Bandh
		4104	0.05	Khal
		4110	0.58	Bandh
			<u>4.97</u>	
	1826	4040	0.95	Danga
		4111	0.90	-do-
			<u>1.85</u>	
Chengail JL No. 105	1827	4022	0.08	Danga
		4048	0.18	-do-
		4033	0.54	-do-
		4070	0.01	-do-
		4076	0.08	-do-
		4085	0.21	-do-
		4087	0.09	-do-
		4114	0.11	-do-
		4121	0.04	-do-
		4123	0.12	-do-
		4130	0.12	-do-
		4184	0.19	-do-
		4169	0.20	-do-
		4044	0.10	-do-
		4080	1.02	-do-
		4114/4392	0.19	-do-
		4089	0.18	-do-
			<u>3.46</u>	

Mouza	Khatian No.	Plot No.	Area in Acres	Classification
	1828	4006	0.07	Factory
		4009	0.08	Rasta
		4023	0.13	-do-
		4024	0.73	Factory
		4034	0.03	Rasta
		4045	0.09	Bandh
		4056	0.81	Factory
		4057	0.16	-do-
		4081	2.11	-do-
		4068	0.51	-do-
		4071	0.09	Pukur
		4072	0.15	-do-
		4077	0.05	Khal
		4078	0.07	Bandh
		4079	0.06	Rasta
		4082	0.42	Factory
		4084	0.44	-do-
		4088	0.14	Bandh
		4082	0.45	Factory
		4122	0.05	Rasta
		4159	0.08	Debestan
		4180	0.63	Bastu
		4162	2.05	-do-
		4183	0.06	Bastu
		4188	0.08	Rasta
		4170	1.11	Bastu
		4171	0.10	Masjid
		4078/4394	0.01	Rasta
		4114/4391	0.07	-do-
		4114/4406	0.01	-do-
			<u>10.84</u>	
			<u>127.80</u>	=517143.82 Sq.Mts.

Part - II

A short description of the leasehold property of the transferor Company.

All that piece or parcel of land together with all buildings

and structures thereon, situated in village Siberia and Chengal under P. S. Uluberia in the district of Howrah in the West Bengal admeasuring 52447.15 sq. metres and in the Villages of Pujal under P. S. Budge Budge in the district of 24 Paraganas in the State of West Bengal admeasuring 4185.30 sq. metres and Jetty (Foreshore) more or less and comprised as follows :-

Mouza	Khatian No.	Plot No.	Area In Acres	Classification
Siberia JL. No. 106	446	1666	0.58	Foreshore
		1666/1687	0.42	-do-
			1.00	
Chengal JL. No. 105	67	4047/4357	0.98	Foreshore
		4058/4358	0.36	-do-
		4049/4359	0.13	-do-
		4050/4360	0.06	-do-
		4051/4361	1.44	-do-
		4051/4363	0.94	Jetty
		4089/4364	1.69	Foreshore
		4091/4365	1.52	-do-
		4106/4366	0.23	-do-
		4107/4367	1.98	-do-
		4051/4371	0.18	-do-
		4051/4372	0.89	-do-
		4358/4377	0.05	-do-
		4360/4378	0.02	-do-
		4361/4379	0.40	-do-
		4363/4380	0.43	-do-
		4371/4381	0.17	-do-
4371/4382	0.49	-do-		
			11.96	
Total —			12.96 = 52447.15 Sq. Mts.	
Pujal	687	687	0.05	
		687/1592	0.02	
		687/1593	0.03	
		687/1594	0.06	
			0.16	
	479	686	0.36 (1 Bigha/Collah 14 Chaltacks)	
		677		
		677/1436		
		694		
Total —			0.54 = 2158.30 Sq. Mts. Jetty (Foreshore)	
			51A	

Part—III

A short description of all stocks, shares debentures and other choses in action of the transferor Company.

- Industrial Licence : L-24(2)65J & C/63 dated 31.7.1963 and the amended Registration Certificate No. R/10(b)/54  
----- DL 31.5.1954  
R/23(2)/53  
(Registration cum Membership Certificates)

2.	Registration No. under Part No. 76(g) of the I.T.C. issued by the Office of Jute Commissioner	:	Jute/P/m/25 -----dt. 31.3.69 Jute (T)5/48-68
3.	Registration No. as Registered Manufacturer Exporter issued by the Jute Commissioner,	:	No. Jute (RE)1/75
4.	The Control Supd., Calcutta Electric Supply Corporation Ltd., 18, Rabindra Sarani, Calcutta - 1.	:	H. T. Consumer No. 010620060017
5.	The Chief Electrical Inspector, the Directorate of Electricity, Govt. of West Bengal, 1, Harish Mukherjee Road, Calcutta-700 020,	:	Generation of Electricity.
6.	The Jt. Chief Controller of Imports & Exports, Office of the Controller of Imports & Exports, Esplanade East, Calcutta-700 069.	:	S. P. S. Reg. No. Cal./SPS/1483/85-88
7.	The Calcutta Electric Supply Corpn., Victoria House, Calcutta-700 001	:	Lease in connection with Sub-Station etc. and Electricity etc.
8.	Factory Licence	dt. 2.11.21 302 ----- 20.3.79	Regd. No. 68-HW/X Validity 31.12.85
9.	Boller Licence		
	Relay —	WBL 9848 12.10.84	Validity 18.10.85
	Lancashire —	WBL 10124 13.9.84	" 12.9.85
	-do- —	WBL 10125 29.7.85	" 23.1.86
10.	Generators		
	(i) 1500 K.W.	Ruston Engine No. 504541	Validity 20.9.85
	(ii) 1500 K.W.	" " No. 504542	" 20.9.85
	(iii) 1100 K.V.A	S. K. L. " No. M/C No. 3	" 2.12.86
	(iv) 180 K. V. A	Kirloskar Cummins Engine No. 25117380	" 18.12.85
	(v) 180 K. V. A	" " " 25112675	" 18.12.85
	(vi) 180 K. V. A	" " " 25117384	" 18.12.85
	(vii) 180 K. V. A	" " " 25118046	" 18.12.85
	(viii) 250 K. V. A	" " " 25118737	" 14.1.86
	(ix) 250 K. V. A	" " " 25118846	" 14.1.86
	(x) 250 K. V. A	" " " 25118850	" 14.1.86
11.	Marine for Launch "Judith" No. WB 634		" 17.7.85 Renewal applied for
12.	Gun Licence Nos. 2781 dt. 1.8.84		Validity 1.8.87
	Gun Nos DBBL — A/3-3466		
	" — A/3-3471		
13.	Raw Jute Registration No. CS/71 M dt. 9.6.79		" 31.12.85
14.	Explosive Licence No. P-12(5) 982/Beng. 5708 dt. 28.12.79		" 31.12.87
15.	E. S. I. Code No. 41-1058-12 (3Frankings Machines bearing Licence Nos. WB/59/79, WB/60/79K, WB/61/79 not bearing used as per new E. S. I. Act.)		
16.	Postal Francking M/C. No. RE 158, Licence No. C 4024		
17.	Entry Tax Deposit Account No. 8/ADV/HW For Coal Transport Pass (Advance Deposit Book) for Jute.		
18.	Motor Vehicles		Tax Token Date of Expiry
	WBG 6740		31.5.86
	WMB 6731		31.7.86
	WMB 1154		28.2.86
	WMB 5195		30.8.86
	WMB 5204		30.3.86
	WMB 9696		

19. Telephones : 613-267  
613-366  
613-367
20. Rly. Sidings
21. Permit in respect of No. 35/85 dt. 9.1.85 Kerosine Oil  
Controller of Food & Supplies, Unberia, Howrah. Validity 31.12.85
22. Central Excise Licence No. etc.
- |                        |   |   |          |          |
|------------------------|---|---|----------|----------|
| L-4 Licence            | : | (A) — 1/Jute Mfg./T.I. 22A/Range - 1/XII/79 dt. 23.3.79   | Validity | 31.12.87 |
| "                      | : | (B) — 1/Jute Yarn/T.I. 78D/Range-1/XII/79 dt. 23.3.87   | Validity | 31.12.87 |
| L-6 Licence            | : | (C) — 1/JBO/Range -1/XII/79 dt. 28.3.79   | Validity | 31.12.87 |
| P.L.A. No.             | : | 1/Jute/79 dated 5.4.79 T.I. 22A<br>1/Jute Yarn/79 dt. 18.4.79 for T.I. 18D<br>P.L.A. Ludlow Jute Company Ltd., — Outstanding balance. |          |          |
| B-2 Bond for Jute Mfg. | : | 1/B-2/T.I. 22A/Range — 1/XII/79 dt. 28.3.79, for Rs. 50,000.00  |          |          |
| Amount of Security     | : | Rs. 1000/- in 7 years National Savings Certificate No. 7 MS/E 015146 issued by<br>Chengal Post Office on 23.3.79                      |          |          |
| B-2 Bond for Jute Yarn | : | 1/B-2 T.I. 18D/Range—1/XII/79, dated 28.3.79 for Rs. 50,000.00  |          |          |
| Amount of Security     | : | Rs. 1000/- in 7 years National Savings Certificate No. 7 NS/E 15147 issued by<br>Chengal Post Office on 23.3.79                       |          |          |
23. Deposit A/C.
- |                     |   |  |
|---------------------|---|--|
| C. L. M.            | — | K/63                                       |
| Calcutta Port Trust | — | K/43                                       |
| E. I. A.            | — | Nos. EIA/7/Cal/F10/83-84 & EIA/Cal/JGSP/32 |
| Custom Duty         |   |  |
| I. S. A.            |   |  |
- Arbitration deposit with Bengal Chamber of Commerce  
Exemption Certificate issued by  
Urban land ceiling authority in respect of lands.

Sd/- A. K. DUTT  
29. 8. 85  
For Registrar

I do hereby certify that this is a true copy of the original in my custody.

Dated this 3rd day of Sept. 1985.

Sd/- S. Ghosh

For Registrar of the High Court at Calcutta,  
Original Side.

