



GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS

Registrar of Companies, Ahmedabad
RoC Bhavan , Opp Rupal Park Society , Behind Ankur Bus Stop , Naranpura
Ahmedabad - 380013

Corporate Identity Number: L24110GJ1984PLC007301

(SECTION 66(5) OF THE COMPANIES ACT, 2013)

CERTIFICATE OF REGISTRATION OF ORDER CONFIRMING REDUCTION OF CAPITAL

M/s AARTI INDUSTRIES LTD having by special resolution passed on 13/02/2015 reduced its capital, and such reduction having been confirmed by an order dated 31/07/2015 of the Hon'ble HIGH COURT OF GUJARAT, HIGH COURT OF GUJARAT AT AHMEDABAD passed in Petition number 116 of 2015. I hereby certify that a copy of the said order and Minutes approved by the Hon'ble High Court of HIGH COURT OF GUJARAT AT AHMEDABAD showing the particulars of the capital and shares of the company as altered by the said order have this day been registered.
Given under my hand at Ahmedabad this Eighteenth day of September Two Thousand Fifteen.

Signature
valid

Digitally signed
by Minister
of Corporate Affairs
Date: 2015.09.18
11:49:50
GMT+05:30

Rathod Kamleshkumar Gangjibhai
Assistant Registrar of Companies
Registrar of Companies
Ahmedabad

Mailing Address as per record available in Registrar of Companies office:
AARTI INDUSTRIES LTD
PLOT NO 801/23 GIDC ESTATEPHASE III, VAPI - 396195,
Gujarat, INDIA



OFFICE OF THE REGISTRAR OF COMPANIES, GUJARAT.

FORM - II

[See Regulation 20]

Memorandum Acknowledging Receipt of Documents

Co. No. 04-7301.

The Registrar of companies acknowledges the receipt of the
undermentioned document relating to AARTI INDUSTRIES

LIMITED.

Private Limited / Limited.

Description of Document :- Form No 23 alongwith special Resolution passed
on 28/8/2002 U/S 17 of the Companies Act, 1956
for alteration in ~~name~~/other clause of the
Memorandum of Association is taken on this office
record on 26/9/2002.



(Signature)
(U.S. PATCLE)

ASSTT. REGISTRAR OF COMPANIES,

GUJARAT

Date 26/9/2002.

प्रारूप II
FORM II

[विनियम 20 देखिए]
[See Regulation 20]

दस्तावेजों की प्राप्ति अभिस्वीकृत करने वाला ज्ञापन
Memorandum acknowledging receipt of documents



संख्या

No. 04-7301

कम्पनियों के रजिस्ट्रार का कार्यालय
OFFICE OF THE REGISTRAR OF COMPANIES

कम्पनियों का रजिस्ट्रार

..... परिसीमित से सम्बन्धित निम्नलिखित दस्तावेज की प्राप्ति अभिस्वीकार करता है।

The Registrar of companies acknowledges the receipt of the undermentioned document relating to.....

M/S. ~~.....~~ **AARTE INDUSTRIES LIMITED** ~~.....~~

दस्तावेज का वर्णन Form No. 23, alongwith Special Resolution passed

Description of document on 16.6.2000, U/s. 17 of the Companies Act

स्टेशन 1956, for alteration in main object clause of

सारीख Memorandum of Association of the company is taken on

Date record by this office on 27.6.2000.

जें० एस० सी-2.

J. S. C-2.

Dt. 27-6-2000

ASSTT.

REGISTRAR OF COMPANIES

प्रभासमटेक-75 सिविल/88-89-भासमटेक(सी-124)-24-8-89-5,000.

महापेटक-75 CIVIL/88-89-DIPTC-(C-124)-24-8-89-5,000.

gujarat

प्रारूप II
FORM II

[विनियम 20 देखिए]
[See Regulation 20]

दस्तावेजों की प्राप्ति अभिस्वीकृत करने वाला प्रारूप
Memorandum acknowledging receipt of documents



04-7301
संख्या
No.

कम्पनियों के रजिस्ट्रार का कार्यालय
OFFICE OF THE REGISTRAR OF COMPANIES

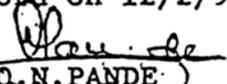
कम्पनियों का रजिस्ट्रार

..... परिशिष्टित से सम्बन्धित निम्नलिखित दस्तावेज की प्राप्ति अभिस्वीकार करता है।
The Registrar of companies acknowledges the receipt of the undermentioned document relating to.....
..... **AARTI INDUSTRIES LIMITED**..... Limited.

दस्तावेज का वर्णन।
Description of document. The Form No.23 alongwith special Resolution
स्टेशन
Station passed u/s.17 of the Companies Act,1956 on
26/08/97 has been taken on record on 12/2/98.

तारीख
Date 12/02/98

जे० एल० सी-2.
J. S. C-2.


(O. N. PANDE)
कम्पनियों का रजिस्ट्रार
ASSTT, REGISTRAR OF COMPANIES

भासमुटेक-75 सिविल/88-89-भासमुटेक(सी-124)-24-8-89-5,000.
भासमुटेक-75 सिविल/88-89-भासमुटेक(सी-124)-24-8-89-5,000.



Co. No. -04- 7301

Fresh Certificate of Incorporation Consequent on

CHANGE OF NAME

*In the OFFICE OF THE REGISTRAR OF COMPANIES,
GUJARAT, Dadra & Nagar Haveli.
[Under the Companies Act, 1956 (1 of 1956)]*

IN THE MATTER OF AARTI ORGANICS BEHVED

I hereby certify that AARTI ORGANICS LIMITED

which was originally incorporated on 28-9-1984

under the Companies Act, 1956 and under the name _____

AARTI ORGANICS PRIVATE LIMITED

having duly passed the necessary resolution in terms of Section 21/31/44 of the Companies Act, 1956, on 28-9-1994 *and the approval of the Central Government signified in writing having been accorded thereto by the Registrar of Companies, Gujarat, vide his letter dated* 11-10-1994 *in terms of Government of India, Ministry of Law, Justice & Company Affairs, (Department of Company Affairs) Notification No. GSR 507(E) dated 24-06-1985 the Name of the said Company is this day changed to* _____

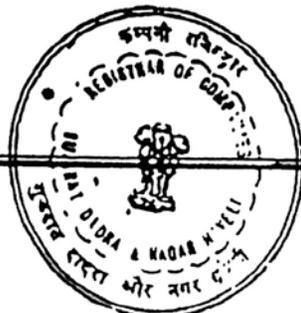
**** AARTI INDUSTRIES LIMITED

and this certificate is issued pursuant to section 29(1) of the said Act.

Given under my hand at AHMEDABAD

Dated this 11th *day of* OCTOBER, 1994.

One Thousand Nine Hundred NINETY FOUR



(M.L.SHARMA)
Registrar of Companies, Gujarat
Dadra & Nagar Haveli



Co. No. 7301

Fresh Certificate of Incorporation Consequent on

CHANGE OF NAME

In the Office of The Registrar of Companies, GUJARAT
[Under the Companies Act, 1956 (1 of 1956)]

IN THE MATTER OF AARTI ORGANICS PRIVATE LIMITED.

I hereby certify that Aarti Organics Private Limited.

which was originally incorporated on 28 - 9 -84 under The Companies Act, 1956 and under the name :

Aarti Organics Private Limited.

having duly passed the necessary resolution in terms of Section 21/31/44 of The Companies Act, 1956 and the approval of the Central Government signified in writing having been accorded thereto in The Ministry of Industry, Department of Company Affairs, (Company Law Board) on S.R. passed on 12.10.90 vide letter No. : - dated - 198 -
the name of the said Company is this day changed to :

AARTI ORGANICS LIMITED

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

Given under my hand at AHMEDABAD this 4th December 1990 (One Thousand Nine Hundred Ninety)



V. K. P. KIMAR
ASSTT. REGISTRAR OF COMPANIES
GUJARAT



CERTIFICATE OF INCORPORATION

No. 7301 of 1984-85

ता. _____ का सं. _____

I hereby certify that AARTI ORGANICS PRIVATE
LIMITED * * *

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

में एतद्वारा प्रमाणित करता हूँ कि आज _____

कम्पनी अधिनियम 1956 (1956 का 1) के अधीन निगमित था गद्दें हैं और यह
कम्पनी परिचीमित है।

मेरे हस्ताक्षर से आज ता. _____ का दिशा गया।

Given under my hand at AHMEDABAD

this TWENTY EIGHTH day of SEPTEMBER

one thousand nine hundred and EIGHTY FOUR.



K.G. Ananthakrishnan

(K.G. ANANTHAKRISHNAN)

Registrar of Companies

कम्पनिगोका रजिस्ट्रार, गुजरात

GUJARAT

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

AARTI INDUSTRIES LIMITED

- I. The name of the Company is ***AARTI INDUSTRIES LIMITED***.
- II. The Registered Office of the Company will be situated in the State of Gujarat.
- III. The Objects for which the Company is established are :
 - (A) **THE MAIN OBJECTS OF THE COMPANY TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION :**
 1. To carry on the business of manufacturers, producers, processors, buyers, sellers, importers, exporters and/or otherwise dealers in fine chemicals, industrial and pure chemicals, organic and inorganic chemicals and allied products, perfumes, flavours, pure drug solvents, dyes and drug intermediates, cosmetics, insecticides, pesticides, heavy chemicals, alkalies, acids, chemical, industrial preparations, chemicals for plastic, pigment, varnishes, paints, alcohols, dyes and colours, agrochemicals, petrochemicals, makers and dealers in preparatory formulations and articles of the above nature and of chemicals.
 2. To carry on the business of manufacturers, processors, importers, exporters, and/or dealers in chemical preparations required by different industries such as sugar tanning, textiles, metallurgical and process industries, proofing, materials, disinfectants, oils, cotton, detergents, wetting out agents, soap, tallow, gums, varnishes, synthetics, resins, catalytic agents, petro-chemicals and other petroleum products and articles and compounds.
 - (B) **OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS :**
 3. To undertake, conduct carry on business in the field of naturally occurring chemicals, elements and substances in minerals, plants, air, sea and river waters including products or by-products and waste products derived, extracted, made, prepared and produced from such elements and substances and to undertake, conduct, carry on or assist to carry on business in the field of all kinds of chemical substances including petrochemicals, organic and inorganic chemicals, naturally occurring or synthetically or semi-synthetically made or those made by biological processes, fermentation of enzymes activity or by electro chemical methods including auxiliaries catalysts and substances, matters and materials connected with or incidental to such business and their research or investigations and photographic, surgical and scientific apparatus and materials required for the above said products.

4. To undertake, conduct, carry on or help, and or assist to carry on works in the fields of manufacturing methods, analytical methods, quality control methods, in relation to all chemical substances and products occurring naturally or man-made and for innovation of new substances and discovering new uses of all chemicals and other substances and products, occurring naturally or man-made, and to investigate into the utilisation and improvement of inputs generally and particularly with a view to import substitution, and to investigate into and improvement of processes, machinery, plant, components and appliances used in said industry and trade.
5. To exchange, sell, convey, assign or let on lease or leases or otherwise deal with the whole or any part of the Company's immovable property, and to accept as consideration for or in lieu thereof, other land or cash or Government Security or securities guaranteed by Government or partly the one and partly the other or such property or securities as may be determined by the Company and to take back or reacquire any property so disposed off by repurchasing or leasing the same for such price or prices or consideration and on such terms and conditions as may be agreed upon.
6. To seek for and secure openings for the employment of capital in India and elsewhere, and with a view thereto to prospect, inquire, examine, explore and test and to despatch and employ expeditions and test and to despatch and employ expeditions commissioners, experts and other agents for business of the Company.
7. To open account or accounts either current or overdraft with any bank or banks, persons or company and to endorse cheques and operate such accounts.
8. To sell, improve, manage, develop, exchange, lease, mortgage, dispose off turn out to account, or otherwise deal with all or any part of the property and rights of the Company.
9. To apply for recognition as Export House, apply for import entitlements, export incentives, drawbacks and exercise such other rights and privileges of an import export undertaking.
10. To employ experts to investigate and examine into the conditions prospects, value, character and circumstances of any business concerns and undertakings and generally of any assets, property or rights in which the Company will be interested for its business.
11. To guarantee or become liable for the payment of money or for the performance of any obligations and to transact business connected or ancillary to main objects.
12. To draw, make, endorse, execute, issue, discount, buy, sell, and deal in bills of exchange, promissory notes, hundies, bills of lading, warrants, coupons, import entitlements and other negotiable or transferable securities or documents, in course of Company's business.
13. To acquire by purchase, lease, exchange or otherwise land, buildings and hereditaments of any tenure or description situate in any place in India or elsewhere and any estate or interest therein, any right over or connected with land so situate and turn the same to account as may

seem expedient and in particular by preparing building sites and by constructing, altering, improving, decorating, furnishing and maintaining the same to achieve the above objects.

14. To purchase the reversion or otherwise acquire the freehold or fee simple, of all or any part of the lands for the time being held under lease, or for an estate less than a freehold estate by the Company.
15. To arrange or undertake the sale, purchase or advertise for sale or purchase, assist in selling or purchasing and find or introduce, purchasers or vendors of property belonging to the Company and to let any portion of any premises for residential trade or business purposes or other private or public purposes and to collect rents and income and to supply to tenants and occupiers and other refreshments, clubs, public halls, messengers, lights, waiting rooms, lavatories laundry conveniences, electric conveniences, garage and other advantages.
16. To undertake the payment of all rents and the performance of all covenants, conditions and agreements contained in and reserved by any lease that may be granted or assigned to or be otherwise acquired by the Company.
17. To sell or dispose of the undertaking of the Company or any part thereof in such manner and for such consideration as the Company may think fit and in particular for shares fully or partly paid up, debentures, debenture-stock or securities of any other Company whether promoted by the Company for the purpose or not and to improve, manage, develop, exchange, lease, dispose off turn to account or otherwise deal with all or any part of the property and rights of the Company.
18. To sell or dispose off for cash or on credit or to contract for the sale and future delivery of, or to send for sale to any part of India or elsewhere, all the articles and things and also all other products or produce whatsoever of the Company.
19. To acquire from any person, firm or body corporate whether in India or elsewhere, technical information, know-how process, engineering, manufacturing and operating data, plans, lay outs and blue prints useful for the design, erection and operations of plant required for any of the business of the Company and to acquire any grant or license and other rights and benefits in the foregoing matters and things, cases and other cash or any other assets, as may be thought fit.
20. To apply for, purchase or otherwise acquire any patents, brevets, d'invention, licences, concessions, and the like conferring an exclusive, non-exclusive or limited rights to use, any secret or other information as to any invention which ay seem capable of being used for any of the purposes of the Company or the acquisition of which may seem to be expedient or convenient or calculated directly or indirectly to benefit this Company and to use, exercise, develop or grant licences in respect of or otherwise turn to account the property rights and information so acquired.
21. To acquire, establish and provide or otherwise arrange for transport of any kinds for the purpose of the business of the Company and to construct any lines or works in connection therewith and work the same by steam, gas, oil, electricity or other fuel for power.

22. To undertake any advisory, accountancy, technical and management consultancy or similar work and to take part in supervision or control of the business of operation of any other Company or undertaking in which the Company is interested to achieve objects of the Company.
23. To acquire and take over the whole or any part of the business, property and liabilities of any person or persons, firm or corporation carrying on any business which this Company is authorised to carry on or possessed of any property or rights suitable for the purpose of the Company and to carry on or liquidate and wind up such business.
24. To provide for the welfare of Directors or persons in the employment of the Company or formerly engaged in any business acquired by the Company and the wives, widows and families or dependants of such persons by grants of moneys, pensions or other payments and by establishing and supporting or siding in the establishment and support of associations, institutions, funds, trusts, conveniences and providing or subscribing towards places of instructions and recreation and hospitals, dispensaries, medical and other attendance and other assistance, as the Company shall think fit and to form, subscribe to or otherwise aid benevolent, religious, scientific, national, social public or other institutions or objects, or, any exhibitions which shall have any moral or other claims to support or aid by the Company by reason of the locality of its operation or otherwise.
25. To enter into any agreement with any Government or authorities. Municipal, Local or otherwise that may seem conducive to the Company's activities or any of them and to obtain from any such Government or authority any rights, privileges and concessions which the Company may think it desirable or expedient to obtain and to carry out exercise and comply with any such arrangement rights, privileges and concessions.
26. To amalgamate with any other Company whose objects are or include objects similar to those of this Company whether by sale or purchase (for fully or partly paid up shares or otherwise) of the undertaking, subject to the liabilities of this or any such other Company as aforesaid with or without winding up or by sale or purchase (for fully or partly paid up shares or otherwise) of all or a controlling interest in the shares or stock of this or any other company as aforesaid or in any other manner as permissible under the Companies Act, 1956, the Monopolies and Restrictive Trade Practices Act, 1969 and such other legislation.
27. To enter into any partnership or joint venture any arrangement for sharing profits and losses, Union of Interest, joint ventures, reciprocal concession or otherwise with any person or persons, firm or concern or corporation carrying on or engaged in or about to carry on or engage in any business or enterprise which this Company is authorised to carry on or engage in any business or transaction capable of being conducted so as directly or indirectly to benefit or to be expedient for the purpose of this Company and to take or otherwise acquire and hold shares or stock in or securities of and to subsidize or otherwise assist any such Company and to sell, hold, re-issue with or without guarantee or otherwise deal with such shares, stock or securities.
28. To pay all costs, charges and expenses incurred or sustained in or about the promotion and establishment of the Company or which the Company shall consider to be preliminary including therein the cost of

advertising, commissions for underwriting, professional and legal charges, brokerage, printing and stationery and expenses attendant upon the formation of agencies and local boards.

29. To borrow or raise or secure the payment of money by mortgage or by the issue of debentures or debenture stock, perpetual or otherwise or in such other manner as the Company shall think fit and for the purposes aforesaid to charge all or any of the Company's property or assets present and future, including its uncalled capital and collaterally or further to secure any securities of the Company by a Trust Deed or other assurance and to redeem, purchase or pay off any such security subject to the provisions of Section 58A and directives of Reserve Bank of India.
30. To lend money to such persons and on such terms as may seem expedient and in particular to customers and others having dealings with the Company and to give any guarantee or indemnity as may seem expedient but not to do any banking business as described in Banking Regulation Act, 1949.
31. To invest and deal with the moneys of the Company not immediately required in shares, stock, bonds, debentures, obligations or other securities of any company or association or in Government securities or in deposit with Banks or in any other investments or commodities or in any other manner as may from time to time be determined.
32. To promote any company or companies for the purpose of acquiring all or any of the properties, rights and liabilities of this Company or for any other purpose which may seem directly or indirectly calculated to benefit this Company.
33. From time to time to subscribe, contribute or otherwise to assist or guarantee money for any national, charitable, benevolent or public, objects of public character or to social, cultural or economic organisations, or for any social purposes the support of which will in the opinion of the Company, tend to increase its repute or popularity among its employees, its customers or the public.
34. To establish, provide, maintain and conduct or otherwise subsidise research laboratories and experimental workshops for scientific and technical, research and experiments, to undertake and carry on scientific and technical researches, experiments and test of all kinds, to promote studies and researches, both scientific and technical, investigations and inventions, by providing, subsidising and endowing or assisting laboratories, workshops, libraries, lectures, meetings and conferences and by providing or contributing to the remunerations of scientific or technical professors or teachers and by providing or contributing to the award of scholarships, prizes, grants to students and or employees or otherwise and generally to encourage, promote and reward studies, researches, investigations, experiments, test and inventions of any kind that may be considered likely to assist any business which the Company is authorised to carry on.
35. To insure any of the properties, undertakings, contracts guarantees or obligations of the Company of every nature and kind in any manner whatsoever.
36. To create any depreciation fund, reserve fund, sinking fund, insurance fund whether for depreciation or for repairing, improving, extending or maintaining any of the property of the Company or for redemption of

debentures or redeemable preference shares or for any other purpose whatsoever conducive to the interest of the Company.

37. To establish and maintain local registers agencies and branches, places of business and procure the Company to be registered, or recognised and carry on business in any part of the world.
38. To adopt such means of making known the business of the Company as may seem expedient or convenient and in particular by advertising in the press, by circulars, by purchase and exhibition of works of art of interest, by publication of books and periodicals and by granting prizes, awards and donations.
39. To undertake and execute any trusts the undertaking whereof may seem desirable or expedient and either gratuitously or otherwise.
40. Upon any issue of shares, debentures or other securities of the Company, to employ brokers, commission agents and underwriters and to provide the remuneration of such persons for their service by payment in cash, or by the issue of shares, debentures or other securities of the Company or by the granting of options to take the same or in any other manner allowed by law.
41. To refer and/or to agree to refer any claim, demand, dispute by or against the Company, or in which the Company is interested or concerned and whether between the Company and the members or his or their representatives or between the Company and third parties, to arbitration in India or at any place outside India, and to observe and perform and to do all acts, deeds, matters and things to carry out or enforce the awards.
42. To apply the assets of the Company in any way in or towards the establishment, maintenance or extension of any association, institution or fund in any wise connected with any particular trade or business or with scientific research, trade, industry or commerce generally and particularly with the business and activities of the Company including any association, institution, or fund for the protection of the interests of masters, owners, and employers against loss by bad debts, accidents, or otherwise.
43. To dedicate, present or otherwise dispose of, either voluntarily or for value of any property of the Company deemed to be of national, public or local interest, to any national trust, public body, museum, corporation or authority or any trustees for or on behalf of any of the same or of the public.
44. To aid pecuniarily or otherwise, any association, body or movement having for an object the solution, settlement of industrial or labour problems or troubles or the promotion of industry or trade or social economical justice.
45. To establish, maintain and conduct training schools, courses and programmes in connection with the sale, installation, use, maintenance, improvement or repair of machine apparatus, appliances or products and of articles, required in the use thereof or used in connection therewith by the Company.
46. To do needful for the promotion and growth of the national economy through increased productivity, effective utilisation of material and manpower resources and continued application of modern scientific

and managerial techniques in keeping with the national aspirations; and the Company shall be mindful of its social and moral responsibilities to the consumers, employees, shareholders, society and the local community.

47. To do the above things in any part of the world and either as principals, agents, trustees or otherwise and either alone or in conjunction with others and by or through agents, sub-contractors, trustees or otherwise.
48. To distribute any of the company's property among the members in specie or kind as permissible under the provisions of the Companies Act, 1956 in the event of winding up.
49. To place to reserve or to distribute as bonus shares among the members or otherwise to apply as the company may from time to time think fit, any moneys of the company including moneys received by way of premiums on shares or debentures issued at a premium by the company and any moneys received arising from the sale by the company of forfeited shares as permissible under the Companies Act, 1956.
50. To take or concur in taking all such steps and proceedings as may seem best calculated to uphold and support the credit of the Company and to obtain and justify public confidence and to avert or minimise financial or other disturbances which might affect the company.
51. 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 an 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 or 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 is 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 as rural areas, in order to implement, any of the above mentioned objects or purposes, transfer without consideration or of such fair or concessional value and subject to the provisions of the companies Act, 1956 divest 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.
52. To undertake, carry out promote and sponsor or assist any activity for the promotion and growth of national country and for discharging what is considered to the social and moral responsibilities of the company to the public or any section of the public also any activity which is likely to promote national welfare or social, economic or moral growth of the public or any section of the public and in such manner and by such means as the Company may think fit, and the Company may without prejudice to the generality of the foregoing, undertake, carry out, promote and sponsor any activity for publishing of any books, literature, newspapers, etc. or for organising, lectures or seminars likely to advance these objects or for giving merit awards, for 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 institutions; funds, trusts, etc. having any one of the aforesaid objects as one of its objects by giving donations or otherwise in any other manner, and the Company may at its discretion, in order to implement any of the above mentioned objects or purposes, transfer without consideration or at such fair or concessional value and subject to the provisions of the Companies Act, 1956 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 institution or trusts or funds.

(C) OTHER OBJECTS :

- 53.** To carry on the business of builders, engineers and contractors in all branches of construction and of constructing buildings and selling buildings on cash or otherwise or on ownership or co-operative basis or hire purchase basis or any other basis or system.
- 54.** To purchase, take on lease or in exchange or otherwise acquire any lands with or without buildings or structures and any estate or interest and any rights connected with any such lands and/or buildings and structures and to develop, turn to account, lease, transfer, in whole or in part or dispose of in any manner the same as may seem expedient and in particular by laying out and preparing the same for building purposes and/or with a view to form a colony or society with all kinds of sanitary, water, roads and lights, conveniences for residential, commercial ad/or public utilities and by constructing reconstructing, altering, pulling down, decorating, maintaining, furnishing, filling up and improving, building, offices, flats, houses, factories, ware houses, shops, schools, colleges, mills, roads, drains, wells and by painting, paving, drawing, farming, cultivating and letting the same on or building agreement and by advancing money and entering into contracts and arrangements with builders, tenants and others.
- 55.** To carry on the business of plasticising, moulding, injecting, extruding plastics or any other materials of any size or shape and the manufacture and/or process, sell, buy, import and export plastic both thermostatic and thermoplastic in particular bakelite, urea, nylon in power, sheet or moulded from or otherwise.
- 56.** To manufacture, prepare for market, refine and otherwise manipulate and deal in and turn to account all materials and commodities grown or produced or purchased by the Company and all refuse and by-products derived therefrom.
- 57.** To explore, prospect, take on lease or on royalty basis or otherwise acquire mines, mining rights and lands or any interest therein and to quarry, mine, dress, reduce, draw, extract, calcine, smelt, refine, manufacture, process and otherwise acquire, buy, sell or otherwise dispose of and deal in all types of qualities and descriptions of ores, metal and mineral substances and to carry on any other metallurgical operations.
- 58.** To carry on the trades or business of manufacturers of and dealers in, explosives, ammunition, firewells and other explosive products and accessories of all kinds and of whatsoever composition and whether for military, spating, mining or industrial purposes or for petrochemical display or any purpose.