# IN THE HIGH COURT AT CALCUTTA

(Original Jurisdiction)

COMPANY PETITION NO. 462 OF 1985

CONNECTED WITH

COMPANY PETITION NO. 259 OF 1985

Seat  
The Honourable Mr. Justice R. N. Pyne

President of the Union of India  
In the matter of the Companies Act, 1956

AND

In the matter of an application under Sections 391(2),  
392 and 394 of the Companies Act, 1956

AND

In the matter of Renukoot Power Company Limited, a  
Company incorporated under the Companies Act, 1956  
and having its registered office at 16A, Brabourne Road,  
Calcutta within the jurisdiction aforesaid.

AND

In the matter of Kanoria Chemicals & Industries Limited,  
a Company incorporated under the Companies Act,  
1956 and having its registered office at 16A, Brabourne  
Road, Calcutta within the jurisdiction aforesaid.

1. Renukoot Power Company Limited
2. Kanoria Chemicals & Industries Limited

—Petitioners.

The above petition coming on for hearing on this day upon reading the said petition the order dated the first day of October in the year one thousand nine hundred and eighty five whereby the above named petitioner No. 1 Renukoot Power Company Limited (hereinafter referred to as the said Transferor Company) and the petitioner No.2 Kanoria Chemicals and Industries Ltd. (hereinafter referred to as the said Transferee Company) were ordered to convene separate meetings of the Preference and Equity Shareholders of the said Transferor Company and the Equity Shareholders of the said Transferee Company for the purpose of considering and if thought fit approving with or without modification the Scheme of Amalgamation proposed to be made between the said Transferor Company and the said Transferee Company and annexure to the affidavit of Bhagwati Prasad Dhanuka filed on the first day of October in the year one thousand nine hundred and eighty five the Telegraph and the Bartaman both dated the nineteenth day of October in the year one thousand nine hundred and eighty five each containing the advertisements of said notice convening the said meetings directed to be held by the said order dated the first day of October in the year one thousand nine hundred and eighty five the affidavit of Bhagwati Prasad Dhanuka filed on the fifteenth day of November in the year one thousand nine hundred and eighty five showing the publication and despatch of the notices convening the said meetings the reports of the Chairman of the said meetings dated the twenty fifth day of November in the year one thousand nine hundred and eighty five as to the result of the said meetings and upon reading on the part of the said petitioner companies an affidavit of Lakshmi Narayan Shastri filed on the sixteenth day of January in the year one thousand nine hundred and eighty six and the exhibits annexed thereto and upon reading the order made herein and dated the sixteenth day of December in the year one thousand nine hundred and eighty five and upon hearing Mr. S.N. Chowdhry, Advocate for the said petitioner companies and Mr. J. Mukherjee, Advocate for the Company Law Board represented by the Central Government and it appearing from the said reports of the Chairman that the proposed Scheme of Amalgamation has been approved unanimously.

The Court doth hereby sanction the Scheme of Amalgamation set forth in Annexure 'A' of the petition herein and specified in the Schedule 'A' hereto and doth hereby declare the same to be binding with effect from the first day of July in the year one thousand nine hundred and eighty five (hereinafter referred to as the said transfer date) on the

said Transferor Company and the said Transferee Company and their Shareholders and all concerned.

**THIS COURT DOETH ORDER —**

1. That all the properties, rights and interests of the said Transferor Company specified in the first, second and third parts of the Schedule 'B' hereto and all the other property, rights and interests of the said Transferor Company be transferred from the said date without further act or deed to the said Transferee Company and accordingly the same shall pursuant to Section 394 (2) of the Companies Act, 1956 be transferred to and vest in the said transferee Company for all the estate and interest of the said Transferor Company therein but subject nevertheless to all charges now affecting the same and
2. That all the liabilities and duties of the said Transferor Company be transferred from the said transfer date without further act or deed to the said Transferee Company and accordingly the same shall pursuant to Section 394(2) of the Companies Act, 1956 be transferred to and become the liabilities and duties of the said Transferee Company and
3. That all proceedings and/or suits and/or appeals now pending by or against the said Transferor Company be continued by or against the said Transferee Company and
4. That upon the Scheme being effective and upon the transfers taking place all the Equity and Preference Shares in the said Transferor Company held by the said Transferee Company shall stand cancelled and
5. That leave be and the same is hereby granted to the said petitioner companies to file the Schedule of assets of the said Transferor Company within three weeks from the date hereof and
6. That the said Transferor Company and the said Transferee Company do within thirty days after the date of this order cause a certified copy of this Order to be delivered to the Registrar of Companies, West Bengal for registration and
7. That the Official Liquidator of this Court do file a report under second proviso to Section 394(1) of the Companies Act, 1956 within two months from the date hereof and
8. That the said Official Liquidator do serve a copy of the report to be filed by him on M/s. Khaitan & Co., Advocates for the said petitioner companies and
9. That leave be and the same is hereby granted the said petitioner companies to apply for dissolution without winding up of the said Transferor Company after filing the said report by the said Official Liquidator and
10. That any person interested shall be at liberty to apply to the Court in the above matter for any directions that may be necessary.
11. That all parties do act on a copy of the minutes of the Order duly signed by an officer of this Court being served on them.

Witness Mr. Satish Chandra, Chief Justice at Calcutta aforesaid this twenty first day of January in the year one thousand nine hundred and eighty six.

Khaitan & Co., Advocates

Sd/- J. Nandi 3.2.86  
For Registrar

**SCHEDULE 'A' ABOVE REFERRED TO  
SCHEME OF AMALGAMATION  
BETWEEN  
RENUKOOT POWER COMPANY LTD.**

**KANORIA CHEMICALS & INDUSTRIES LTD., AND their respective shareholders for amalgamation  
of RENUKOOT POWER COMPANY LTD., with KANORIA CHEMICALS & INDUSTRIES LTD.**

**PART-I**

1. That all property, rights and powers and interests of Renukoot Power Company Limited (hereinafter called "the Transferor Company") be transferred without further act or deed to Kanoria Chemicals & Industries Limited (hereinafter called "the Transferee Company") and accordingly the same shall, pursuant to Sec. 394 (2) of the Companies Act, 1956 be transferred to and vest in the Transferee Company for all the estate and interest of the Transferor Company, but subject nevertheless to all the charges now affecting the same.
2. That all the liabilities, dues and obligations of the Transferor Company be transferred without further act or deed to the Transferee Company and accordingly, the same shall, pursuant to Section 394(2) of the Companies Act, 1956, transferred to and become the liability, obligation and duties of the Transferee Company.
3. That all licences, letters of intent, contracts, deeds, bonds agreements and other instruments of whatsoever nature to which the Transferor Company is party subsisting or having effect *immediately* before the amalgamation 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 effectively, as if instead of Transferor Company, the Transferee Company has been a party thereto.
4. That all proceedings all suits and/or appeals now pending by or against the Transferor Company shall be continued by or against the Transferee Company as the case may be.
5. That all the employees of the Transferor Company shall become the employees of the Transferee Company on the same terms and conditions without any interruption or discontinuity in their services.
6. Upon this Scheme becoming effective and upon the transfers being effected as stated in clause 1 & 2 hereof the Equity and Preference Shares held by the Transferee Company in the Transferor Company shall stand cancelled.

**PART-II**

1. Necessary application or petition by the said Transferor Company and the Transferee Company to the High Court at Calcutta shall be made for the sanctioned of the Scheme of Amalgamation and the Scheme shall become operative from 1st day of July, 1985 or from such date as shall be directed by the said Hon'ble High Court.
2. Until the said Scheme is sanctioned and the transfers are effected as aforesaid the transferor Company shall by their Directors carry on the business thereof in the same manner as heretofore so as to maintain the same as a going and/or running concern and shall be deemed to have been carrying on such business from 1st July, 1985 for and on behalf of and in trust for the Transferee Company. For implementing the Scheme and transfers smoothly, the Board of Directors of the Transferee Company shall be entitled to do all acts, deeds and things in the name of and on behalf of the Transferor Company as may be necessary after sanction of the Scheme.
3. The Transferee Company shall pay all the costs, charges and expenses of and/or incidental to the Scheme of Amalgamation and the carrying out of the same into effect.
4. The Board of Director of the Transferor Company and the Transferee Company may assent on behalf of all concerned to any modification to the scheme including any modification relating to change in effective date of amalgamation or to any condition which the Hon'ble High Court at Calcutta or any other statutory authority

may impose or to any other modification which they may deem fit and the said Boards of Directions may do all acts, deeds and things necessary in connection with the Scheme or to carry out the scheme into effect.

5. In the case of any doubt or difficulty in interpretation or implementation of the scheme, the same shall be settled and decided mutually by and between the Board of Directors of the Transferor Company and the Transferee Company respectively and failing such decisions the same shall be referred to sole arbitration of Mr. P. K. Khaitan, Advocate, and failing him Mr. G. S. Asopa, Advocate, whose decision shall be final and binding on all concerned.

Sd/-J. Nandi 3.2.86  
For Registrar

#### **SCHEDULE 'B' ABOVE REFERRED TO**

##### **Part-I**

Short description of freehold properties of the Renukoot Power Company Limited.

(hereinafter referred to as the Transferor Company)

**Nil**

##### **Part-II**

Short description of leasehold properties of the Transferor Company.

**Nil**

##### **Part-III**

Short description of all stocks, shares, debentures and other choses in action of the Transferor Company.

1. Letter of Intent No. 311/83 dated 2nd May, 1983 for the manufacture of Acetal Resin, Formaldehyde (100) and Hexamine at Ankleshwar, Dist. Bharuch in the state of Gujarat

Sd/-J. Nandi  
3.2.86  
For Registrar

I do hereby certify that this is a true  
copy of the original in my custody  
Dated this 6th day of February, 1986

Sd/-

For Registrar of the High Court at Calcutta,  
Original Side.

# IN THE HIGH COURT AT CALCUTTA

(Original Jurisdiction)

Company Petition No. 240 of 1997

Connected with

Company Application No. 178 of 1997

The Honourable Mr. Justice Sujit Kumar Sinha

IN THE MATTER of the Companies Act, 1956

And

IN THE MATTER of an application under Section 391 (2) and 394 of the said Act.

And

IN THE MATTER of *Kanoria Chemicals & Industries Limited*, a Company incorporated under the provisions of the Companies Act, 1956, having its registered office at "Park Plaza", 71, Park Street, Calcutta - 700 018 within the aforesaid jurisdiction.