59. To cultivate, grow, produce and deal in any vegetable products and to carry on all or any of the business of foremen, dairymen, mill contractors, dairy foremen, millers, surveyors and vendors of milk, cream, cheese, butter, poultry and provisions of all kinds, growers of and dealers in corn, hay and straw, seedsmen and to buy, sell, trade in any goods which is usually traded in any of the above business.
60. To engage in the business of engineering, constructing and construction, including the design, manufacture, construction, erection, alteration, repair and installation of plants, buildings, structures, ways, works, systems and mechanical, electrical and electronic machinery, equipment apparatus and devices.
61. To purchase, manufacture, construct, erect, fabricate, build press, stamp, draw, spin, furnish, equip utilise, procure, refine, mine or otherwise acquire invest in, own, hold use, animals and agricultural products and purchase, manufacture, produce, or otherwise, acquire, invest in, own, hold use, sell, assign, transfer or otherwise dispose of, trade in and deal with any and all articles or things manufactured, produced, resulting or derived in metals and source materials, ingredient, mixtures, derivatives, and compounds thereof, and any all kinds of products of which any of the forgoing constitutes an ingredient or in the production of which any of the foregoing constitutes an ingredient or in the production of which any of the foregoing is used including but not limited to mechanical and electrical machinery, apparatus, equipment, implement, devices, fixtures, supplies and accessories and casting and forgings.
62. To purchase, breed, raise, produce or otherwise acquire, invest in, own, hold, use, sell, assign, transfer or otherwise dispose of, trade in and deal with any and all kinds of animals and agricultural products and purchase, manufacture, produce or otherwise acquire, invest in, own, hold, use, sell, assign, transfer, or otherwise dispose of, trade in and deal with any and all articles or things manufactured, produced, resulting or derived in whole or in part from animals or agricultural products, of any kind, whether to be used as food or in commerce manufacture, the sciences, the arts or otherwise.
- *63. To manufacture or otherwise acquire and deal in containers and packing materials of any kind including those made of glass, earthenware, metal, cardboard and plastic materials.
64. To carry on the business of manufacturers, exporters and importers, commission agents, tradesmen and dealers in dyes, intermediates and dye-stuffs, chemicals of all types including agricultural laboratory, photographic, pharmaceutical and industrial chemicals, oils of all kinds including vegetable and natural essential oils tanning and tanning extracts, paint and paint raw materials, solvents, perfumes, acids, alkalies, plastic and plastic materials of all kinds including polythene and polyvinylchloride (PVC) and its allied products and substances whether manufactured or not.
65. To carry on business as timber merchants, saw mill proprietor and timber growers and to buy, sell, grow, prepare for market, manipulate, import for, export and deal in timber and wood of all kinds and to manufacture and deal in veneers, veneer products, veneer for techefts, packing cases and commercial boards, decorative veneers,

laminated boards, block boards, composite boards, compressed boards, pressed boards, hard board, ship boards, bent wood, moulded wood and articles of all kinds in the manufacture of which timber or wood is used.

66. To carry on the business of iron founders, civil and mechanical engineers, consulting engineers, project engineers, technical consultants, and manufacturers of agricultural, industrial and other machinery and tool kits, machine tool makers, brass founders, metal workers, boiler makers, makers of locomotives and engineers of every description, millwrights, machinists, iron and steel converters, smiths, wood workers, painters, chemists, metallurgists, electrical engineers, water supply engineers, gas makers, farmers, printers, carriers and to buy, sell, design, specify, manufacture, fabricate, export, import, repair, convert, alter, let on hire and deal in machinery, implement plants, tools, tackles, instruments, rolling stock and hardware of all kinds, general fittings, accessories and appliances of all description made of metal, alloy glass or any other material and any parts of such accessories or fittings and generally to carry on business as merchants, importers and exporters and to transact and carry on all kinds of agency business.
67. To carry on business as manufacturers and producers of vegetables, fruits, spices, groundnut cake, flour and proteins and in particular canned goods such as syrup, vinegar, asavs, sweets, condiments, spices, baby foods, fruits, products, beverages, aerated waters, vegetables of all kinds and all allied and by products thereof and for the purposes thereof, to establish preservation centres and canning and other factories at any place or places and to develop such and other allied business and to give subsidise to farmers, fishermen, and other persons doing such business or who can grow and/or procure necessary materials.
68. To carry on business as sow and cattle keepers, farmers, millers, and of poultry farm and market gardeners and as manufacturers of and dealers in condensed milk, jam, pickles, ider, fruit juices, fruit flavours and spice flavours and spice flavour in any form, spices, preserved ad other provision and products of poultry farm.
69. To carry on business as dealers in, importers, exporters, manufacturers, producers and preservers of, dairy, farm and garden produce of all kinds and in particular milk cream, butter, cheese and any other milk products, poultry and eggs, fruits and vegetables.
70. To purchase, take on lease or in exchange or otherwise acquire and run all kinds of plantations such as mowra tree plantations, palm tree plantations, sugarcane plantations, coconut tree plantations and plantations yielding essential oils of all kinds whatsoever.
71. To refine, treat and render merchantable and fit for use natural deposits of salt, brine, nitron, soda, kieselguhr nitrates and other chemical substances of all kinds obtained as aforesaid ad to manufacture therefrom by any electrolytic, metallurgic or other forms of plants or process of every kind of chemical and other products and by-products.
72. To carry on the business of chemical, mineral and mining engineers, analysis and analysers and metal, minerals, finished products and consultants and prospectors and drawers and of metallizing by process

known as vacuum metallizing of plastic, metal, glass, paper, boards, ceramics and other materials.

73. To carry on business as manufacturers, importers and exporters of and dealers in plastic, bakelite, celluloids and other similar materials and goods articles and products of every kind and description, manufactured wholly or partly out of the chemical and allied substances, refuse and bye products of the Company.
74. To carry on the business of manufacturers, exporters and importers, commission agents, tradesmen and dealers in all kinds of fertilizers including synthetic and other fertilizers, manure, mixtures, dips, sprays, vermiculites, pesticides, insecticides, medicines and medicines of all kinds for agriculture, horticulture or other purposes and remedies for animals and also to deal in agricultural implements like pumps, sprays, machines, tractors and allied articles.
75. To carry on the business of extracting oil either by crushing or by chemical or any other processes from copra, cottonseed, linseed, castorseed, groundnuts or any other nut or seed or other oil bearing substances whatsoever.
76. To carry on the business of tin makers, tin manufacturers, tin converters, colliery proprietors, coke manufacturers, miners, smelters, engineers, tine plate makers and iron founders in all their respective branches.
77. To carry on the business of manufacturers of and dealers in all kinds of apparatus, bottles, containers, caps, stoppers, jars, brushes, boxes and cases, wholly of card wood, metal, plastic or other substances, tins, cartoons, compact cases, tools, utensils, filling and packing the articles and products of the Company.
78. To carry on all or any of the business of soap and candle makers, tallow merchants, oil-merchants, and manufacturers of and dealers in other preparations or compounds, perfumery and proprietary, art, articles and materials and derivatives and other similar articles of every description.
79. To promote, help, encourage, and/or undertake cultivation, production and collection of flowers, herbs, roots, leaves, seeds, woods, resins and other substances, suitable for the manufacturers of essential oils, aromatic, chemical and perfumery compounds.
80. To manufacture, produce, refine, prepare for market, distil, treat, cure, submit to any process, purchase, sell and otherwise trade or deal in, export and import and dispose of and turn to account vegetables, oils, essential oils, chemicals including aromatic, chemicals and perfumery compounds, gum, molasses, syrups, alcohol, spirits, balts and other gums and residual and other produce or products and bye products thereof.
81. To carry on all kinds of agency business and as buying and selling agents of all articles, things commodities and products.
82. To carry on business as manufacturers, refiners, importers and exporters of and dealers and merchants in copra, cotton seeds, linseed, castorseed, groundnuts or any other nut or oil bearing substances whatsoever and oils, cakes manufactured therefrom

hydrogenated oils, oil cakes, grains and flour, as makers and manufacturers of cattle food, poultry foods and foods for animals and birds and feeding and fattening preparations of every description, as makers and manufacturers of manures and fertilizers of every description.

- 83.** To manufacture and deal in hydrogenated oils, vegetable oils, vegetable ghee substitutes, vegetable products and butter substitutes, glycerine, lubricating oils, and oil preparations and products including bye products of whatsoever description and kind and to carry on the business of manufacturers and dealers in all kinds of oils, oil seeds and oil buyers, sellers and dealers of oil-seeds and oil products including bye products.
- 84.** To carry on the business of production, distribution, exhibition, exploitation and financing of films, movies, including art films, dramas, cultural programmes and for that purpose to buy, sell, import, export films, movies, projectors and any other equipments and to buy, sell, construct and to take and give on hire cinema houses, halls, display centres, shops etc. and to do all such acts and things as are necessary for the same.
- 85.** To carry on business as financiers, capitalists, commercial agents, mortgager, brokers, financial agents and advisers.
- 86.** To carry on the business of manufacturers, producers, processors, buyers, sellers, importers, exporters and or otherwise dealers in pharmaceuticals, drugs, medicines, medicine preparations, tabulating formulations, injections and other pharmaceutical products.
- *87.** To construct, execute, carry out, equip, improve, alter, develop decorate, maintain, furnish, administer, operate, manage own or control on toll basis or otherwise public and private works, conveniences and utilities and private works, conveniences and utilities of all kinds including railways, ropeways, roads, toll roads bridges, toll bridges, docks, harbours, canals, tunnels, toll tunnels, reservoirs, marine-works, powerhouses, irrigations, reclamations, improvements, sewage, drainage, sanitation, water works, waste gas, telephonic, telegraphic and power supply works, hotels, shops water, sewage and effluent treatment plants, hydraulic works, and all other works of convenience and public utility.
- *88.** To carry on the business of builders and contractors for construction and interconnected work of any kind including manufacture of various materials and components.
- *89.** To carry on the business of construction, operations and management of port and port related facilities by itself or in association with one or more parties within the company or in a separate entity.
- *90.** To carry on any activity connected with trade, business, manufacture venture or commercial operation in the Union of India or any other part of the World, in different kinds of merchandise, commodities, goods, wares, products, articles and things as to purchase or otherwise and to acquire, exchange and repurchase and to sell and resell or otherwise dispose of or sell.

- ★91. To carry on the business ad professions of providing services of all type covering all branches and disciplines of engineering and management such as organisational studies, systems, analysis, production, materials, marketing, personnel and administration, industrial, engineering, Corporate/legal affairs, taxation, administration, secretarial, accounting, information system and other allied areas, to conduct market research, operations research, to advise, assist and suggest ways and means of improving efficiency by operation of new and improved techniques of production, procurement, administration, recruitment and sales so as to be obtain optimum utilisation of resources, men, material and money and to undertake the preparation of project reports, detailed financial and project engineering studies, execution of turnkey projects and for planing and promoting new industries.

- ★92. To carry on the business as transporters and carriers of goods, passengers and luggages of all kinds and description in any part of India and elsewhere on land, water and air or by any mode of transport, by itself or through other agencies or in association with others or in a separate entity and further to carry on the business of clearing and forwarding agents, warehouse keepers, maintaining of cold storages and contractors for loading and unloading of goods, luggages and other moveables.

- ★93. To carry on the business of setting up facilities for generation/ distribution of all forms of energy, whether from conventional sources such as thermal, hydel, nuclear or from non-conventional sources such as tide, wind, solar, geo-thermal etc. including operation/maintenance of facilities for generation and distribution of all forms of energy.

- ★★94. To carry on the business of developers, designers, manufacturers, assemblers, repairers, servicers, researchers, discoverers, maintenance engineers, buyers, sellers, publishers, importers, exporters, agents, licensors, hirers, consultants/advisors and dealers in all types of Information Technology (IT) and IT related, hardware and hardware related, software and software related research and development consultations, publication, education, training and services, intellectual capital i.e. man power development, training and deployment in the field of Information Technology (IT) products or related services; software tools and application or turnkey convergent technologies, integration software services/products, telecommunications and telecommunications related, communication systems, satellite and satellite related network and networking related, Internet and Internet related activities including Internet Service Providers (ISP), internet strategies and consulting related software development either as products or on turnkey basis Web designing/ hosting on net and web related, use and development of convergent technologies for IT/Internet/entertainment, telecommunications, multimedia, Graphics/CAD/CAM/GIS; local/international vendor representation/franchisee business/commerce and E-business/ commerce related including, in particular, developing E-commerce platform, data processors and developing dynamic database driven electronic commerce sites and systems for sales, fulfilment, financial and customer services and products over the internet, building e-commerce portal, sell and promote products and business of clients, building portals which feature online shopping malls, business to

★ Inserted pursuant to Special Resolution passed at Annual General Meeting held on 26-08-1997

★★ Inserted pursuant to Special Resolution passed at Annual General Meeting held on 16-06-2000

customer services, business to business and complements of news, information, intermediation in selling products/services online, research in such products/services, consultancy and dealing/manufacturing/buying/selling/importing/exporting etc. in computer hardware and software and generally to carry on the business related to computers, computing, IT both in India and overseas.

- ** 95.** To produce, manufacture, buy, sell, import, export, stock, distribute and deal in all kinds of pharmaceutical products including bulk drugs and formulation chemicals, medicinal preparation, intravenous fluids, infusion and transfusion solutions, vitamin and non vitamin tablets, capsules, liquids and also medical equipments/instruments such as disposable plastic bottles, surgical sets, infusion and transfusion sets, disposable syringes, diagnostic kits.
- ** 96.** To carry on either as manufacturers, processors, traders, dealers, exporters, importers, consignees, consignors, principals, warehousing agents, commission agents, owners, agents, conductors, loan licensors, loan licensees, repackers, or factors, and either wholesale or retail, of chemicals, bulk drugs, chemical intermediaries, and other pharmaceutical and veterinary products including allopathic, ayurvedic, homeopathic and/or Unani or Combinations thereof, patent medicines, scientific, chemical, organic, inorganic, biological, immunological, and therapeutic and surgical preparations, antibiotics, herbal and veterinary medicines, surgical equipments.
- ** 97.** To establish, erect, construct, purchase, self, manage, run upgrade and/or modernize hospitals, nursing homes, health centres research and/or diagnostic centres, laboratories in and out of India. To install, develop, invent, import, export, buy, sell, manufacture, assemble all equipments, tools etc. in the said hospitals or otherwise in any centre or hospitals. And to act and work as consultants in medical profession in India or in any part of the world.
- *** 98.** To acquire by purchase, lease, exchange, hire or otherwise, land and property of any tenure or any interest in the same including transferable development rights and to sell, dispose of, turn to account any land, property or transferable development rights so acquired by laying out and preparing the same for building purposes and erect and construct houses, buildings or works of every description on any land of the Company, or upon any other lands, property, and to pull down, rebuild, enlarge, alter, improve, and equip existing houses, buildings or works thereon, to convert and to lay out roads, squares, gardens and other conveniences and to deal with and improve the property of the Company or any other property.
- *** 99.** To sell, lease, let, mortgage or otherwise dispose off and/or deal in the land, houses, buildings and other properties of the Company or of others.
- *** 100.** To act as contractors for any person, or governmental authorities for the construction of buildings of all description, roads, bridges, dams, tanks, drains, culverts, channels, sewages or other works of public utilities and conveniences.