And

IN THE MATTER of *Nav-Jyoti Investment and Dealers Limited*, a Company incorporated under the provisions of the Companies Act, 1956 having its registered office at 302, Central Plaza, 2/6, Sarat Bose Road, Calcutta - 700 020, within the aforesaid jurisdiction.

1. Kanoria Chemicals & Industries Limited.
2. Nav-Jyoti Investment And Dealers Limited

*Petitioners.*

The above petition coming on for hearing on this day and upon reading the said petition the order dated the seventeenth day of March in the year one thousand nine hundred and ninety seven whereby the abovenamed petitioner company No. 1, Kanoria Chemicals & Industries Limited (hereinafter referred to as the said petitioner company No. 1) and the abovenamed petitioner company No. 2, Nav-Jyoti Investment & Dealers Ltd. (hereinafter referred to as the said petitioner company No. 2) were ordered to convene separate meetings of the equity shareholders of the said petitioner company No. 1 & 2 for the purpose of considering, and if thought fit, approving with or without modification, the scheme of arrangement proposed to be made between the said petitioner Company No. 1 and the said petitioner company No. 2 and

their respective shareholders and annexed to the joint affidavit of Bhagwati Prasad Dhanuka and Mahendra Raj Mehta filed on seventh day of March in the year one thousand nine hundred and ninety seven "The Financial Express" and the "Pratidin" both dated the sixteenth day of April in the year one thousand nine hundred and ninety seven each containing the advertisement of the said notices convening the said meetings directed to be held by the said order dated the seventeenth day of March in the year one thousand nine hundred and ninety seven the joint affidavit of Bhagwati Prasad Dhanuka and Mahendra Raj Mehta filed on third day of May in the year one thousand nine hundred and ninety seven showing the publication and despatch of the said notices convening the said meetings, the reports of the chairpersons of the said meetings all dated the sixteenth day of May in the year one thousand

nine hundred and ninety seven as to the result of the said meetings and upon reading on the part of the petitioner companies an affidavit of Nanku Tiwari filed on the first day of July in the year one thousand nine hundred and ninety seven and the exhibits therein referred to and upon reading the order made herein and dated the eleventh day of June in the year one thousand nine hundred and ninety seven and upon hearing Mr. S. N. Mukherjee (Mr. A. Ghosh, Mr. P. Jalan and Mr. T. Khaitan appearing with him) advocate for the petitioner companies and Mr. S. K. Kundu advocate for the Central Government and it appearing from the said reports that the proposed scheme of arrangement has been approved by the requisite majority of the equity shareholders of the said petitioner company Nos. 1 and 2 in accordance with law.

This court doth hereby sanction the scheme of arrangement set forth in annexure A of the petition herein and specified in the schedule A hereto and doth hereby declare the same to be binding with effect from the first day of April in the year one thousand nine hundred and ninety seven (hereinafter referred to as the said appointed date) on the said petitioner company Nos. 1 and 2 and their shareholders and all concerned.

**THIS COURT DOTH ORDER :**

1) That all the property, rights and powers of the said petitioner company No. 1 relating to its Textile division including those specified in the first, second and third part of the schedule 'B' hereto be transferred to from the said appointed date and vest without further act or deed in the said petitioner company No. 2 and accordingly the same shall pursuant to section 394 (2) of the Companies Act, 1956, be transferred to and vest in the said petitioner company No. 2 for all the estate and interest of the said petitioner company No. 1 therein but subject nevertheless to all charges now affecting the same; and

2) That all the debts, liabilities, duties and obligations of the said petitioner company No. 1 in/or relating to the Textile Division be transferred from the said appointed date without further act or deed to the said petitioner company No. 2 and accordingly the same shall pursuant, to section 394 (2) of the Companies Act, 1956 be transferred to and become the debts liabilities, duties and obligations of the said petitioner company No. 2, and

3) That all proceedings and/or suits and/or appeals now pending by or against the said petitioner company No. 1 in respect of the Textile Division be continued by or against the said petitioner company No. 2 and

4) That the said petitioner company No. 2 do issue and allot to the shareholders of the said petitioner company No. 1 the shares in the said petitioner company No. 2 to which they are entitled under clause 9 of Part - II of the said Scheme of arrangement; and

5) That leave be and the same is hereby granted to the petitioner companies to file the schedule of assets of the said petitioner company No. 1 as stated in paragraph twenty of the petition herein within a period of three weeks from the date hereof; and

6) That the said petitioner company No. 1 and the said petitioner company No. 2 do within a period of thirty days from the date hereof cause a certified copy of this order to be delivered to the Registrar of Companies, West Bengal for registration; and

7) That any person interested shall be at liberty to apply to this court in the above matter for such directions as may be necessary; and

8) That this application be and the same is hereby disposed of accordingly; and

9) That all parties concerned do act on a copy of the minutes of this order duly signed by an officer of this court being served on them.

Witness Shri Prabha Shanker Mishra Chief Justice at Calcutta aforesaid the twenty sixth day of November in the year one thousand nine hundred and ninety seven.

Khaitan & Co. — Advocates  
S. K. Kundu — Advocate

Sd/- Anjan Kumar Mitra 09.1.98

For Registrar

**SCHEDULE 'A' ABOVE REFERRED TO  
SCHEME OF ARRANGEMENT BETWEEN  
KANORIA CHEMICALS & INDUSTRIES LIMITED  
AND  
NAV-JYOTI INVESTMENT AND DEALERS LIMITED  
AND  
THEIR RESPECTIVE SHAREHOLDERS**

**PART—I**

**DEFINITIONS :**

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

- A. 'The Act' means the Companies Act, 1956.
- B. 'The Appointed Date' means the commencement of business on the 1st day of April, 1997.
- C. 'KCIL' means Kanoria Chemicals & Industries Limited, a company incorporated under the provisions of the Companies Act, 1956, having its registered office at 'Park Plaza', 71, Park Street, Calcutta - 700 016 in the State of West Bengal.
- D. 'NIDL' means Nav-Jyoti Investment And Dealers Limited, a company incorporated under the provisions of the Companies Act, 1956 having its registered office at 302, Central Plaza, 2/6, Sarat Bose Road, Calcutta - 700 020 in the State of West Bengal.
- E. 'Textile Division' means the Textile Division of KCIL and includes all the business undertaking, properties investments and liabilities of KCIL pertaining to the Textile Division, including,

(a) all properties and assets, moveable and immovable, real and personal, corporeal and incorporeal, in possession or in reversion, freehold or leasehold, present and contingent of whatsoever nature, wheresoever situate, as on the Appointed Date including all lands measuring 76,196.13 Square Metres approximately at Rakhiat Village, Ahmedabad in the State of Gujarat, all lands measuring 627.80 Square yards approximately at Nabhoi Village, Gandhinagar in the State of Gujarat, buildings, plant and machinery, vehicles, equipments, furniture and fittings, sundry debtors, investment in shares, inventories, cash and bank balances, bills of exchange deposits, loans and advances as appearing in the books of account of KCIL and appertaining to the Textile Division, leases, tenancy rights and agency of KCIL pertaining to the Textile Division, and all other interests or rights in or arising out of or relating to the Textile Division together with all rights, powers, interests, charges, privileges, benefits, entitlement, industrial and other licenses, registrations, quotas, trade marks, patents, copy-rights, liberties, easements and advantages, appertaining to the Textile Division and/or to which KCIL is entitled to in respect of the Textile Division of whatsoever kind, nature or description held, applied for or as may be obtained hereafter together with the benefit of all contracts and engagements (including those in respect of land, building, plant and machinery) and all books, papers, documents and records relating to the Textile Division.

(b) all debts liabilities, duties, and obligations as on Appointed Date (including export obligation under Export Promotion Capital Goods Scheme) of KCIL pertaining to and/or arising out of the Textile Division including liabilities on account of unsecured loans, sundry creditors, bonus, sales tax, excise and other taxation and contingent liabilities whether or not provided for in the books of account of KCIL, and

(c) all permanent employees of KCIL engaged in or in relation to the Textile Division at its factory and branch and other offices.

**WHEREAS :**

1. KCIL has three divisions being firstly the 'Renukoot Chemical Works Divisions' at Renukoot, District Sonbhadra in the State of Uttar Pradesh where Caustic Soda, Stable Bleaching Powder, Crude Lindane, Hydrochloric Acid, Liquid Chlorine, Sodium Hypochlorite, Trichloro Benzene & Pesticide formulations and Anhydrous Aluminium Chloride is manufactured secondly, the 'Ankleshwar Chemical Works Division at Ankleshwar, District Bharuch in the State of Gujarat where Pentaerythritol, Sodium Formate, Hexamine, Acetaldehyde, Formaldehyde, Industrial Alcohol, Carbon Di Oxide, Formic Acid, Acetic Acid and Ethyl Acetate is manufactured, and thirdly the said Textile Division at Rakhiat Village, Ahmedabad in the State of Gujarat where yarn and cloth is manufactured.

2. KCIL has already undertaken a large scale investment programme for modernisation and diversification of its said Chemical Divisions. To enable KCIL to provide adequate and timely resources for such programme and to meet the working capital requirement of its Chemical Divisions more effectively and conveniently it is considered desirable and expedient to reorganise and reconstruct the business and undertakings of KCIL by transfer of the said Textile Division to NIDL which would independently finance the capital investment needed for modernisation of the Textile Division and separately develop the same. The Textile Division has good prospects for growth and development upon modernisation and expansion thereof which requires induction of substantial finance which can be more conveniently and adequately raised in a separate company.

3. Under the Scheme of Arrangement it is proposed to transfer the Textile Division to NIDL in the manner and on the terms and conditions contained herein. The Scheme will enable KCIL to reduce the pressure on its liquidity as also pursue the on going modernisation and diversification programme more effectively and enable NIDL to acquire the Textile Division and to modernise and expand the same. The Scheme will result in independent growth and expansion of the respective business of the companies concerned and will facilitate greater focus on the operations of the various divisions of the companies to improve their profit potential.

## PART—II

1. With effect from the Appointed Date, the Textile Division shall pursuant to Section 394 (2) of the Act and without any further act or deed be transferred to and vest in and be deemed to have been transferred to and vested in NIDL for all the estate and interest of KCIL therein, subject however to all charges, liens, dispendans, mortgages and encumbrances, if any, affecting the same or any part thereof.

2. All debts liabilities, duties, and obligations (including export obligation under Export Promotion capital Goods Scheme) of KCIL relating to the Textile Division as on the close of business on the day immediately preceding the Appointed Date and all other liabilities of KCIL relating to the Textile Division which may accrue or arise from the Appointed Date but which relate to the period upto the day immediately preceding the Appointed Date shall become the debts, liabilities, duties, and obligations of NIDL and NIDL undertakes to meet, discharge and satisfy the same to the exclusion of KCIL, and to keep KCIL indemnified at all times from and against all such debts, liabilities, duties and obligations and from and against all actions, demands and proceedings in respect thereof.

3. (a) NIDL undertakes to engage all the employees of KCIL engaged in the Textile Division on the same terms and conditions on which they are engaged by KCIL without any interruption of service as a result of the transfer of the Textile Division to NIDL. NIDL agrees that the services of all such employees with KCIL prior to such transfer shall be taken into account for the purposes of all benefits to which the said employee may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits.

(b) The accumulated balances, if any, standing to the credit of the employees of the Textile Division in the existing Funds of which they are members will be transferred to such other funds, as are recognised by the concerned authorities on application by NIDL. Pending the transfer as aforesaid the dues of the said employees of the Textile Division would be continued to be Deposited in the existing respective funds. However all arrears of salaries, wages, including liability on account of unpaid Leave as payable on the Appointed Date shall be borne by and on account of KCIL. The amount of liability, in respect of gratuity (determined as the sum payable on the Appointed Date as if the same were due) relating to the employees of the Textile Division shall be adjusted by KCIL and transferred to NIDL.

4. All legal or other proceedings by or against KCIL and relating to the Textile Division shall be continued and enforced by or against NIDL only.

5. With effect from the Appointed Date and upto and including the date on which the Textile Division is duly transferred to NIDL as provided herein :

a) KCIL undertakes to carry on the business of the Textile Division in the ordinary course of business and KCIL shall be deemed to have carried on and to be carrying on all business and activities relating to the Textile Division for and on account of and in trust for NIDL.

b) All profits accruing to KCIL, or losses arising or incurred by it relating to the Textile Division for the period falling on and after the Appointed Date shall for all purposes be treated as the profits or losses, as the case may be of NIDL and KCIL undertakes not to utilise the profits, if any, relating to the Textile Division for the purposes of declaring or paying any dividend in respect of the period falling on and after the Appointed Date.

c) KCIL shall be deemed to have held and stood possessed of the properties so to be transferred to NIDL for and on account of and in trust for NIDL and accordingly KCIL shall not (without the prior written consent of NIDL) alienate, charge or otherwise deal with or dispose off the Textile Division or any part thereof except in the usual course of business.

6. The transfer and vesting of properties and liabilities of the Textile Division under clause 1 hereof and the continuance of the proceedings by or against NIDL under clause 4 hereof shall not affect any transaction or proceeding already completed by KCIL on and after the Appointed Date to the end and intent that NIDL accepts all acts, deeds and things done and executed by and/or on behalf of KCIL as acts, deeds and things done and executed by and on behalf of NIDL.

7. Subject to the other provisions contained in this Scheme all contracts, deeds, bonds, agreements, insurance policies and other instruments of whatsoever nature relating to the Textile Division to which KCIL is a party subsisting or having effect immediately before this Scheme becomes operative shall remain in full force and effect against or in favour of NIDL and may be enforced as fully and effectively as if instead of KCIL, NIDL had been a party thereto.

8. For the purpose of this Scheme, the value of the assets being so transferred shall be as follows :

i) In respect of assets on which depreciation has been claimed and allowed under the Income-Tax Act, 1961 the written down value of such assets under the Income Tax Act, 1961 as on the Appointed Date.

ii) The investment in Equity Shares of Aekta Limited will be taken at the market value thereof as prevailing on 31st March, 1997 and

iii) In respect of assets other than those specified in sub-clause (i) and (ii) above, the value as appearing in the books of account of KCIL, as on the close of business on 31st March, 1997.

9. Upon transfer and vesting of the Textile Division to NIDL in accordance with this Scheme, NIDL shall without any further application issue and allot to every shareholders holding equity shares in KCIL, equity shares in NIDL in the ratio of 1 (one) equity share of Rs. 10/- each in NIDL, credited as fully paid up for every 2 (two) equity shares of Rs. 10/- each held in KCIL.

10. It is clarified that the value of net assets (viz. assets less liabilities) of the Textile Division to be transferred under the Scheme shall be reduced from the Revaluation Reserve of KCIL.

11. (a) The Equity Shares in NIDL to be issued and allotted to the members of KCIL as per clause 9 above shall rank pari passu in all respects with the existing Equity Shares of NIDL and shall carry all the right and privileges that were attached to the shares of KCIL prior to the allotment of such shares in NIDL.

(b) No fractional certificates shall be issued by NIDL in respect of the fractional entitlements, if any, to which the members of KCIL may be entitled to under the Scheme. All such fractional entitlement shall be consolidated into whole shares and be allotted to one of the directors or officers of NIDL as a Trustee for sale thereof to such persons and at such price as may be approved by the Board of Directors of KCIL in this regard and for payment of the net proceeds to the persons entitled thereto after such sale in proportion to their respective fractional entitlements.

12. After this Scheme becomes operative NIDL shall also be entitled to realise all monies and complete and enforce all pending contracts and transactions including performance of Export obligation in respect of the Textile Division in the name of KCIL in so far as may be necessary.

#### PART—III

1. KCIL and NIDL shall make necessary applications before the Hon'ble High Court at Calcutta for the sanction of this Scheme of Arrangement.

2. Save and except the textile Division of KCIL and as expressly provided in this Scheme of Arrangement nothing contained in this Scheme of Arrangement shall affect the rest of the assets and liabilities of KCIL which shall continue to belong to and be vested in and be managed by KCIL.

3. KCIL and NIDL will take the approvals of the Financial Institutions, Banks and others, wherever necessary, for implementation of the scheme.

4. KCIL and NIDL (through their respective Board of Directors) and in their full and absolute discretion, may assent to any alteration or modification to this Scheme which the courts and/or any other Authority may deem fit to approve or impose and may further give such directions as they may consider necessary to settle any question or difficulty arising under this Scheme or in any manner connected therewith.

5. The Scheme is conditional upon and subject to the following :

a) The Scheme being approved by the respective requisite majorities of the members of KCIL and NIDL and it being sanctioned by the Hon'ble High Court at Calcutta.

b) Certified copies of the order of the Hon'ble High Court at Calcutta sanctioning this Scheme being filed with the Registrar of Companies, West Bengal by KCIL and NIDL.

6. NIDL shall take necessary steps to increase its Authorised share capital suitably to enable it to issue and allot the shares required to be issued and allotted by it under this Scheme.

7. KCIL and/or NIDL shall each be at liberty to withdraw from this Scheme of Arrangement in case any condition or alteration imposed by any authority is unacceptable to them.

8. All costs, charges and expenses incurred in carrying out and implementing the terms and provisions of this Scheme and incidentals thereto including those incurred during negotiations leading to the Scheme shall be borne equally by KCIL and NIDL.

9. If any doubt or difference or issue shall arise between the parties hereto or any of their shareholders, creditors employees and/or any other person as to the construction hereof or as to any account valuation or apportionment to be taken or made of any asset or liability transferred under this Scheme or as to the accounting treatment thereof or as to anything else contained in or relating to or arising out of this Scheme, the same shall be referred to Mr. P. K. Khaitan, Advocate of 9, Old Post Office Street, Calcutta - 700 001 and failing him such other person as is mutually agreed between KCIL and NIDL, whose decision shall be final and binding on all concerned.

Sd/- Anjan Kumar Mitra 09.01.98

For Registrar.

**SCHEDULE 'B' ABOVE REFERRED  
TO  
SCHEDULE OF ASSETS**

of Textile Division of Kanoria Chemicals & Industries Limited ("KCIL") to be transferred to Nav-Jyoti Investment and Dealers Limited.

**PART—I**

(Short description of the Freehold property of KCIL)

All that piece or parcel of land situated at Village NABHOI District and Sub District of Gandhinagar, Gujrat State admeasuring 627.90 sq. yds. approx, Plot No. 44 (Freehold Residential Land outside Mill premises at Gandhinagar).

**PART—II**

(Short description of the leasehold property of KCIL)

All that piece or parcel of land together with all Buildings and structure thereon situated in Rakhiol Village Ahmedabad District in the Gujarat State admeasuring 76196.13 sq. Mtrs. more or less and comprised as follows :

Sr. No.	S. No./F. P. No.	Area in Sq. Mtrs.
1.	S.No./313/1, 313/3, 313/4 313/5, 314/1, 314/2, 314/3 314/4, 318/1, 318/2, 318/3 318/4, 318/5, 318/6, 317, 319/8, of Sub-Plot No. 10/A	75,394.81
2.	Part of S. No. 322/2 of Sub-plot No. 10/B	519.22
3.	Part of S. No. 314/6 of Sub Plot No. 10/C.	282.10
		<u>76,196.13 Sq. M.</u>

Residential Building outside Mill Premises :

- Director's Bungalow** All that piece or parcel of land bearing final Plot No. 23 of TPS 21 admeasuring 511 Sq. Mtrs. with built-up area 418 sq. Mtrs. (Ground & First floor) situated at Village Limits of Mouja Vastrapur of City Taluka in the Registration District and Sub-District of Ahmedabad and Survey No. F. P. No. 0023/FP and Tenement No. 87770029-00-0101-Q of Ellisbridge.
- Flat**
  - The flat situated at village Limits of Mouja Vadaj of City Taluka in the Registration District and Sub-District of Ahmedabad and Survey No. 326 Scheme No. 636 MIGH Scheme Vijaynagar Block No. 86 Flat No. 514 admeasuring 79.27 sq. mtrs. approx.