****** Inserted pursuant to Special Resolution passed at Annual General Meeting held on 16-06-2000

******* Inserted pursuant to Special Resolution passed by Postal Ballot at E.G.M. held on 28/08/2002

- *** 101. To carry on the business as builders and contractors, sub-contractors, Architects and/or civil Engineers, interior and exterior decorators, merchants and dealers in stone, sand, lime, bricks, cement, timber, hardware and other building requisites/materials.
- *** 102. To make investments in the shares and securities of companies engaged in the business as builders, contractors, developers and/or manufacturers and dealers in building materials, equipments and components.

AND IT IS HEREBY DECLARED THAT :-

- (i) the objects incidental to or ancillary to the attainment to the main objects of the Company as aforesaid shall also be incidental or ancillary to the attainment of the other objects of the Company herein mentioned.
- (ii) the objects set forth in each of the several clauses of paragraph III hereof shall extend to all parts of the world.
- (iii) nothing in this paragraph shall authorise the Company to do any business which may fall within the powers of the Banking Regulations Act, 1949 or the Insurance Act, 1938.

IV. The Liability of the Members is Limited.

****V. The Authorised Share Capital of the Company is Rs. 115,07,51,600/- (Rupees One Hundred Fifteen Crore Seven Lakh Fifty One Thousand Six Hundred only) divided into 23,01,50,320 Equity Shares of Rs. 5/- (Rupees Five only) each.

Any shares of the original or increased capital may, from time to time be issued with such terms, conditions, restrictions and guarantees, or any rights of preference whether in respect of dividend or of repayment of capital or both or any other special privileges or advantage over any shares previously issued or then about to be issued, or with deferred or qualified rights to any provisions or conditions and with any special rights or limited rights, or without any rights of voting and generally on such terms as the Company may from time to time determine. The rights of the holders of any class of shares, for the time being forming part of the capital of the Company, may be modified, affected, varied, extended or surrendered either with the consent in writing of the holders of three fourths of the issued shares of the class or with the sanction of a special Resolution passed at a separate meeting of the holders of those shares.

★ ★

*** Inserted pursuant to Special Resolution passed by Postal Ballot at E.G.M. held on 28-08-2002
**** Amended pursuant to the Ordinary Resolution passed at the Extraordinary General Meeting of the Company held on 29th November, 2005
**** Amended pursuant to Scheme of Amalgamation of Avinash Drugs Limited and Surfactant specialities Limited with the Company w.e.f. 10-09-2009
**** Amended pursuant to Scheme of Amalgamation of Gogri & Sons Investments Private Limited and Alchemie Leasing And Financing Private Limited and Anushakti Holdings Limited and Anushakti Chemical And Drugs Limited with the Company w.e.f. 09-09-2015

We, the several persons, whose names and addresses and descriptions are hereunto subscribed are desirous of being formed into a Company in accordance with and in pursuance of the provisions of this **MEMORANDUM OF ASSOCIATION** and we respectively, agree to take the number of shares in the capital of the Company set opposite to our respective names :

Signature, Name, Address Description and Occupation of Subscribers	Number of Equity Shares taken by each Subscriber	Signature, Name Addresses, Description of Witness
<p>Sd/- SHRI CHANDRAKANT GOGRI S/o. SHRI VALLHAJI GOGRI "YOGESH" GANESH GAWADE ROAD, MULUND (WEST), BOMBAY - 400 080</p> <p>INDUSTRIALIST</p>	<p align="center">1 (One)</p>	<p align="center">Sd/- PRAVIN PARIKH S/o. SHRI NAHALCHAND PARIKH 2B/33 SIDDHARTH NAGAR GOREGAON (WEST), BOMBAY 400 062 SERVICE</p>
<p>TOTAL:</p>	<p align="center">2 (TWO)</p>	

DATED THIS 11TH DAY OF SEPTEMBER, 1984

The following regulations comprised in these Articles of Association were adopted pursuant to members' resolution passed at the annual general meeting of the Company held on 24th September, 2014 in substitution for, and to the entire exclusion of, the earlier regulations comprised in the extant Articles of Association of the Company.

THE COMPANIES ACT, 2013

COMPANY LIMITED BY SHARES

**(INCORPORATED UNDER
THE COMPANIES ACT, 1956)**

ARTICLES OF ASSOCIATION

OF

AARTI INDUSTRIES LIMITED

TABLE 'F' EXCLUDED

- | | | | |
|----|-----|--|---|
| 1. | (1) | The regulations contained in the Table marked 'F' in Schedule I to the Companies Act, 2013 shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act. | <i>Table 'F' not to apply</i> |
| | (2) | The regulations for the management of the Company and for the observance by the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration of or addition to its regulations by resolution as prescribed or permitted by the Companies Act, 2013, be such as are contained in these Articles. | <i>Company to be governed by these Articles</i> |

INTERPRETATION

2. (1) In these Articles-
- “The Act”* (a) “Act” means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable.
- “The Articles”* (b) “Articles” means these articles of association of the Company or as altered from time to time.
- “The Company”* (c) “Company” means **AARTI INDUSTRIES LIMITED**.
- “The Rules”* (d) “Rules” means the applicable rules for the time being in force as prescribed under relevant sections of the Act.
- “The Seal”* (e) “seal” means the common seal of the Company.
- “Number” and “Gender”* (2) Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine and neuter gender.
- Expressions in the Articles to bear the same meaning as in the Act* (3) Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or the Rules, as the case may be.

SHARE CAPITAL AND VARIATION OF RIGHTS

- Shares under control of Board* 3. Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.
- Directors may allot shares otherwise than for cash* 4. Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be.
- Kinds of Share Capital* 5. The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws:
- (a) Equity share capital:
- (i) with voting rights; and / or

LIEN

15. (1) The Company shall have a first and paramount lien - *Company's lien on shares*
- (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
- (b) on all shares (not being fully paid shares) standing registered in the name of a member, for all monies presently payable by him or his estate to the Company:
- Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this clause.
- (2) The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares for any money owing to the Company. *Lien to extend to dividends, etc.*
- (3) Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company's lien. *Waiver of lien in case of registration*
16. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien: *As to enforcing lien by sale*
- Provided that no sale shall be made-
- (a) unless a sum in respect of which the lien exists is presently payable; or
- (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled thereto by reason of his death or insolvency or otherwise.
17. (1) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof. *Board may extend time for payment*
- (2) The purchaser shall be registered as the holder of the shares comprised in any such transfer. *Purchaser to be registered holder*
- (3) The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share. *Validity of Company's receipt*
- (4) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale.

- Application of proceeds of sale* **18.** **(1)** The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
- Payment of residual money* **(2)** The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.
- Outsider's lien not to affect Company's lien* **19.** In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.
- Provisions as to lien to apply mutatis mutandis to debentures, etc.* **20.** The provisions of these Articles relating to lien shall mutatis mutandis apply to any other securities including debentures of the Company.

CALLS ON SHARES

- Board may make calls* **21.** **(1)** The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.
- Notice of call* **(2)** Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.
- Board may extend time for payment* **(3)** The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.
- Revocation or postponement of call* **(4)** A call may be revoked or postponed at the discretion of the Board.
- Call to take effect from date of resolution* **22.** A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by installments.
- Liability of joint holders of shares* **23.** The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
- When interest on call or installment payable* **24.** **(1)** If a sum called in respect of a share is not paid before or on the day appointed for payment thereof (the "due date"), the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment at such rate as may be fixed by the Board.
- Board may waive interest* **(2)** The Board shall be at liberty to waive payment of any such interest wholly or in part.

25. (1) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable. *Sums deemed to be calls*
- (2) In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified. *Effect of non-payment of sums*
26. The Board-
- (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and *Payment in anticipation of calls may carry interest*
- (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be fixed by the Board. Nothing contained in this clause shall confer on the member (a) any right to participate in profits or dividends or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him.
27. If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by installments, then every such installment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder. *Installments on shares to be duly paid*
28. All calls shall be made on a uniform basis on all shares falling under the same class. *Calls on shares of same class to be on uniform basis*
- Explanation: Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.
29. Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided. *Partial payment not to preclude forfeiture*
30. The provisions of these Articles relating to calls shall mutatis mutandis apply to any other securities including debentures of the Company. *Provisions as to calls to apply mutatis mutandis to debentures, etc.*

TRANSFER OF SHARES

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

- (2) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

Board may refuse to register transfer

32. The Board may, subject to the right of appeal conferred by the Act, decline to register –
- (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
- (b) any transfer of shares on which the Company has a lien.

Board may decline to recognise instrument of transfer

33. In case of shares held in physical form, the Board may decline to recognise any instrument of transfer unless –
- (a) the instrument of transfer is duly executed and is in the form as prescribed in the Rules made under the Act;
- (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- (c) the instrument of transfer is in respect of only one class of shares.

Transfer of shares when suspended

34. On giving of previous notice of at least seven days or such lesser period in accordance with the Act and Rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

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

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

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

TRANSMISSION OF SHARES

Title to shares on death of a member

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

Estate of deceased member liable

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

Transmission Clause

37. (1) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either –
- (a) to be registered himself as holder of the share; or

- (b) to make such transfer of the share as the deceased or insolvent member could have made.
- (2) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency. *Board's right unaffected*
- (3) The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer. *Indemnity to the Company*
38. (1) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. *Right to election of holder of share*
- (2) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share. *Manner of testifying election*
- (3) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member. *Limitations applicable to notice*
39. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company: *Claimant to be entitled to same advantage*
- Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.
40. The provisions of these Articles relating to transmission by operation of law shall mutatis mutandis apply to any other securities including debentures of the Company. *Provisions as to transmission to apply mutatis mutandis to debentures, etc.*

FORFEITURE OF SHARES

41. If a member fails to pay any call, or installment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or installment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment. *If call or installment not paid notice must be given*

- Form of notice*
- 42.** The notice aforesaid shall:
- (a)** name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
 - (b)** state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
- In default of payment of shares to be forfeited*
- 43.** If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
- Receipt of part amount or grant of indulgence not to affect forfeiture*
- 44.** Neither the receipt by the Company for a portion of any money which may from time to time be due from any member in respect of his shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.
- Entry of forfeiture in register of members*
- 45.** When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.
- Effect of forfeiture*
- 46.** The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.
- Forfeited shares may be sold, etc.*
- 47.** **(1)** A forfeited share shall be deemed to be the property of the Company and may be sold or re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board thinks fit.
- Cancellation of forfeiture*
- (2)** At any time before a sale, re-allotment or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
- Members still liable to pay money owing at the time of forfeiture*
- 48.** **(1)** A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay, and shall pay, to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.
- Member still liable to pay money owing at time of forfeiture and interest*
- (2)** All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realisation. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part.

- (3) The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares. *Cesser of liability*
49. (1) A duly verified declaration in writing that the declarant is a director, the manager or the secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share; *Certificate of forfeiture*
- (2) The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of; *Title of purchaser and transferee of forfeited shares*
- (3) The transferee shall thereupon be registered as the holder of the share; and *Transferee to be registered as holder*
- (4) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share. *Transferee not affected*
50. Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person. *Validity of sales*
51. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto. *Cancellation of share certificate in respect of forfeited shares*
52. The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit. *Surrender of share certificates*
53. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified. *Sums deemed to be calls*
54. The provisions of these Articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company. *Provisions as to forfeiture of shares to apply mutatis mutandis to debentures, etc.*

ALTERATION OF CAPITAL

- Power to alter share capital* **55.** Subject to the provisions of the Act, the Company may, by ordinary resolution –
- (a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;
 - (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act;
 - (c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
 - (d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
 - (e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
- Shares may be converted into stock* **56.** Where shares are converted into stock:
- (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

 Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose;
 - (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage;
 - (c) such of these Articles of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder”/“member” shall include “stock” and “stock-holder” respectively.
- Right of stockholders*
- Reduction of capital* **57.** The Company may, by resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules:-
- (a) its share capital; and/or

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

JOINT HOLDERS

58. Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles:
- Joint-holders*
- (a) The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or installments and other payments which ought to be made in respect of such share. *Liability of Joint-holders*
 - (b) On the death of anyone or more of such joint holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person. *Death of one or more joint holders*
 - (c) Anyone of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share. *Receipt of one sufficient*
 - (d) Only the person whose name stands first in the register of members as one of the joint-holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders. *Delivery of certificate and giving of notice to first named holder*
 - (e) (i) Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint-holders shall be entitled to vote in preference to a joint-holder present by attorney or by proxy although the name of such joint-holder present by any attorney or proxy stands first or higher (as the case may be) in the register in respect of such shares *Vote of joint-holders*
 - (ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint-holders. *Executors or administrators as joint holders*

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

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

CAPITALISATION OF PROFITS

Capitalisation

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

Sum how applied

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

Powers of the Board for capitalisation

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

- (2) The Board shall have power-
- (a) to make such provisions, by the issue of fractional certificate / of shares or other securities becoming distributable in fractions; and
- (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or other securities to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares.
- (3) Any agreement made under such authority shall be effective and binding on such members.

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

Agreement binding on members

BUY-BACK OF SHARES

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

Buy-back of shares

GENERAL MEETINGS

62. All general meetings other than annual general meeting shall be called extraordinary general meeting.
63. The Board may, whenever it thinks fit, call an extraordinary general meeting.

Extraordinary general meeting

Powers of Board to call extraordinary general meeting

PROCEEDINGS AT GENERAL MEETINGS

64. (1) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
- (2) No business shall be discussed or transacted at any general meeting except election of Chairperson whilst the chair is vacant.
- (3) The quorum for a general meeting shall be as provided in the Act.
65. The Chairperson of the Company shall preside as Chairperson at every general meeting of the Company.
66. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling

Presence of Quorum

Business confined to election of Chairperson whilst chair vacant

Quorum for general meeting

Chairperson of the meetings

Directors to elect a Chairperson

to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

Members to elect a Chairperson

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

Casting vote of Chairperson at general meeting

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

Minutes of proceedings of meetings and resolutions passed by postal ballot

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

Certain matters not to be included in Minutes

- (2)** There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting -

- (a)** is, or could reasonably be regarded, as defamatory of any person; or
- (b)** is irrelevant or immaterial to the proceedings; or
- (c)** is detrimental to the interests of the Company.

Discretion of Chairperson in relation to Minutes

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

Minutes to be evidence

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

Inspection of minute books of general meeting

- 70. (1)** The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall:

- (a)** be kept at the registered office of the Company; and
- (b)** be open to inspection of any member without charge, during 11.00 a.m. to 1.00 p.m. on all working days other than Saturdays.

Members may obtain copy of minutes

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

three financial years, shall be entitled to be furnished with the same free of cost.

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

ADJOURNMENT OF MEETING

72. (1) The Chairperson may, suo motu, adjourn the meeting from time to time and from place to place. *Chairperson may adjourn the meeting*
- (2) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. *Business at adjourned meeting*
- (3) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. *Notice of adjourned meeting*
- (4) Save as aforesaid, and save as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting. *Notice of adjourned meeting not required*

VOTING RIGHTS

73. Subject to any rights or restrictions for the time being attached to any class or classes of shares - *Entitlement to vote on show of hands and on poll*
- (a) on a show of hands, every member present in person shall have one vote; and
- (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
74. A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once. *Voting through electronic means*
75. (1) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. *Vote of joint-holders*
- (2) For this purpose, seniority shall be determined by the order in which the names stand in the register of members. *Seniority of names*
76. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or anyone of his guardians. *How members non compos mentis and minor may vote*

- Votes in respect of shares of deceased or insolvent members, etc.* **77.** Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the Transmission Clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.
- Business may proceed pending poll* **78.** Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
- Restriction on voting rights* **79.** No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of lien.
- Restriction on exercise of voting rights in other cases to be void* **80.** A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in the preceding Article.
- Equal rights of members* **81.** Any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.

PROXY

- Member may vote in person or otherwise* **82.** **(1)** Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.
- Proxies when to be deposited* **(2)** The instrument appointing a proxy and the power-of attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
- Form of proxy* **83.** An instrument appointing a proxy shall be in the form as prescribed in the Rules.
- Proxy to be valid notwithstanding death of the principal* **84.** A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:
- Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

BOARD OF DIRECTORS

- 85.** Unless otherwise determined by the Company in general meeting, the number of directors shall not be less than 3 (three) and shall not be more than 20 (twenty). *Board of Directors*
- 86.** (1) The Directors may whenever they appoint more than one Managing Director, designate one or more of them as “Joint Managing Director” or “Joint Managing Directors” as the case may be. *Directors not liable to retire by rotation*
- (2) The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company. *Same individual may be Chairperson and Managing / Executive Director / Chief Officer*
- 87.** (1) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day. *Remuneration of directors*
- (2) The remuneration payable to the directors, including any managing or whole-time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act by an ordinary resolution passed by the Company in general meeting. *Remuneration to Require members' consent*
- (3) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them- *Travelling and other expenses*
- (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or
- (b) in connection with the business of the Company.
- 88.** All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine. *Execution of negotiable instruments*
- 89.** (1) Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles. *Appointment of additional directors*
- (2) Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act. *Duration of office of additional director*
- 90.** (1) The Board may appoint an alternate director to act for a director (hereinafter in this Article called “the Original Director”) during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act. *Appointment of alternate director*

- Duration of office of alternate director* (2) An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.
- Re-appointment provisions applicable to Original Director* (3) If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.
- Appointment of director to fill a casual vacancy* 91. (1) If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board.
- Duration of office of Director appointed to fill casual vacancy* (2) The director so appointed shall hold office only upto the date upto which the director in whose place he is appointed would have held office if it had not been vacated.

POWERS OF BOARD

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

PROCEEDINGS OF THE BOARD

- When meeting to be convened* 93. (1) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
- Who may summon Board meeting* (2) The Chairperson or anyone Director with the previous consent of the Chairperson may, or the company secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board.
- Quorum for Board meetings* (3) The quorum for a Board meeting shall be as provided in the Act.
- Participation at Board meetings* (4) The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.
- Questions at Board meeting how decided* 94. (1) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
- Casting vote of Chairperson at Board meeting* (2) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

95. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose. *Directors not to act when number falls below minimum*
96. (1) The Chairperson of the Company shall be the Chairperson at meetings of the Board. In his absence, the Board may elect a Chairperson of its meetings and determine the period for which he is to hold office. *Who to preside at meetings of the Board*
- (2) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting. *Directors to elect a Chairperson*
97. (1) The Board may, subject to the provisions of the Act, delegate any of its powers to Committees consisting of such member or members of its body as it thinks fit. *Delegation of powers*
- (2) Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board. *Committee to conform to Board regulations*
- (3) The participation of directors in a meeting of the Committee may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law. *Participation at Committee meetings*
98. (1) A Committee may elect a Chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee. *Chairperson of Committee*
- (2) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting. *Who to preside at meetings of Committee*
99. (1) A Committee may meet and adjourn as it thinks fit. *Committee to meet*
- (2) Questions arising at any meeting of a Committee shall be determined by a majority of votes of the members present. *Questions at Committee meeting how decided*
- (3) In case of an equality of votes, the Chairperson of the Committee shall have a second or casting vote. *Casting vote of Chairperson at Committee meeting*
100. All acts done in any meeting of the Board or of a Committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of anyone or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified or that his or their appointment had terminated, be as valid as if every such director or such person had been duly appointed and was qualified to be a director. *Acts of Board or Committee valid notwithstanding defect of appointment*

Passing of resolution by circulation

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

CHIEF EXECUTIVE OFFICE, MANAGER, COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER

Chief Executive Officer, etc.

- 102. (a)** Subject to the provisions of the Act, A chief executive officer, manager, company secretary and chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary and chief financial officer so appointed may be removed by means of a resolution of the Board; the Board may appoint one or more chief executive officers for its multiple businesses.

Director may be chief executive officer, etc.

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

REGISTERS

Statutory registers

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

Foreign register

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

THE SEAL

The seal, its custody and use

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

Affixation of seal

- (2)** The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorised by it in that behalf, and

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

DIVIDENDS AND RESERVE

- 106.** The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board but the Company in general meeting may declare a lesser dividend. *Company in general meeting may declare dividends*
- 107.** Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit. *Interim dividends*
- 108.** (1) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit. *Dividends only to be paid out of profits*
- (2) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve. *Carry forward of profits*
- 109.** (1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares. *Division of profits*
- (2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share. *Payments in advance*
- (3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly. *Dividends to be apportioned*
- 110.** (1) The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company. *No member to receive dividend whilst indebted to the Company and Company's right to reimbursement there from*

- Retention of dividends* **(2)** The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.
- Dividend how remitted* **111. (1)** Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
- Instrument of payment* **(2)** Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
- Discharge to Company* **(3)** Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.
- Receipt of one holder sufficient* **112.** Anyone of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
- No interest on dividends* **113.** No dividend shall bear interest against the Company.
- Waiver of dividends* **114.** The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.

ACCOUNTS

- Inspection by Directors* **115. (1)** The books of account and books and papers of the Company, or any of them, shall be open to the inspection of directors in accordance with the applicable provisions of the Act and the Rules.
- Restriction on inspection by members* **(2)** No member (not being a director) shall have any right of inspecting any books of account or books and papers or document of the Company except as conferred by law or authorised by the Board.

WINDING UP

- Winding up of Company* **116.** Subject to the applicable provisions of the Act and the Rules made thereunder -
- (a)** If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in

specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

- (b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- (c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

INDEMNITY AND INSURANCE

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

GENERAL POWER

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

We, the several persons, whose names and addresses and descriptions are hereunto subscribed are desirous of being formed into a Company in accordance with and in pursuance of the provisions of these **ARTICLES OF ASSOCIATION** and we respectively, agree to take the number of shares in the capital of the Company set opposite to our respective names :

Signature, Name, Address Description and Occupation of Subscribers	Number of Equity Shares taken by each Subscriber	Signature, Name Addresses, Description of Witness
<p>Sd/- SHRI CHANDRAKANT GOGRI S/o. SHRI VALLBHAJI GOGRI "YOGESH" GANESH GAWADE ROAD, MULUND (WEST), BOMBAY - 400 080</p> <p>INDUSTRIALIST</p>	<p align="center">1 (One)</p>	<p align="center">Sd/- PRAVIN PARIKH S/o. SHRI NAHALCHAND PARIKH 2B/33 SIDDHARTH NAGAR GOREGAON (WEST), BOMBAY 400 062 SERVICE</p>
<p>TOTAL:</p>	<p align="center">2 (TWO)</p>	

DATED THIS 11TH DAY OF SEPTEMBER, 1984

HIGH COURT ORDERS
SANCTIONING
SCHEMES OF ARRANGEMENTS

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

(ORIGINAL JURISDICTION)

In the matter of the Companies Act, 1956

And

In the matter of Aarti Organics Limited

And

In the matter of Scheme of Amalgamation of Salvigor Laboratories Limited with Aarti Organics Limited

And

In the matter of Section 391 and 394 of the Companies Act, 1956

COMPANY PETITION NO. 80 OF 1994

IN

COMPANY APPLICATION NO. 85 OF 1994

M/s. Aarti Organics Limited, a	}	
Company incorporated under the	}	
provisions of the Companies Act,	}	
1956 and having its registered	}	
office at Plot Nos. 801, 801/23,	}	
G. I. D. C. Estate, Phase III,	}	
Vapi - 396 195 Dist. Valsad, Gujarat	} PETITIONER

Before the Honourable Mr. Justice M. S. Parikh

Dated 26-09-1994

Order on Petition

The above petition coming on for further hearing on 26-09-94, upon reading the said petition, the order dated 23-03-94 whereby the said Company was ordered to convene a meeting of the equity shareholders of the above Company for the purpose of considering and if thought fit, approving with or without modification, the compromise or arrangement proposed to be made between the Petitioner Company and its equity shareholders and Annexed at Annexure "A" to the Affidavit of Shri Shantilal Tejshi Shah filed the 5th day of May 1994, and "Gujarat Mitra" and "The Times of India" both dated 2nd April, 1994 containing the advertisement of the said notice convening the said meeting directed to be held by the said order dated 23-03-94 (advertisement in the Government Gazette having been dispensed with), the affidavit of Shri Shantilal T. Shah filed the 15th day of April, 1994 showing the publication and dispatch of the notice convening the said meeting, the Report of the Chairman of the said Meeting dated 28-04-94 as to the result of the said meeting and upon hearing Shri Ashok L. Shah, advocate for the Petitioner and upon hearing the submissions of Shri Jayant K. Patel, Additional Standing Counsel for the Central Government and it appearing from the report that the proposed compromise or arrangement has been approved unanimously by the equity shareholders of the above Company.

This Court doth hereby sanction the compromise or arrangement set forth in paragraph 14 of the petition herein and in the Schedule hereto, and doth hereby declare that the same be binding on all the equity shareholders of the abovenamed Company and also on the said Company.

And this Court doth further order :

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

That the said Company do file with the Registrar of Companies a certified copy of this order within thirty days from this date.

SCHEDULE

Scheme of Compromise or arrangement as sanctioned by the Court is attached hereto.

WITNESS BHUPINDER NATH KIRPAL Esquire Chief Justice at Ahmedabad aforesaid
26th day of September, one thousand nine hundred ninety four.