- The flat situated at Village Limits of Mouja Vastrapur of City Taluka in the Registration of Ahmedabad Flat No. B-74 "SKYLARK" Apartment Ambawadi Anuja Co. Op. Housing Society, S. M. Road admeasuring 200 sq. yds approx.

**PART—III**

(Short description of stocks, shares, Debentures and other choses in action of KCIL).

Equity shares held in various companies as follows :

<u>Name of the Company</u>	<u>No. of Equity Shares Held.</u>
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Ambawadi Anuja Co-operative Housing Society.	1
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Aakta Limited	38,60,520
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Anjan Kumar Mitra 09.01.98

For Registrar.

**Form No. CAA.7**

**[Pursuant to section 232 and rule 20]**

**IN THE NATIONAL COMPANY LAW TRIBUNAL**

**KOLKATA BENCH**

**C.P. (CAA) No. 447/KB/2019**

**In connection with**

**C.A. ( CAA ) No. 1026/KB/2018**

**In the matter of:**

Companies Act, 2013 - Sections 230 (6) and 232(3);

AND

**In the Matter of:**

Pipri Limited, a Company incorporated under the provisions of the Companies Act, 1956 and being a Company within the meaning of the Companies Act, 2013, having its registered office at 'Park Plaza', 71, Park Street, Kolkata - 700016;

AND

**In the matter of:**

1. Pipri Limited

.... Petitioner

Page 1



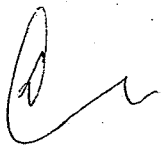
## Order Under Sections 230 and 232 of the Companies Act, 2013

1. The above Company Petition coming on for further hearing on the 26<sup>th</sup> August, 2019 and upon hearing the advocate appearing for the Petitioners and upon hearing Deputy Director of Regional Directorate, Eastern Region representing the Central Government the final order was passed on the 02<sup>nd</sup> September, 2019.
2. This is a petition under Section 230(6) read with Section 232 (3) of the Companies Act, 2013 in connection with a proposed Scheme of Pipri Limited, being the Petitioner Company abovenamed (hereinafter) referred to as the "Transferor Company") with Kanoria Chemicals & Industries Limited (hereinafter referred to as the "Transferee Company") whereby and whereunder the entire undertaking of the Transferor Company together with all property, rights, powers and all debts, liabilities, duties and obligations relating thereto is proposed to be transferred to and vested in the Transferee Company on the terms and conditions fully stated in the said Scheme of Amalgamation. A copy of whereof is annexed with the application andd marked "A".



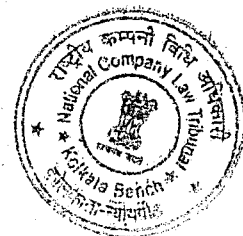
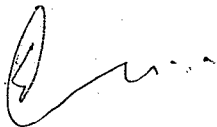
3. The circumstances which justify and / or have necessitated the said Scheme of Amalgamation and the benefits of the same are, inter alia, as follows:

- a. The Transferee Company is a well established concern engaged primarily in the business of manufacturing chemicals and generating solar power. The Transferor Company is a registered non banking financial company (NBFC) engaged primarily in the business of investing in shares and securities of other bodies corporate. The Transferor Company is a wholly owned subsidiary of the Transferee Company.
- b. The investment portfolio of the Transferor Company has not undergone much change over the last years and has been relatively stagnant. The activity of holding, and monitoring investments in shares and securities of other bodies corporate is already undertaken by the Transferee Company as an incidental part of its total functions. As such the undertaking of the two companies can be combined, run managed together more conveniently and advantageously.
- c. In the circumstances it is considered desirable and expedient to amalgamate the Transferor Company with the Transferee



Company in the manner and on the terms and conditions stated in the said Scheme of Amalgamation.

- d. The amalgamation will enable the merged entity to have a more rational asset holding structure. The existing operating business and activities of the Transferee Company will continue to constitute the main business and activities.
- e. The addition of the investment portfolio of the Transferor Company to the investment portfolio of the Transferee Company under the amalgamation will enable suitable combination of such investment portfolios without any significant increase in allocation of managerial resources and time towards holding and monitoring the same as the existing Transferee Company is already performing such functions. Such investment function will continue to be performed by the merger entity incidentally to its core operating business and activities.
- f. The business of the amalgamated entity will be carried on more efficiently and economically as a result, inter alia, of pooling and more effective utilisation of the combined resources of the said companies, elimination of duplication of work and reduction in overheads, costs and expenses which will be facilitated by and follow the amalgamation. As such



the amalgamation of the Transferor Company with the Transferee Company will enable greater realisation of the potential of the business in the merged entity.

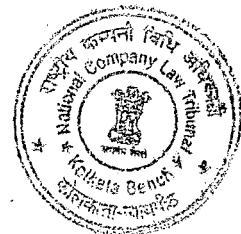
g. The scheme is proposed accordingly and will have the beneficial results for the said Companies, their shareholders, employees and all concerned.

4. It is stated in the application that by an order dated 12<sup>th</sup> February, 2019 in Company Application No. 1026 of 2018 filed before the Hon'ble Tribunal, meeting of the shareholders of the Petitioner Company was dispensed with in view of the written consents given by all the said shareholders of the Petitioner Company. Since there are no creditors in the Petitioner Company, no meeting of creditors of the Petitioner Company was directed to be held. Further it was also directed by the said order that the Transferee Company was not required to file any application or petition for sanction of the Scheme does not entitle any compromise or arrangement whatsoever between the Transferee Company and its shareholders or creditors. Copy of the said order dated 12<sup>th</sup> February, 2019 of the Hon'ble Tribunal in Company Application No. 1026 of 2018 is enclosed with the petition and marked as "I".



5. It is further stated in the application that in compliance with Section 230 (5) of the Companies Act, 2013 and the order dated 12<sup>th</sup> February, 2019 of this Hon'ble Tribunal, the petitioner has duly served notices on the Statutory Authorities including the Regional Director, Ministry of Corporate Affairs, Eastern Region, Kolkata; The Registrar of Companies, West Bengal, Income Tax Department including Chief Commissioner of Incoe Tax and Assessing Officers having jurisdiction over the petitioner, Reserve Bank of India and the Official Liquidator by post. True copy of the Notice sent to Statutory Authorities in terms of order dated 12<sup>th</sup> February, 2019 in Company Application no. 1026 of 2018, as aforesaid, is annexed with the petition and marked as "J".

6. It is further stated in the petition that none of the Directors and key managerial personnel of the Transferor Company and the Transferee Company or their relatives have any material interest in the said Scheme of Amalgamation except as shareholders in general to the extent of which will appear from the respective Register of Directors' and Key Managerial Personnel and their shareholdings maintained by the said Companies. Statement of shareholdings of the Directors and key managerial personnel of the Transferor Company and the Transferee Company and their relatives is annexed with the petition and marked as "K".



7. It is further stated in the petition that there are no proceedings pending under Section 235 to 251 of the Companies Act, 1956 of Sections 210 to 227 of the Companies Act, 2013 against the Transferor Company and the Transferee Company.

8. It is further stated in the application that the Auditors of the Transferor Company and the Transferee Company have confirmed that the accounting treatment in the said Scheme is in conformation with the accounting standards prescribed under Section 133 of the Companies Act, 2013. Certificates issued by the auditor of the Petitioner and the Transferee Company are annexed with the petition and collectively marked "L".

9. It is further stated in the application that in terms of the Securities and Exchange Board of India (SEBI) Circular dated 10<sup>th</sup> March, 2017, the requirement of taking approval of Stock Exchanges to the Schemes of Amalgamation in case of wholly owned subsidiaries has been dispensed with and the listed holding companies are only required to file the Scheme with the Stock Exchanges for the purpose of disclosure. The Transferee Company herein are the listed holding company of the Transferor Company was thus not required to take the approval of the Stock Exchanges to the Scheme in terms of the said Circular and has duly filed the Scheme with them for the purpose of disclosure. In this regard, copy of the letter dated 19<sup>th</sup> September,



2018 of the Transferee Company forwarding the Scheme to the BSE and NSE are annexed with the application and marked as "M".

10. It is further stated in the application that the Transferor Company, being a Non - Banking Financial Company, has duly written to the Reserve Bank of India for their approval to the scheme. The Reserve Bank of India by its letter dated 25<sup>th</sup> September, 2018 has confirmed its no objection on the Scheme. Copy of the said letter dated 25<sup>th</sup> September, 2018 issued by them is annexed with the petition and marked as "N".

11. As per Order dated 11<sup>th</sup> June, 2019 in Company Petition being C.P. (CAA) No. 447/KB/2019 connected with C.A. (CAA) No. 1026/KB/2018, the petitioner companies has made an affidavit affirmed on 10<sup>th</sup> July, 2019 in proof of paper publication as well as service of notice upon the Regulatory Authorities specified in terms of the said order. The copy of said affidavit submitted on 11.07.2019 is kept with the record.

12. The Regional Director, Eastern Region, Ministry of Corporate Affairs at Kolkata vide its affidavit dated 19<sup>th</sup> July, 2019 on behalf of the Central Government had raised observations as stated below:



**In para 2 (b):**

It is submitted that the petitioner companies vide letter dated 15.03.2019 reported that the transferor company is Registered with RBI as NBFC, and also stated that no objection to the proposed scheme amalgamation has been obtained from RBI, and the same may be perused by the Hon'ble Tribunal.

**In Para 2 (c ):**

It is submitted that the petitioner companies vide letter dated 15.03.2019 reported that the transferee company is listed in NSE and BSE, however, no NOC from the stock exchanges with regard to the proposed scheme is enclosed in the said report, and the same may be perused by the Hon'ble Tribunal.

**In Para 2 (d):**

It is submitted that as per instruction of the Ministry of Corporate Affairs, New Delhi, a copy of the scheme was forwarded to the Income Tax Department with a request to forward their comments / observations / objections, if any, on the proposed scheme of amalgamation within 15 days, however, no report has been received from the said Authority by this Directorate till date.



13. The Official Liquidator attached to Hon'ble High Court, Calcutta vide his report dated 17.01.2019 has observed as follows:

**In Para 3:**

The Transferor Company is a Wholly Owned Subsidiary of the Transferee Company.