By the order of the Court

(Additional Registrar)

Dated this 30th day of September, 1994

Sealer

Dated this day of September, 1994

Order drawn by

(Ashok Lalbhai Shah)
Advocate for the Petitioner

SCHEME OF AMALGAMATION
OF
SALVIGOR LABORATORIES LIMITED
WITH
AARTI ORGANICS LIMITED

1. This Scheme of Amalgamation provides for amalgamation of Salvigor Laboratories Limited, a Company registered under the Companies Act, 1956 (hereinafter called “The Act”) and having its registered office at 74, Matru Smruti, Road No. 4, Scheme No. 6, Sion (East), Bombay – 400 022, (hereinafter called “The Transferor Company”) with Aarti Organics Limited a Company registered office at Plot Nos. 801, 801/23 GIDC Estate, Phase - III, Vapi - 396 195, Dist. Valsad, Gujarat (hereinafter called “The Transferee Company”).
2. (a) The Authorised Share Capital of the Transferee Company is Rs. 6,00,00,000/- (Rupees Six Crores) divided into 60,00,000 Equity Shares of Rs. 10/- each. The Subscribed Capital of the Transferee Company is Rs. 3,90,05,000/- (Rupees Three Crores Ninety Lakhs Five Thousand only) comprising 39,00,500 Equity Shares of Rs. 10/- each. The paid up Share Capital of the Transferee Company as on 23rd day of September, 1993 is Rs. 3,89,67,000/-.
- (b) The Authorised Share Capital of the Transferor Company is Rs. 3,50,00,000/- (Rupees Three Crores Fifty Lakhs only) divided into 35,00,000 Equity Shares of Rs. 10/- each. The Subscribed Capital of the Transferor Company is Rs. 3,00,00,000/- (Rupees Three Crores only) comprising 30,00,000 Equity Shares of Rs. 10/- each. The paid up Share Capital of the Transferor Company as on 31st day of January, 1994 is Rs. 2,98,12,000/-.
3. The entire undertaking of the Transferor Company shall with effect from the commencement of business on 1st day of March, 1994 (hereinafter called “the Appointed Day”) and without any further act or deed be deemed to have been transferred to and Vested in the Transferee Company pursuant to Section 394(2) of the Act for all the estate and interests of the Transferor Company and on the Appointed Day the Transferor Company shall be deemed to have been amalgamated with the Transferee Company.
4. For the purpose of this Scheme the undertaking of the Transferor Company shall include :
 - (I) all the assets of the Transferor Company as on the Appointed day, and
 - (II) all the liabilities of the Transferor Company as on the Appointed Day.
5. Without prejudice to the generality of Clause 4 hereof, with effect from the Appointed Day the entire undertaking of the Transferor Company including all its investments, reserves, properties, movable and immovable assets, including leases, tenancy rights, industrial and other licenses, permits, quotas, rights, modvat credit available under Central Excise and sale Act, 1944 and the notifications thereunder various exemptions/ incentives granted under different Schemes of State/Central Governments, benefits of all contracts and agreements and all other interests, rights and powers and authorities of every kind, nature and descriptions whatsoever (all of which are hereinafter

collectively called “the said Undertakings”) shall without any further act or deed, be and stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company pursuant to the provisions of Section 394 of the Act.

6. Without prejudice to the generality of Clause 4 hereof, with effect from the Appointed Day, all debts, obligations, liabilities and duties of the Transferor Company shall also be and stand transferred, or be deemed to have been transferred, or be deemed to have been transferred, without any further act or deed, to the Transferee Company so as to become, as from the Appointed Day, the debts, obligations, liabilities and duties of the Transferee Company and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Scheme. PROVIDED ALWAYS that nothing in this Clause shall or is intended to enlarge the security for any loan(s) or other in debentures created by the Transferor Company prior to the Appointed Day which shall be transferred to and vested in the Transferee Company by virtue of the Amalgamation and the Transferee Company shall not be required or obliged in any manner to create any further or additional security therefore after the Effective Date or otherwise.
7. This Scheme, although operative from the Appointed Day, shall become effective from the last of the following dates (hereinafter called “the Effective Date”) namely :
 - (a) the dates on which the last of the hereinafter referred, sanctions, approvals, consents and orders shall be obtained or passed, and
 - (b) the dates on which certified copies of the Order(s) of the High Court under Section 391, 392 and 394 of the Act shall be filed with the Registrar of Companies.
8. All proceedings and actions by or against the Transferor Companies pending on the Effective Date and relating to the said Undertakings shall be continued and be enforced by or against the Transferee Company, as the case may be.
9. The Transferee Company may, at any time after the coming into effect of this scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of any other party or parties to any contract or arrangement to which the Transferor Company is a party or any writing as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of the Scheme be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to implement or carry out all such formalities or compliances required to be complied with on the part of the Transferor Company to be carried out or performed.
10. With effect from the Appointed Day and upto and including the Effective date :–
 - (a) The Transferor Company shall be deemed to have been carrying on and to be carrying on all the business and activities and stand possessed of the properties so as to be transferred, for and on account of and in trust for the Transferee Company;
 - (b) all profits accruing to the Transferor Companies or losses arising or incurred by the Transferor Company shall for all purposes be treated as the profits or losses of the Transferee Company, as the case may be;
 - (c) The Transferor Company shall not alienate, charge or otherwise deal with the said undertakings or any part thereof except in the ordinary course of its business, without the prior consent of the Transferee Company;

- (d) The Transferor Company shall not vary the existing terms and conditions of employment of its employees except in the ordinary course of business;
 - (e) The Transfer Company shall not declare any dividend for the period commencing from the Appointed Day upto and including the Effective Date without the prior written consent of the Transferee Company;
 - (f) The Transferor Company shall not issue or allot any right shares or bonus shares for the time being.
11. Subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements, and other instruments of whatsoever nature to which the Transferor Company is a party subsisting or having effect on or before the Effective Date, shall be and 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 effectually as if, instead of the Transferor Company, the Transferee Company had at all material times been a party thereto.
12. Upon the transfer of the Undertaking of the Transferor Company pursuant to Clause 3 hereof and the amalgamation becoming effective in terms of this Scheme :
- (a) The Transferee Company shall issue and allot to the shareholders of the Transferor Company (hereinafter called “the Transferor shareholders”) in the Transferee Company equity shares in the proportion of One equity share of Rs. 10/- each in the Transferee Company credited as fully paid up for every Two equity shares of Rs. 10/- each fully paid up held by them in Transferor Company on such date after the Effective Date as the Board of Directors of the Transferee Company may determine. PROVIDED THAT those shareholders of the Transferor Company who are holding nontransferable equity shares for a specified lock-in period as mentioned therein shall be issued equity shares of the Transferee Company which also will have the same lock-in period for transfer thereof as mentioned in such shares of the Transferor Company. No fractional certificates shall be issued by the Transferee Company in respect of the fractional rights to which the Transferor Shareholders may be entitled to on issue and allotment of the shares by the Transferee Company as aforesaid. The Directors of the Transferee Company shall in their absolute discretion be entitled to ignore the fraction, if any.
 - (b) Save as aforesaid the said equity shares in the Transferee Company to be issued and allotted to the Transferor Shareholders shall rank pari passu in all respects with the existing equity shares in the Transferee Company except that they shall be eligible to dividend declared by the Transferee Company on or after the date of allotment of such shares on pro rata basis as may be decided by the Board of Directors of the Transferee Company.
 - (c) Members whose name shall appear in the Register of Members of the Transferor Company on such date (after the Effective date) as the Board of Directors of the Transferee Company may determine, shall surrender their share certificates for cancellation thereof to the Transferee Company. In default, upon the new shares in the Transferee Company being issued and allotted by it to the members of the Transferor Shareholders whose names shall appear on the Register of Members of the Transferor Company on such date as aforesaid, the Share Certificates in relation to the shares held by them in the Transferor Company shall be deemed to have been cancelled.
13. The Transferee Company shall cause a Special Resolution to be passed pursuant to Section 81 (1A) of the Act for the offer and allotment of equity shares in the Transferee

Company to the Transferor Shareholders in accordance with and subject to the provisions of this Scheme.

14. In the event of the Transferee Company issuing any shares or any bonds and debentures (non-convertible or partly or fully convertible) by way of rights or bonus to its shareholders on or after 1st March, 1994 and before the Effective Date, the Transferee Company shall reserve for allotment to the shareholders of the Transferor Company the number of such shares, bonds or debentures to which the shareholders of the transferor Company would be entitled in terms of such issue, if this Scheme of Amalgamation shall become effective as specified in Clause 18 hereof. The shares, bonds or debentures so reserved as aforesaid shall be allotted (in the case of bonus shares) or offered (in case of rights issue) to the shareholders of the Transferor Company only if this Scheme of Amalgamation becomes effective as specified in Clause 18 hereof and on the terms and conditions as those governing such allotment or issue to the shareholders of the Transferee Company save and except that the dates of acceptance, splitting, renunciation, payment and allotment and the date from which such share, bonds or debenture shall rank for dividend and interest shall be suitable fixed by the Board of Directors of the Transferee Company having due regard to similar dates fixed in respect of the issue or offer thereof to the shareholders of the Transferee Company.
15. The Transferee Company will, on such transfer, take over all such employees, if any, of the Transferor Company, as are willing to join the Transferee Company, on the same terms on which they are employed by the Transferor Company. The employees of the Transferor Company shall be entitled only to those benefits and perquisites to which they were entitled as employees of the Transferor Company even after the Scheme becoming finally effective. Their services with the Transferor Company, prior to such taking over, will not be treated as having been broken for the purpose of the Provident fund, Gratuity and other benefits but will be reckoned for all such purposes from the date of their respective appointments with the Transferor Company.
16. The Board of Directors of the Transferee Company have proposed to change its name to Aarti Industries Limited or such other name as may be made available by the Registrar of Companies. In the event of any such name being made available and approved in accordance with the provisions of the Companies Act, 1956, before the amalgamation, the Transferor Company, shall be amalgamated with the Transferee Company, with its changed name.
17. The Transferor Company, shall, with all reasonable despatch, apply to the High Court of Judicature at Bombay for sanctioning this Scheme of Amalgamation under Section 391 of the Act, and for on Orders under Section 394 of the Act, for carrying this Scheme into effect and for dissolution of the Transferor Company without winding up. The Transferee Company shall also, with all reasonable despatch, apply to the High Court of Gujarat at Ahmedabad for sanctioning this Scheme of Amalgamation under Section 391 of the Act, and for an Order under Section 394 of the Act.
18. The Transferor Company and the Transferee company through their respective Board of Directors may assent on behalf of all persons concerned to any modifications or amendments of this Scheme or to any conditions which the High Courts or any other authorities under law may deem fit to approve of or impose and solve all difficulties that may arise for carrying out the Scheme and to do all acts deeds, and things necessary for putting the Scheme into effect.
19. This Scheme is conditional upon and subject to the following approvals and the amalgamation shall be deemed to be effective on the date on which the last of such approvals shall have been obtained :

- (a) The approval of an agreement to the Scheme by the requisite majorities as may be directed by the respective High Courts of Judicature at Bombay and Gujarat on the application made for directions for calling meetings for the purpose;
 - (b) The sanctions of the Scheme by the respective High Courts of Judicature at Bombay and Gujarat under Section 391 of the Act and the appropriate orders being made by the said High Court pursuant to Section 394 for the amalgamation under this Scheme and for the implementation thereof;
 - (c) The requisite approval of the Reserve Bank of India under the provisions of Foreign Exchange Regulations Act, 1973 or any amendments made thereto for the issue of shares in the Transferee Company to the nonresident shareholders of the Transferor Company, if any, in accordance with the Scheme being obtained;
 - (d) Such other sanctions or approvals as may be required under any statute not specifically referred to in this Scheme.
20. All costs, charges, and expenses of the Transferor Company and the Transferee Company respectively in relation to or in connection with this Scheme and of carrying out and completing the terms and provisions of this scheme and of and incidental to the completion of amalgamation of the said undertakings of Transferor Company in pursuance of this Scheme, shall be borne and paid by the Transferee Company alone.
21. In case this Scheme is not sanctioned by the said High Court for any reason whatsoever or for any other reason this Scheme can not be implemented before 31st March, 1995 or within such further period(s) as may be agreed upon between the Transferor Company (by its Directors) and the Transferee Company (by its Directors), this Scheme shall become null and void and in that event no rights and liabilities shall accrue to or be incurred inter se by the parties in terms of this Scheme and each party shall bear their respective costs, charges and expenses in connection with the Scheme of Amalgamation.

TRUE COPY

ADVOCATE

TRUE COPY

For Deputy Registrar
This 1st day of Oct. 1994

O. No. 25011/98

Prepared by : HEMA H. PAREKH

Applied on : 21/08/98
Ready on : 25/08/98
Delivered on :

Examined by: Sd/-

Read by: Sd/-

Assistant
Decree Department

Section Officer
Decree Department
25/08/99

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD
ORDER PASSED BY THE HIGH COURT IN THE CASE OF

1. AARTI INDUSTRIES LIMITED }
PLOT NOS. 801, 801/23, }
G.I.D.C. ESTATE, PHASE - III, }
VAPI – 396 195, DIST. VALSAD } **PETITIONER**

VERSUS

1. " }
" }
" } **RESPONDENTS**

Being COMPANY PETITION No. 3 of 98

in

COMPANY APPLICATION No. 351 of 97

Date of Decision : 17/08/98

Appearance :

Mr. KS JHAVERI for Petitioner

Mr. BHARAT T. RAO for Respondent No. 1

CORAM : MR. JUSTICE M. S. SHAH

Date of Order 17/08/98 & 18/08/98

ORAL ORDER

This petition is filed by Aarti Industries Ltd.,

in order to get sanction for the scheme of amalgamation of Mahaval Organic Ltd., with the Petitioner Company.

2. The petitioner-transferee Company is registered under the Companies Act, 1956 and is having its registered Office at Plot No. 801/23, G.I.D.C. Estate, Phases-III, Vapi – 396 195, District Valsad, Gujarat. The transferor Company Mahaval Organic Ltd. is also a Company incorporated under the Companies Act, 1956 having its registered office at Udyog Kshetra, 2nd Floor, Mulund, Goregaon Link Road, L.B.S. Marg, Mulund (East), Mumbai – 400 080.
3. The petitioner-transferee Company had earlier filed Company Application No. 351 of 1997 and as per the order passed in that application on 20-10-1997 the petitioner was directed to convene and hold meeting of the share holders for getting approval to the amalgamation scheme after issuing necessary advertisement and similarly to obtain approval of the secured creditors. As per the said order, the petitioner had convened meetings of share holders, secured creditors and the unsecured creditors. The unsecured creditors present at the meeting had unanimously approved and sanctioned the said scheme in the meeting held on 29-11-1997. The petitioner-transferee Company had also convened the meeting of the share holders and the share holders present at the meeting had also unanimously approved the amalgamation scheme on 29-11-1997. None of the secured creditors attended the meeting held on 29-11-1997 and, therefore, it would appear that there was no opposition from them to the scheme.

The details of the aforesaid meetings are given in paras, 16, 17 and 18 of this petition read with the reports dated 26-12-1997 at Annexures “H”, “T” and “J” to the petition.

4. After filing of this petition, necessary advertisements were issued in the local daily Gujarati newspaper and an English daily but nobody has come forward to raise any objection against the amalgamation scheme which is the subject matter of this petition. Notice were also issued to the Official Liquidator as well as the Regional Director of Company Affairs, Western Region. No objections are filed on behalf of the Official Liquidator. Mr. R.T. Rao appearing for the Regional Director of Company Affairs, Western Region states that the Regional Director has no objection if the scheme is sanctioned. The Regional Director of Company Affairs has filed his no objection. The Bombay High Court has sanctioned the scheme of transferor Company by order dated 05-05-1998 in Company Petition No. 1005 of 1997 with Company Application No. 342 of 1997.
5. In view of all the above considerations, it is held that there are no grounds or circumstances to refuse to sanction the amalgamation scheme at Annexure “A” to this petitioner with effect from 01-04-1997. The Court accordingly allows this petition and sanctions the amalgamation scheme at Annexure “A” to this petition by which Mahaval Organic Ltd., is to amalgamate with the petitioner transferee company viz. Aarti Industries Ltd. with effect from 01-04-1997”.

The Petition stands allowed in the above Terms.

“The petitioner Company shall pay the fees for the learned Additional standing counsel for the Regional Director of Company Affairs quantified at Rs. 2,500/- (Rupees Two Thousand Five Hundred only) within one month from today.

TRUE COPY
For Deputy Registrar

Sd/- (27/08/1998)

SCHEME OF AMALGAMATION
OF
MAHAVAL ORGANIC LIMITED
AND
AARTI INDUSTRIES LIMITED

1. In this Scheme, unless inconsistent with the subject or context, the following words and/or expressions shall have the following meanings :
- (a) “MOL” shall mean Mahaval Organic Limited, a Company incorporated under the Companies Act, 1956 and having its Registered Office at udyog Kshetra, IInd Floor, L.B.S. Marg, Mulund-Goregaon Link Road, Mulund (W), Mumbai 400 080, being the Transferor Company.
 - (b) “AIL” shall mean Aarti Industries Limited, a Company incorporated under the Companies Act, 1956 and having its Registered Office at Plot Nos. 801, 801/23, Phase III, G.I.D.C. Vapi 396 195, Dist. Valsad, Gujarat, being the Transferee Company.
 - (c) “The Act” shall mean the Companies Act, 1956 including any statutory modifications or re-enactment thereof for the time being in force.
 - (d) “The Appointed Date” means the 1st April, 1997.
 - (e) “The Record Date” shall mean date or dates to be fixed by the Board of Directors of AIL for the purpose of issue and allotment of equity shares under this Scheme.
 - (f) “Scheme” or “The Scheme” means this Scheme of Amalgamation in its present form or with any modification(s) made under Clause 16 of this Scheme.
 - (g) “UNDERTAKING” means and shall include :
 - (i) All the assets, properties and benefits of MOL as on the Appointed Date;
 - (ii) All the debts, liabilities, duties and obligations of MOL as on the Appointed Date;
 - (iii) Without prejudice to the generality of sub-clauses (i) & (ii) above, the Undertaking of MOL shall include all the MOL’s reserves, movable and immovable assets and properties, real, corporeal and incorporeal, in possession or reversion, present and contingent, all other assets (whether tangible or intangible) of whatsoever nature, investments, lease and hire purchase contracts, rights, powers, authorities, allotments, approvals, consents, letters of intent, industrial and other licences, registrations, contracts, engagements, arrangements, rights, titles, interests, benefits, and advantages of any nature whatsoever and wheresoever situate of, belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by MOL, including but without being limited to all patents, trade marks, trade names, copyrights and other industrial properties and rights of any nature whatsoever and licences, assignments, grants in respect thereof, privileges, liberties, easements, contracts, advantages, benefits,

goodwill, quota rights, permits, approvals, authorisations, right to use and avail of telephone, telexes, facsimile and other communication facilities, connections, equipments and installations, utilities, electricity and electronic and all other services, of every kind, nature and description whatsoever, reserves, provisions, funds, benefit of all agreements, arrangements, deposits, advances, recoverables and receivables whether from government, semi-government, local authorities or any other persons etc. and all other rights, interests, claims and powers of every kind, nature and description of and arising to MOL, cash and bank balances, all earnest moneys and/or deposits including security deposits paid by MOL.

2. (a) The authorised, issued, subscribed and paid-up Share Capital of AIL is as under:

Authorised	(Rs.)
2,00,00,000 Equity Shares of Rs. 10/- each	20,00,00,000
Issued, Subscribed and Paid-up	10,80,10,000
1,08,01,000 Equity Shares of Rs. 10/- each	

- (b) The authorised, issued, subscribed and paid-up share capital of MOL is as under :

Authorised	(Rs.)
25,00,000 Equity Shares of Rs. 10/- each	2,50,00,000
Issued, Subscribed and Paid-up	
12,50,000 Equity Shares of Rs. 10/- each	1,25,00,000

3. (a) The undertaking of MOL shall with effect from the Appointed Date, subject to the provisions of the Scheme in relation to the mode of transfer and vesting, shall be transferred to and vested in and/or deemed to have been transferred to and vested in AIL as a going concern free from all encumbrances, but subject to the subsisting charges as mentioned hereinafter, pursuant to Sections 391/394 and other relevant provisions of the Act for all the estate, rights, titles and interests of MOL therein and on the Appointed Date MOL shall be deemed to have been amalgamated with AIL;
- (b) The transfer/vesting as aforesaid shall be subject to existing charges/hypothecation/mortgages (if any as may be subsisting) over or in respect of the said undertaking or any part thereof. Provided however, that any reference in any security documents or arrangements, to which MOL is party, to the assets of MOL which they have offered or agreed to be offered as security for any financial assistance or obligations, to the secured creditors of MOL, shall be construed as reference only to the assets pertaining to the undertaking of MOL as are vested in AIL by virtue of the Scheme to the end and intent that such securities, mortgages and charges shall not extend or be deemed to extend, to any of the assets or to any of the other units or divisions or undertaking(s) of AIL, unless specifically agreed to by AIL with such secured creditors and subject to the consents and approvals of the existing secured creditors of AIL;
- (c) In respect of such of the assets of the undertaking as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and

delivery, the same shall be so transferred by MOL, and shall become the property of AIL in pursuance of the provisions of Section 394 of the Act as its integral parts;

- (d) In respect of such of the assets of the undertaking other than those referred to in sub-para (c) above, the same shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred and vested in AIL on the Appointed Date pursuant to the provisions of Section 394 of the Act;
 - (e) AIL may, at any time after the coming into effect of the Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of the secured creditors of MOL or in favour of any other party to any contract or arrangement to which MOL may be party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. AIL shall under the provisions of the Scheme be deemed to be authorised to execute any such writings on behalf of MOL and to implement or carry out all such formalities or compliances referred to above on the part of MOL to be carried out or performed.
4. (a) With effect from the Appointed Date, all debts, liabilities, duties and obligations of MOL shall also be and stand transferred or be deemed to be transferred, without further act, instrument or deed, to AIL, pursuant to the provisions of Section 394 of the Act so as to become the debts, liabilities, duties and obligations of AIL and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause;
- (b) Upon the coming into effect of the Scheme, any loans or other obligations due between or amongst MOL and AIL shall stand discharged and there shall be no liability in that behalf.
5. The Scheme, although effective from the Appointed Date, shall become operative from the last of the following dates or such other dates as the Court may direct (hereinafter called “the Effective Date”) namely :
- (a) the date on which the last of all the consents, permissions, sanctions, approvals, resolutions and orders as are hereinafter referred to have been obtained or passed; and
 - (b) the date on which certified copies of the Order(s) of the High Courts under Sections 391, 392 and 394 of the Act are filed with the Registrar of Companies.
6. All suits, actions and proceedings of whatsoever nature by or against MOL pending and/or arising on or before the Effective Date shall be continued and be enforced by or against AIL, as effectually as if the same had been pending and/or arising against AIL.
7. Subject to the provisions of the Scheme, all contracts, deeds, bonds, agreements, arrangements, insurance policies and other instruments of whatsoever nature to which MOL is party or to the benefit of which MOL may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect against or in favour of AIL as the case may be and may be enforced as fully and effectually as if, instead of MOL, AIL had been a party or beneficiary thereto. AIL shall/ may enter into and/or issue and/or execute deeds, writings or confirmation or enter into any tripartite arrangement, confirmations or novations, as the case may be.

8. With effect from the Appointed Date upto the date on which this Scheme finally takes effect (viz., the Effective Date) :
- (a) MOL shall carry on and be deemed to have carried on the business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of the said undertakings, for and on account of and in trust for AIL;
 - (b) all profits or incomes accruing or arising to MOL or expenditure or losses arising or incurred by MOL shall for all purposes be treated as the profits or incomes or expenditure or losses of AIL, as the case may be;
 - (c) MOL shall carry on their business activities with reasonable diligence, business prudence and shall not alienate, charge, mortgage, encumber or otherwise deal with the undertaking or any part thereof, except in the ordinary course of business or without the prior consent of AIL or pursuant to any preexisting obligation undertaken by MOL prior to the Appointed Date;
 - (d) MOL shall not vary the existing terms and conditions of employment of its employees except in the ordinary course of business;
 - (e) save as specifically provided in the Scheme, neither of MOL nor AIL shall make any change in their capital structure (paid-up capital) either by any increase (by a fresh issue of rights shares, equity or preference shares, bonus shares, convertible debentures or otherwise) or by any decrease, reduction, reclassification, sub-division or consolidation, re-organisation, or in any other manner, which may in any way affect the share exchange ratio prescribed hereunder, except by mutual consent of the respective Board of Directors of MOL and AIL.
9. Upon the transfers of the Undertaking of MOL pursuant to the Scheme and the amalgamation becoming effective in terms of the Scheme, the consideration in respect of such transfers shall, subject to the provisions of the scheme, be paid and satisfied by AIL in the manner following :
- (a) AIL shall issue and allot to the members of MOL equity shares in the proportion of 2 (Two) equity shares of Rs. 10/- each of AIL at par credited as fully paid-up for every 3 (Three) equity shares of Rs. 10/- each fully paid up held by them in MOL on the Record Date. The equity shares held by such members in MOL shall stand cancelled;
 - (b) No Fractional Certificates shall be issued by AIL in respect of the fractional entitlements, if any, to which the members of MOL may be entitled on issue and allotment of the Equity Shares of AIL as aforesaid. The Directors of AIL shall instead consolidate all such fractional entitlements and thereupon issue and allot Equity Shares in lieu thereof to a Director or an Officer of AIL with the express understanding that such Director(s) or Officer(s) to whom such Equity Shares be allotted shall sell the same in the market at the best available price and pay to AIL, the net sale proceeds thereof, whereupon AIL shall distribute such net sale proceeds to the members of MOL in proportion to their fractional entitlements;
 - (c) Save as expressly provided otherwise in the Scheme, the equity shares in AIL to be issued and allotted to the members of MOL as aforesaid shall be subject to the Memorandum and Articles of Association of AIL and shall rank pari passu in all respects with the existing equity shares in AIL save and except that they shall be eligible for dividend from the Appointed Date;