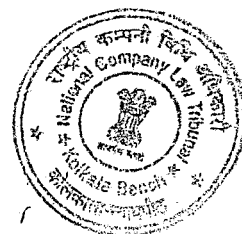
**In Para 10:**

That the Official Liquidator has not received any complaint against the proposed Scheme of Amalgamation from any person / party interested in the Scheme in any manner till date of filing of this Report.

**In para 12:**

That the Official Liquidator on the basis of information submitted by the Petitioner Company is of the view that the affairs of the aforesaid Transferor Company do not appear to have been conducted in a manner prejudicial to the interest of its members or to public as per the provisions of the Companies Act, 1956 / the Companies Act, 2013 whichever is applicable.

14. The authorized representative of the Petitioner Company has made an affidavit which is affirmed on 23<sup>rd</sup> August replying to the affidavit of Debasish Bandopadhyay, the Regional Director, Eastern Region, Ministry of Corporate



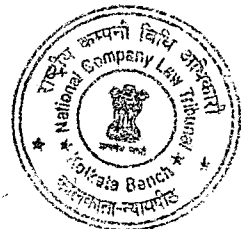
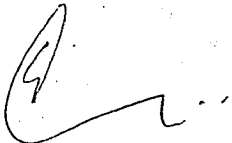
Affairs, Kolkata as follows:

**In Para 4:**

The contents of paragraphs 2 (a) and 2 (b) of the said affidavit are correct and are admitted. Copy of the no-objection of the Reserve Bank of India is annexed with the affidavit and marked as "A". A copy of the samee has also been annexed with the petition.

**In Para 5:**

With reference to paragraph 2 (c) of the said affidavit, it is stated that in terms of the Securities and Exchange Board of India (SEBI) Circular dated 10<sup>th</sup> March, 2017, the requirement of taking approval of the Stock Exchanges to the Schemes of Amalgamation in case of amalgamation of wholly owned subsidiaries with their listed holding companies has been dispensed with and the listed holding companies are only required to file the Scheme with the Stock Exchanges for the purpose of disclosure. Kanoria Chemicals & Industries Limited, the Transferee Company herein as the listed holding company of the Transferor Company was thus not required to take the approval of the Stock Exchanges to the Scheme in terms of the said Circular and has duly filed the Scheme with the Stock Exchanges to the Scheme in terms of the said Circular and has duly filed the Scheme with the Stoc Exchanges for the purpose of disclosure. The petitioner in paragraph 7.9 of the instant petition has already disclosed the aforesaid facts and has also annexed copy of the letter dated 19<sup>th</sup>



September, 2018 of the Transferee Company forwarding the Scheme to the BSE and NSE (Annexure -M). A copy of the SEBI Circular dated 10<sup>th</sup> March, 2017 and letter dated 19<sup>th</sup> September, 2018 of the Transferee Company are annexed with the affidavit and marked "B" and "C" respectively. In this circumstances, there is no requirement of enclosing any NOC from the Stock Exchange in the instant Scheme.

15. Heard the arguments of Ld. Counsels appearing for the Petitioner Companies and authorized representative of Regional Director, Eastern Region, Ministry of Corporate Affairs and after going through the documents available on record and in absence of any objections at the time of hearing, the following orders in terms of prayers made by the Petitioner Companies are passed:

**THIS TRIBUNAL DOTH ORDER**

A. The Scheme of Amalgamation mentioned in paragraph 1 of this petition, being annexure "A" with the application, be sanctioned to be binding with effect from 1<sup>st</sup> day of April, 2018 (Appointed Date) on Pipri Limited, its shareholders and all concerned.



B. All the property, right and powers of Pipri Limited including those specified in the first, second and third parts of the Schedule of Assets herein, be transferred from the said appointed date, without further act or deed, to Kanoria Chemicals & Industries Limited and, accordingly, the same shall pursuant to Section 232 (4) of the Companies Act, 2013, be transferred to and vest in Kanoria Chemicals & Industries Limited for all the estate and interest of Pipri Limited therein but subject nevertheless to all charges now affecting the same as provided in the said Scheme.

C. All debts, liabilities, duties and obligations of Pipri Limited be transferred from the said Appointed Date without further act or deed to Kanoria Chemicals & Industries Limited and accordingly, the same shall pursuant to Section 232 (4) of the Companies Act, 2013, be transferred to and become the debts, liabilities, duties and obligations of Kanoria Chemicals & Industries Limited.

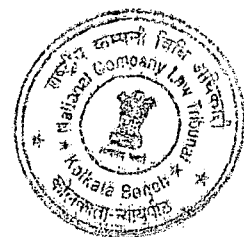
D. All proceedings and / or suits and / or appeals now pending by or against Pipri Limited be continued by or against Kanoria Chemicals & Industries Limited;



E. The employees of Pipri Limited shall be engaged by Kanoria Chemicals & Industries Limited as provided in the Scheme;

F. Leave be granted to the Petitioner to file its Schedule of Assets in the form as prescribed in the Schedule to Form No. CAA7 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 within three weeks from the date of the order to be made herein;

G. Pipri Limited and Kanoria Chemicals & Industries Limited shall each within thirty days of the date of the receipt of this order, cause a certified copy of the order to be delivered to the Registrar of Companies for registration and on such certified copies being so delivered, Pipri Limited shall be dissolved w.e.f. the date or last day of filing of the certified copies, as aforesaid (Effective Date) and the Registrar of Companies shall place all documents relating to Pipri Limited and registered with him on the file kept by him in relation to Kanoria Chemicals & Industries Limited and the files relating to the said companies shall be consolidated accordingly.



H. Any person interested be at liberty to apply to this Hon'ble Tribunal in the above matter for any direction that may be necessary;

16. In the event of the petitioner companies supplying the legible computerized print out of the scheme and schedule of assets in acceptable form to the department, the department will append such computerized print out, upon verification to be certified copy of the order without insisting on hand-written copy thereof.

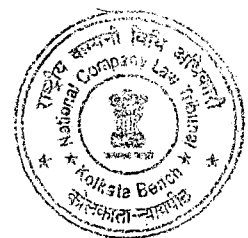
17. Accordingly, the Company Petition being C.P. (CAA) No. 447/KB/2019 connected with C.A. (CAA) No. 1026/KB/2018 is disposed of.

**Witness:**

Sri Jinan K R, Hon'ble Member (Judicial) & Sri H.C. Suri, Hon'ble Member (Technical) at Kolkata aforesaid on the 02<sup>nd</sup> September, 2019.

Khaitan & Co. LLP, Adv of petitioners.

Mr. Sanjay Sardar, Dy. Director, RD, ER.



Schedule of Assets

First Part-I

(As per Annexure)

Second Part-II

(As per Annexure)

Third Part-III

(As per Annexure)



**Registrar-in-charge  
National Company Law Tribunal  
Kolkata Bench**

Dated, the 16<sup>th</sup> day of September, 2019.



Scheme of Amalgamation  
(Pursuant to Sections 230 and 232 of the Companies Act, 2013)  
of  
Pipri Limited: Transferor Company  
with  
Kanoria Chemicals & Industries Limited: Transferee Company

This Scheme provides for amalgamation of the Transferor Company with the Transferee Company. The Transferor Company is a wholly owned subsidiary of the Transferee Company and hence no shares are to be issued by the Transferee Company in consideration of the amalgamation.

**PART - I**

(Preliminary: Definition, Share Capital and Objects & Reasons)

**1. DEFINITIONS:**

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

- i. "Act" means the Companies Act, 2013, or any statutory modifications or re-enactment thereof.
- ii. "Appointed Date" means the 1st day of April, 2018.
- iii. "Board of Directors" or "Board" means the board of directors of the Transferor Company or the Transferee Company, as the case may be, and shall include a duly constituted committee thereof.
- iv. "Operative Date" means the date or last of the dates on which certified copies of the order of the Hon'ble National Company Law Tribunal, Kolkata Bench sanctioning this Scheme are filed by the Transferor Company and the Transferee Company with the Registrar of Companies. References in this scheme to the date of the Scheme becoming or being 'operative' shall mean the Operative Date.
- v. "Scheme" means this Scheme of Amalgamation of the Transferor Company with the Transferee Company pursuant to Sections 230 and 232 of the Act in the present form or with such modification(s) as sanctioned by the Hon'ble Tribunal.
- vi. "Transferor Company" means Pipri Limited, a company incorporated under the provisions of the Companies Act, 1956 and being a company within the meaning of



the Companies Act, 2013, having its registered office at 'Park Plaza', 71, Park Street, Kolkata 700 016.

- vii. "Transferee Company" means Kanoria Chemicals & Industries Limited, a company incorporated under the provisions of the Companies Act, 1956 and being a company within the meaning of the Companies Act, 2013 having its registered office at 'Park Plaza', 71, Park Street, Kolkata 700 016.
- viii. "Tribunal" or "NCLT" means the Hon'ble National Company Law Tribunal, Kolkata Bench.
- ix. "Undertaking of the Transferor Company" means and includes:
- (a) All the properties, assets, rights and powers of the Transferor Company and
- (b) All the debts, liabilities, duties and obligations of the Transferor Company.

Without prejudice to the generality of the foregoing clause, the said Undertaking shall include all rights, powers, interests, authorities, privileges and all properties and assets, moveable or immovable, freehold or leasehold, real or personal, tangible or intangible, corporeal or incorporeal, in possession or reversion, present or contingent, of whatsoever nature and wherever situated, including all lands, buildings, plant and machinery, office equipments, inventories, investments in shares, debentures, bonds and other securities, sundry debtors, cash and bank balances, tax credits, loans and advances, leases and all other interests and rights in or arising out of such properties together with all liberties, easements, advantages, exemptions, approvals and licenses, if any, held as on the Appointed Date, applied for or as may be obtained thereafter by the Transferor Company or which the Transferor Company is entitled to, together with the benefit of all respective contracts and engagements and all respective books, papers, documents and records of the Transferor Company.

- x. Word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed thereto.

**2. SHARE CAPITAL:**

**i. The Transferor Company:**

**Authorised Share Capital:**

50,00,000 Equity Shares of Rs. 10/- each (Rs.) 5,00,00,000/-

**Issued, Subscribed and Paid up Share Capital:**

46,50,550 Equity Shares of Rs. 10/- each fully paid up 4,65,05,500/-



All the Equity Shares issued by the Transferor Company are held by the Transferee Company and its nominees. The Transferor Company is thus a wholly-owned (100%) subsidiary of the Transferee Company.

ii. The Transferee Company:

Authorised Share Capital:

10,00,00,000 Equity Shares of Rs. 5/- each

(Rs.)

50,00,00,000/-

Issued, Subscribed and Paid up Share Capital:

4,36,93,333 Equity Shares of Rs. 5/- each fully paid up (\*)

21,84,66,665/-

(\*) excluding an amount of Rs.25,562.50 paid up on forfeited Shares

3. **OBJECTS AND REASONS:**

- i. The Transferee Company is a well established concern engaged primarily in the business of manufacturing chemicals and generating solar power. The Transferor Company is a registered non banking financial company (NBFC) engaged primarily in the business of investing in shares and securities of other bodies corporate. The Transferor Company is a wholly owned subsidiary of the Transferee Company.
- ii. The investment portfolio of the Transferor Company has not undergone much change over the last few years and has been relatively stagnant. The activity of holding and monitoring investments in shares and securities of other bodies corporate is already undertaken by the Transferee Company as an incidental part of its total functions. As such the undertakings of the two companies can be combined, run and managed together more conveniently and advantageously.
- iii. In the circumstances it is considered desirable and expedient to amalgamate the Transferor Company with the Transferee Company in the manner and on the terms and conditions stated in this Scheme of Amalgamation.
- iv. The amalgamation will enable appropriate consolidation and integration of the undertakings of the Transferor Company and the Transferee Company.
- v. The amalgamation will enable the merged entity to have a more rational asset holding structure. The existing operating business and activities of the Transferee Company will continue to constitute the main business and activity of the merged entity with the greater share of the assets and turnover of the merged entity being contributed by such operating business and activities. The addition of the investment portfolio of the Transferor Company to the investment portfolio of the Transferee Company under the amalgamation will enable suitable combination of such investment portfolios without any significant increase in allocation of



managerial resources and time towards holding and monitoring the same as the existing Transferee Company is already performing such functions. Such investment function will continue to be performed by the merged entity incidentally to its core operating business and activities.

- vi. The business of the amalgamated entity will be carried on more efficiently and economically as a result, inter alia, of pooling and more effective utilisation of the combined resources of the said companies, elimination of duplication of work and reduction in overheads, costs and expenses which will be facilitated by and follow the amalgamation. As such the amalgamation of the Transferor Company with the Transferee Company will enable greater realisation of the potential of the business in the merged entity.
- vii. The Scheme is proposed accordingly and will have beneficial results for the said Companies, their shareholders, employees and all concerned.

**PART - II**  
(The Scheme)

**4. TRANSFER OF UNDERTAKING:**

4.1 With effect from the Appointed Date, the Transferor Company shall stand amalgamated with the Transferee Company, as provided in the Scheme. Accordingly, the Undertaking of the Transferor Company shall, pursuant to the provisions contained in Section 232 and other applicable provisions of the Act, stand transferred to and vest in and be deemed to be transferred to and vested in the Transferee Company, as a going concern without any further act, deed, matter or thing so as to become on and from the Appointed Date, the Undertaking of the Transferee Company.

4.2 Without prejudice to the generality of the foregoing:-

- i. All the properties, assets, rights and powers of the Transferor Company, including immovable properties, investments, trade receivables, outstanding loans and advances recoverable in cash or in kind or for value to be received, bank balances and deposits and balances with Government, semi-Government, local and other authorities, customers and other persons, shall be transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company in terms of Section 232(4) of the Act.
- ii. All debts, liabilities, duties and obligations of the Transferor Company, including those arising from taxation laws, as on the Appointed Date whether



provided for or not in the books of the Transferor Company and all other liabilities which may accrue or arise after the Appointed Date but relate to the period on or upto the Appointed Date shall also be transferred to the Transferee Company, without any further act, deed, matter or thing in terms of Section 232(4) of the Act, so as to become the debts, liabilities, duties and obligations of the Transferee Company.

- 4.3 The transfer and vesting of the Undertaking 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 of the Transferor Company or any part thereof.
- 4.4 For the removal of doubts, it is clarified that to the extent that there are obligations, balances or other outstandings as between the Transferor Company and the Transferee Company, the obligations in respect thereof shall come to an end.
- 4.5 Subject to the other provisions of this Scheme, all licenses, permits, approvals, permissions, consents, registrations, eligibility certificates and no-objection certificates obtained by the Transferor Company for its operations and/or to which the Transferor Company is entitled to in terms of the various Statutes, Schemes, Policies etcetera of Union and State Governments, shall be available to and vest in the Transferee Company, without any further act or deed and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Transferee Company. Since the Undertaking of the Transferor Company will be transferred to and vested in the Transferee Company as a going concern without any break or interruption in the operations thereof, the Transferee Company shall be entitled to the benefit of all such licenses, permits, approvals, permissions, consents, registrations, eligibility certificates and no-objection certificates as enjoyed by the Transferor Company and to carry on and continue the operations of the Undertaking of the Transferor Company on the basis of the same upon this Scheme becoming operative. Further, all benefits, including credit for Minimum Alternate Tax, Advance tax and tax deducted at source and other benefits under Income Tax Act and tax credits and benefits relating to Sales Tax, Value Added Tax, excise duty, service tax, customs duties, octroi, entry tax, goods and service tax and other direct and indirect taxes, etcetera, to which the Transferor Company is entitled to in terms of the various Statutes, Schemes, Policies, etcetera of Union and State Governments, shall be available to and vest in the Transferee Company upon this Scheme becoming operative. It is clarified that the registrations which shall be so acquired by the Transferee Company from the Transferor Company shall not include the registration of the Transferor Company as a Non Banking Financial Company since the amalgamated Transferee Company will continue to carry and focus on its existing operating business of manufacturing chemicals and generating solar power as its principal business with



assets and income from such principal business constituting major part of its total assets and income even after the amalgamation.

4.6 Upon the coming into effect of this Scheme, the resolutions, and other actions undertaken by the Transferor Company, including the approvals that may have been obtained by Transferor Company from its shareholders under the provisions of the Act and which are valid and subsisting on the Operative Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute a part of the aggregate of the said limits in the Transferee Company.

4.7 Consequent to and as part of the amalgamation of the Transferor Company with the Transferee Company herein, the Authorised Share Capital of the Transferor Company shall stand merged into and combined with the Authorised Share Capital of the Transferee Company pursuant to the Scheme, without any further act or deed, and without payment of any registration or filing fee on such combined Authorised Share Capital, the Transferor Company and the Transferee Company having already paid such fees. Accordingly, the Authorised Share Capital of the Transferee Company resulting from the amalgamation of the Transferor Company with the Transferee Company shall be a sum of Rs. 55,00,00,000/- divided into 11,00,00,000 Equity Shares of Rs. 5/- each. Clause 5 of the Memorandum of Association of the Transferee Company shall also stand altered accordingly.

**5. LEGAL PROCEEDINGS:**

If any suits, actions and proceedings of whatsoever nature (hereinafter called "the Proceedings") by or against the Transferor Company are pending on the Operative 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 continued and enforced by or against the Transferor Company, in the absence of the Scheme.

**6. CONTRACTS AND DEEDS:**

Subject to other provisions of this Scheme, all contracts, deeds, bonds, agreements, arrangements, engagements 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 Appointed 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 thereto.

**7. SAVING OF CONCLUDED TRANSACTIONS:**

The transfer and vesting of the Undertaking of the Transferor Company under Clause 4 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 proceeding already concluded by the Transferor Company on or before the Operative Date to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by and on behalf of the Transferor Company as acts, deeds and things done and executed by and on behalf of the Transferee Company.

**8. EMPLOYEES:**

On and from the Operative Date:

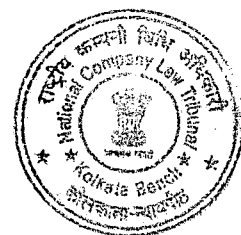
8.1 All the employees of the Transferor Company in service on the Operative Date shall become the employees of the Transferee Company on the same terms and conditions on which they are engaged by the Transferor Company without treating it as a break, discontinuance or interruption in service on the said date.

8.2 Accordingly the services of such employees for the purpose of Provident Fund or Gratuity or Superannuation or other statutory purposes and for all purposes will be reckoned from the date of their respective appointments with the Transferor Company.

8.3 It is expressly provided that the Provident Funds, Gratuity Funds, Superannuation Fund or any other Fund or Funds created or existing for the benefit of the employees, as applicable, of the Transferor Company shall be continued by the Transferee Company and the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever, including in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such Fund or Funds shall become those of the Transferee Company.

**9. DISSOLUTION OF THE TRANSFEROR COMPANY:**

The Transferor Company shall be dissolved without winding up pursuant to the provisions of Section 232 of the Act.



**10. CONDUCT OF BUSINESS TILL OPERATIVE DATE:**

With effect from the Appointed Date and upto the Operative Date:

- i. The Transferor Company shall carry on and be deemed to have carried on all its business and activities and shall hold and stand possessed of and be deemed to have held and stood possessed of all its assets for and on account of and in trust for the Transferee Company.
- ii. The Transferor Company shall carry on its businesses and activities with due diligence and business prudence and shall not charge, mortgage, encumber, alienate or otherwise deal with its assets or any part thereof, nor incur, accept or acknowledge any debt, obligation or any liability or incur any major expenditure, except as is necessary in the ordinary course of its business, without the prior written consent of the Transferee Company.
- iii. All profits or income accruing or arising to the Transferor Company (including taxes paid thereon) or expenditure or losses arising or incurred by the Transferor Company on and after the Appointed Date shall, for all purposes, be deemed to have accrued as the profits or income (including taxes paid) or expenditure or losses, as the case may be, of the Transferee Company.

**11. CANCELLATION AND NO ISSUE OF SHARES:**

Since all the Equity Shares of the Transferor Company are held by the Transferee Company, and the Transferee Company, being the holding company, cannot issue or allot any shares to itself, no shares whatsoever shall be issued by the Transferee Company in consideration of the amalgamation. Accordingly, the said Equity Shares of Transferor Company and the corresponding investment of the Transferee Company in such Equity Shares of the Transferor Company shall stand cancelled upon the Scheme becoming operative without issue or allotment of any new shares in lieu of such Equity Shares of the Transferor Company.

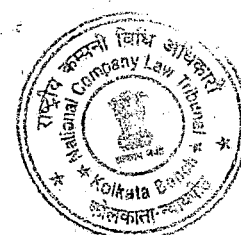
**12. DIVIDEND**

The Transferor Company shall not declare or pay any dividend in respect of the period falling on and after the Appointed Date, without the prior written consent of the Transferee Company. For the removal of doubts, it is declared that nothing in this Scheme shall prevent the Transferee Company from declaring and paying any dividends, whether interim or final, to its equity shareholders.



13. ACCOUNTING:

- 13.1 The amalgamation shall be accounted for in the books of account of the Transferee Company pursuant to the pooling of interests method prescribed for business combinations of entities under common control in Appendix C of Indian Accounting Standard (Ind AS) 103 notified under the Companies (Indian Accounting Standards) Rules, 2015, to the extent applicable.
- 13.2 Accordingly on and from the Appointed Date and subject to the provisions hereof and such other corrections and adjustments as may, in the opinion of the Board of Directors of the Transferee Company, be required and except to the extent required otherwise by law, all assets and liabilities of the Transferor Company transferred to the Transferee Company under the Scheme shall be recorded in the books of accounts of the Transferee Company at the book values as recorded in the Transferor Company's books of accounts.
- 13.3 To the extent there are inter-company loans, advances and any other balances whatsoever between the Transferor Company and Transferee Company, the same shall stand cancelled without any further act or deed, upon the Scheme becoming operative. The corresponding assets and liabilities in the books of account shall be reduced accordingly. It is clarified that such cancellation of inter-company balances shall include the cancellation of the investment of the Transferee Company in the Equity Shares of the Transferor Company. The difference between the carrying amount in the books of the Transferee Company of such investment in Equity Shares of the Transferor Company and the face value of such Equity Shares shall be adjusted in the Reserves of the Transferee Company.
- 13.4 All reserves of the Transferor Company, including Capital Reserve and General Reserves, but excluding the Special Reserve created in terms of Section 451C of the Reserve Bank of India Act, 1934 shall be incorporated in the books of account of the Transferee Company in the same form in which they appear in the books of the Transferor Company. The said Special Reserve of the Transferor Company has been created under the said statute which is not applicable to the Transferee Company at present and will also not be applicable to the Transferee Company resulting from the amalgamation herein and hence such Special Reserve is not required to be continued or maintained by such Transferee Company. Such Special Reserve was created out of profits and, accordingly, the amount thereof shall be credited to General Reserves in the books of the Transferee Company pursuant to this amalgamation.
- 13.5 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 the General Reserves 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.



**14. APPLICATIONS:**

The Transferor Company shall, with all reasonable dispatch, make necessary applications pursuant to Sections 230 and 232 of the Act to the Hon'ble Tribunal for sanction and carrying out of the Scheme and for consequent dissolution of the Transferor Company without winding up. The Transferor Company and the Transferee Company shall also seek such other approvals as may be necessary in law, if any, for bringing the Scheme into effect and be entitled to take such other steps and proceedings as may be necessary or expedient to give full and formal effect to the provisions of this Scheme.

**15. APPROVALS AND MODIFICATIONS:**

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 authorise) are empowered and authorised:

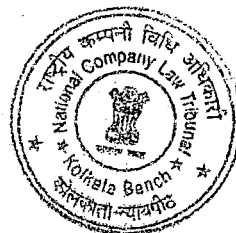
- i. to assent from time to time to any modifications or amendments or substitutions of the Scheme or of any conditions or limitations which the Hon'ble Tribunal and / or any other authorities under law may deem fit to approve or direct or which may be considered necessary due to any change in law or as may be otherwise deemed expedient or necessary by the respective Board of Directors as being in the best interest of the said companies and their shareholders.
- ii. to settle all doubts or difficulties that may arise in carrying out the Scheme, to give their approval to all such matters and things as is contemplated or required to be given by them in terms of this Scheme and to do and execute all other acts, deeds, matters and things necessary, desirable or proper for putting the Scheme into effect, including for carrying out or performing all such formalities or compliances as may be deemed proper and necessary for effecting transfer and vesting of the properties of the Transferor Company.

Without prejudice to the generality of the foregoing, 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 authorise) shall each be at liberty to withdraw from this Scheme in case any condition or alteration imposed by any authority is unacceptable to them or as may otherwise be deemed expedient or necessary.

**16. SCHEME CONDITIONAL UPON:**

The Scheme is conditional upon and subject to:

- i. approval of the Scheme by the requisite majority of the members of the Transferor Company; and



- ii. sanction of the Scheme by the Hon'ble Tribunal under Sections 230 and 232 of the Act.

Accordingly, it is provided that the Scheme, although effective from the Appointed Date, shall become operative on the Operative Date upon filing of certified copies of the aforesaid order of the Hon'ble Tribunal sanctioning the Scheme with the Registrar of Companies by the Transferor Company and the Transferee Company.

**17. COSTS, CHARGES AND EXPENSES:**

All costs, charges and expenses in connection with the Scheme, arising out of or incurred in carrying out and implementing the Scheme and matters incidental thereto, shall be borne and paid by the Transferee Company. In the event the Scheme does not take effect or stands withdrawn for any reason whatsoever, each company shall pay and bear their own costs.

**18. RESIDUAL PROVISIONS:**

18.1 On the approval of the Scheme by the members to whom this Scheme may be put for consideration pursuant to Section 230 of the Act, it shall be deemed that the said members have also accorded all relevant consents under any other provisions of the Act to the extent the same may be considered applicable.

18.2 Even after the Scheme becomes operative, 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 Transferor 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 parties concerned.

18.3 Any tax liabilities under the Income-tax Act, 1961 or any other Central or State tax laws dealing with taxes, duties or other levies, including without prejudice to the generality of the foregoing, Sales Tax, Value Added Tax, Excise Duty, Service Tax, Octroi, Entry Tax, Goods and Services Tax and Stamp Duty (hereinafter in this Clause referred to as "Tax Laws") allocable or related to the business of the Transferor Company to the extent not provided for or covered by tax provision in the books of accounts made as on the date immediately preceding the Appointed Date shall be transferred to the Transferee Company. All taxes paid or payable by the Transferor Company in respect of the operations and/or the profits before the Operative Date under the Tax Laws, shall be on account of the Transferee Company and, in so far it relates to the tax payment (whether by way of deduction at source, advance tax or otherwise howsoever) by the Transferor Company in respect of the profits made



from and after the Appointed Date, the same shall be deemed to be the tax paid by the Transferee Company, and shall, in all proceedings, be dealt with accordingly. 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.

18.4 The amalgamation of the Transferor Company with the Transferee Company and transfer and vesting of the Undertaking of the Transferor Company in the Transferee Company has been proposed in compliance with the provisions of Section 2(1B) of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income-tax Act shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with the said Section. Such modification will however not affect the other parts of the Scheme.

18.5 In the event of this Scheme failing to take effect finally, this Scheme shall become null and void and in that case no rights or liabilities whatsoever shall accrue to or be incurred inter-se by the parties or their shareholders or creditors or employees or any other person.



Before the National Company Law Tribunal

Kolkata Bench

Company Petition No.447 of 2019

In the Matter of the Companies Act, 2013 - Section 230(6)  
read with Section 232(3)

And

In the Matter of :

Pipri Limited, a Company incorporated under the provisions  
of the Companies Act, 1956 and being a Company within  
the meaning of the Companies Act, 2013, having its  
registered office at 'Park Plaza', 71, Park Street, Kolkata 700  
016.

**SCHEDULE OF ASSETS**

**OF**

Pipri Limited ("the Transferor Company") to be transferred to Kanoria Chemicals & Industries  
Limited ("the Transferee Company") as on 1<sup>st</sup> April, 2018 ("the Appointed Date")

**Part - I**

**(Short Description of Freehold Property of the Transferor Company as on the Appointed Date)**

NIL

**Part - II**

**(Short Description of Leasehold Property of the Transferor Company as on the Appointed  
Date)**

NIL



**Part - III**

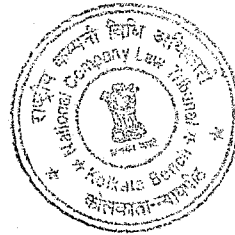
**(Short description of stocks, shares, debentures and other choses in action of the Transferor Company as on the Appointed Date)**

1. Movables specified in clause 4.2 of the Scheme are transferable to the Transferee Company as provided therein.
2. Investments in Shares, Bonds and Mutual Funds include the following:-

Sl. No.	Nos.	Particulars
<b>Shares</b>		
1.	8,000	NMDC Limited
<b>Bonds</b>		
2.	40,000	National Highways Authority of India
<b>Mutual Funds</b>		
3.	99,095	Reliance Equity Opportunities Fund Dividend
4.	363,701	ICICI Prudential Value Discovery-Regular-Dividend
5.	412,969	HDFC Midcap Opportunities Fund-Dividend
6.	372,926	IDFC Dynamic Bond Fund Plan-Regular-Growth
7.	635,272	Reliance Dynamic Bond Fund-Growth
8.	372,394	Franklin India Govt. Securities Fund-Long-Growth
9.	90,879	Reliance Vision Fund Dividend
10.	845,255	ICICI Prudential Regular Income Fund
11.	262,533	Franklin India Bluechip Fund Dividend
12.	184,955	Templeton India Growth Fund -Dividend
13.	824,689	Franklin India Ultra Short Bond Fund-Super Ins. Growth



3. Further 320,273 units of Franklin India Ultra Short Fund-Super Ins. Growth acquired by the Transferor Company during the period mentioned in Clause 10 of the Scheme will also stand transferred to the Transferee Company in terms of the Scheme.



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17/09/19  
DD / DR / AR / Court Officer  
National Company Law Tribunal  
Kolkata Bench