- (d) Members of MOL, if so required by AIL, shall surrender their share certificates for cancellation thereof to AIL. In default, upon the new shares in AIL being issued and allotted by it to the members of MOL on the Record Date, the Share Certificates in relation to the shares held by them in MOL shall be deemed to have been automatically cancelled and be of no effect and the Transferee Company may instead of requiring the surrender of the share certificates as above, directly issue and despatch the new share certificates of AIL in lieu thereof.
- 9A. MOL holds 6,600 equity shares of Rs. 10/- each fully paid up of AIL. The said shares shall be disposed off by MOL in the market at the prevailing market price and the sale proceeds thereof after deducting costs, charges and expenses incurred by MOL shall be held by it in trust for AIL.
10. (a) MOL and AIL shall be entitled to declare and pay dividends to their respective members for any financial year or any period prior to the Appointed Date. MOL shall obtain the consent of AIL before declaration of any dividend. MOL and AIL shall declare or pay such dividends only out of distributable profits earned by the respective companies prior to the Appointed Date and shall not transfer any amount from the reserves for the purpose of payment of dividend;
- (b) MOL shall not utilise the profits, if any, for any purpose including of declaring of paying any dividend in respect of the period falling on and after the Appointed Date;
- (c) It is clarified , however, that the aforesaid provision in respect of declaration of dividend is enabling provision only and shall not be deemed to confer any right on any member of MOL or AIL to demand or claim any dividend which subject to the provisions of the Act, shall be entirely at the discretion of the Board of Directors of the respective companies and further approvals by their respective members.
11. AIL shall cause a Special Resolution to be passed pursuant to Section 81 (1A) of the Act for the issue and allotment of equity shares to the members of MOL in accordance with and subject to the provisions of the Scheme.
12. In the event of AIL issuing any shares or any bonds and debentures (non-convertible or partly or fully convertible) by way of rights or bonus to its shareholders on or after the date of acceptance of the scheme by the respective Board of Directors of MOL and AIL, and before issue of shares under clause 9 hereof, AIL shall reserve for allotment to the members of MOL the number of such shares, bonds or debentures to which the members of MOL would be entitled in terms of such issue, if this Scheme of Amalgamation shall become effective as specified in the Scheme. The shares, bonds or debentures so reserved as aforesaid shall be allotted (in the case of bonus shares) or offered (in case of rights issue) to the members of MOL only if this Scheme of Amalgamation becomes effective as specified herein and on the terms and conditions as those governing such allotment or issue to the members of AIL save and except that the dates of acceptance, splitting, renunciation, payment and allotment and the date from which such share, bonds or debenture shall rank for dividend and interest shall be suitably fixed by the Board of Directors of AIL having due regard to similar dates fixed in respect of the issue or offer thereof to the shareholders of AIL.
13. (a) All employees of MOL in service on the date immediately preceding the Effective Date as are willing to join AIL, shall become the employees of AIL on such date without any break or interruption in service and on the terms and conditions not less favourable than those subsisting with reference to MOL as the case may be on the said date. The position, rank and designation of the employees of MOL would be decided by AIL;

- (b) In so far as the Provident Fund or any other Special scheme(s)/Fund(s) created or existing for the benefit of the Employees of MOL are concerned, upon the coming into effect of this Scheme, AIL shall, stand substituted for the MOL for all purposes whatsoever related to the administration or operation of such schemes or Funds or in relation to the obligation to make contributions to the said schemes/Funds in accordance with provisions of such schemes/Funds as per the terms provided in the respective Trust Deeds, to the end and intent that all the rights, duties, powers and obligations of MOL in relation to such schemes/Funds shall become those of AIL. It is clarified that the services of the employees of the MOL will be treated as having been continuous for the purpose of the aforesaid schemes/Funds.
14. MOL and AIL shall, with all reasonable despatch, make applications/petitions under Sections 391 and 394 and other applicable provisions of the Act, to the High Court of Judicature at Mumbai and the High Court of Gujarat at Ahmedabad respectively for seeking sanction of the Scheme and for dissolution of MOL without winding up.
15. MOL and AIL through their respective Board of Directors may make or assent from time to time on behalf of all persons concerned to any modifications or amendments of the Scheme or of any conditions or limitations which the High Courts and/or any other authorities under law may deem fit to approve of or impose and to resolve all doubts or difficulties that may arise for carrying out the Scheme and to do and execute all acts, deed, matters and things necessary for putting the Scheme into effect.
16. The Scheme is specifically conditional upon and subject to :
- (a) The approval of and agreement to the Scheme by the requisite majority of the respective members of and such classes of persons of MOL and AIL as may be directed by the High Court of Judicature at Mumbai and the High Court of Gujarat at Ahmedabad;
- (b) The sanction of the Scheme by the High Court of Judicature at Mumbai and the High Court of Gujarat at Ahmedabad being obtained under Section 391 of the Act and the appropriate orders being made by the said High Courts pursuant to Section 394 and other applicable provisions of the Act for the amalgamation under the Scheme;
- (c) The requisite approval of the Reserve Bank of India under the provisions of Foreign Exchange Regulation Act, 1973, if required for the issue and allotment of Shares by AIL to the nonresident members of MOL, if any, in accordance with the Scheme being obtained;
- (d) Such other sanctions or approvals as may be required under any statute not specifically referred to in the Scheme.
17. All costs, charges and expenses of MOL and AIL respectively in relation to or in connection with the Scheme and incidental to the completion of amalgamation of the said undertaking of MOL with AIL in pursuance of the Scheme, shall be borne and paid by AIL.
18. In the event of any of the said sanctions and approvals referred to in the preceding Clause 16 above not being obtained and/or the Scheme not being sanctioned by the said High Courts and/or the order or orders not being passed as aforesaid before 31st December, 1997 or within such further period or periods as may be agreed upon between MOL and AIL who are hereby empowered and authorised, to agree to and extend the aforesaid period from time to time without any limitations in exercise of their powers through and by their respective Board of Directors, the Scheme shall become null and void and in that event no rights and liabilities shall accrue to or be incurred inter se by the parties in terms of the Scheme.

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

COMPANY PETITION. NO. 213 OF 2001
CONNECTED WITH
COMPANY APPLICATION NO. 204 OF 2001

Section Officer
Decree Department,
Dtd. : 28/01/2002

O/U No. 42724/7 (Fls. 22)
Copying & Comp. Charges
Total : Rs. 1=00

In the matter of Companies Act, 1956

And

Copy Applied : 28/12/01
Copy Ready on : 28/01/02
Copy Delivered : 28/01/02

In the matter of Section 391 to Section 394
of the Companies Act, 1956

And

HIGH COURT OF GUJARAT
AHMEDABAD
CERTIFIED TRUE COPY

In the matter of Scheme of Amalgamation of Alchemie Organics
Limited with Aarti Industries Limited

M/s. Aarti Industries Limited, }
A Company incorporated under The Companies Act, 1956 }
And having its registered office }
At Plot Nos. 801, 802/23, G. I. D. C. Estate, Phase III, }
Vapi – 396 195. Dist. Valsad, Gujarat } **PETITIONER**

BEFORE THE HONOURABLE MR. JUSTICE C. K. BUCH
DATE : 28/12/2001

ORDER ON PETITION

The above petition coming on for hearing on 28th day of December, 2001, **UPON READING** the said petition, the order dated 30/07/2001 in **Company Application No. 204 of 2001** whereby the Petitioner was directed to convene the meeting of the Shareholders, Unsecured Creditors and Secured Creditors of the above Company for the purpose of considering, and if thought fit, approving, with or without modification, the compromise or arrangement proposed to be made between the said Company and its shareholders in the matter of **Amalgamation of Alchemie Organics Limited with Aarti Industries Limited** and annexed to the Affidavit of Mr. Rashesh C. Gogri, filed on 16th July, 2001 and the cutting of "Gujarat Mitra" newspaper dated 18th August 2001 in Gujarati language at Surat and the cutting of the "Indian Express" newspaper dated 18th August 2001 in English language at Vadodara, each containing the advertisement of the said Notice convening the said meetings directed to be held by the said order dated 30th July, 2001 the affidavit of Mr. Rashesh C. Gogri filed on 3rd September, 2001 showing the publication and despatch of the notices convening the said meetings, the report of the Chairman of the said meetings dated 26th September, 2001 as to the result of the said meetings, and upon reading the Affidavit of Mr. Ashish Kantawala dated 11/12/2001 annexing therewith the cutting of "Gujarat Mitra" newspaper dated 15th November, 2001 in Gujarati language at Surat and the cutting of the "Indian Express" newspaper dated 15th November, 2001 in English language at Vadodara, each containing the advertisement of Notice of Petition and upon hearing Shri V. K. Bhatt, Advocate for M/s. Nanavati & Nanavati, Advocates for the petitioner Company and upon hearing Ms. P. J. Davawala, Additional Standing Counsel appearing for the Central Government and it appearing from the report and the consent letters that the proposed compromise or arrangement has been approved unanimously by the members, unsecured creditors and secured creditors.

This Court doth hereby sanction the compromise or arrangement set forth in Annexure - "A" of the petition herein and in the Schedule hereto, and doth hereby declare the same to be binding on the Shareholders, unsecured creditors and secured creditors of the above-named company and also on the said Company.

AND THIS COURT DOTH FURTHER ORDER that the parties to the compromise or arrangement or other persons interested shall be at liberty to apply to this Court for any directions that may be necessary in regard to the working of the compromise or arrangement, and

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

THIS COURT DOTH FURTHER ORDER the payment of Rs. 3,500/- in aggregate as the cost of this petition awardable to Ms. P. J. Davawala, Additional Central Government Standing Counsel.

SCHEDULE

Scheme of Compromise or Arrangement as sanctioned by the Court, Dated 28th December, 2001.

**SCHEME OF AMALGAMATION
BETWEEN
ALCHEMIE ORGANICS LIMITED AND ITS MEMBERS
AND
AARTI INDUSTRIES LIMITED AND ITS MEMBERS**

1. DEFINITIONS :

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

- (a)** "ALOL" shall mean Alchemie Organics Limited, a Company incorporated under the Companies Act, 1956 and having its Registered Office at K-18, MIDC, Tarapur, Thane 401 506, being the Transferor Company.
- (b)** "AIL" shall mean Aarti Industries Limited, a Company incorporated under the Companies Act, 1956 and having its Registered Office at Plot Nos. 801, 801/23, Phase III, G.I.D.C., Vapi 396 195, Dist. Valsad, Gujarat, being the Transferee Company.
- (c)** "The Act" shall mean the Companies Act, 1956 including any statutory modifications or re-enactment thereof for the time being in force.
- (d)** "The Appointed Date" means the 1st April, 2001 or such other date as the High Court Bombay may direct.
- (e)** "The Record Date" shall mean date or dates to be fixed by the Board of Directors of AIL for the purpose of issue and allotment of equity shares under this Scheme.
- (f)** "Scheme" or "The Scheme" means this Scheme of Amalgamation in its present form or with any modification(s) made under Clause 12 of this Scheme.
- (g)** "UNDERTAKING" means and shall include :

- (i) All the assets, properties and benefits of ALOL as on the Appointed Date;
- (ii) All the debts, liabilities, duties and obligations of ALOL as on the Appointed Date;
- (iii) Without prejudice to the generality of sub-clauses (i) & (ii) above, the Undertaking of ALOL shall include all the ALOL's reserves, movable and immovable assets and properties, real, corporeal and incorporeal, in possession or reversion, present and contingent, including lease-hold rights and all other assets (whether tangible or intangible) of whatsoever nature, investments, lease and hire purchase contracts, rights, powers, authorities, allotments, approvals, consents, letters of intent, industrial and other licences, registrations, contracts, engagements, arrangements, rights, titles, interests, benefits, and advantages of any nature whatsoever and wheresoever situate of, belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by ALOL, including but without being limited to all patents, trade marks, trade names, copyrights and other industrial properties and rights of any nature whatsoever and licences, assignments, grants in respect thereof, privileges, liberties, easements, contracts, advantages, benefits, goodwill, quota rights, permits, approvals, authorisations, right to use and avail to telephones, telexes, facsimile and other communication facilities, connections, equipments and installations, utilities, electricity and electronic and all other services, of every kind, nature and descriptions whatsoever, reserves, provisions, funds, benefit of all agreements, arrangements, deposits, advances, recoverables and receivables whether from government, semi-government, local authorities or any other persons etc. and all other rights, interests, claims and powers of every kind, nature and description of and arising to ALOL, cash and bank balances, all earnest moneys and/or deposits including security deposits paid by ALOL.

HIGH COURT OF GUJARAT AHMEDABAD
CERTIFIED TRUE COPY

SHARE CAPITAL :

- (a) The authorised, issued, subscribed and paid-up Share Capital of AIL is as under :

Authorised	(Rs.)
2,00,00,000 Equity Shares of Rs. 10/- each	20,00,00,000
Issued, Subscribed and Paid-up	
1,16,22,379 Equity Shares of Rs. 10/- each	11,62,23,790

- (b) The authorised, issued, subscribed and paid-up Share Capital of ALOL is as under :

Authorised	(Rs.)
50,00,000 Equity Shares of Rs. 10/- each	5,00,00,000
Issued, Subscribed and Paid-up	
45,77,460 Equity Shares of Rs. 10/- each	4,57,74,600

Out of the above, 25,27,350 Equity Shares of Rs. 10/- each being 55.21% are held by AIL.

TRANSFER OF UNDERTAKING :

- (a) The undertaking of ALOL shall, with effect from the Appointed Date, subject to the provisions of the Scheme in relation to the mode of transfer and vesting, shall, without any further act or deed, be transferred to and vested in and/or deemed to have been transferred to and vested in AIL as a going concern free from all encumbrances, but subject to the subsisting or other charges as mentioned hereinafter, pursuant to Sections 391/394 and other relevant provisions of the Act for all the estate, rights, titles and interests of ALOL therein and on the Appointed Date ALOL shall be deemed to have been amalgamated with AIL;
- (b) The transfer/vesting as aforesaid shall be subject to existing charges/hypothecation/mortgages if any as may be subsisting and agreed to be created over or in respect of the said undertaking or any part thereof. Provided however, that any reference in any security documents or arrangements, to which ALOL is party, to the assets of ALOL which they have offered or agreed to be offered as security for any financial assistance or obligations, to the secured creditors of ALOL, shall be construed as reference only to the assets pertaining to the undertaking of ALOL as are vested in AIL by virtue of the Scheme to the end and intent that such securities, mortgages and charges shall not extend or be deemed to extend, to any of the assets or to any of the other units or divisions or undertaking(s) of AIL, unless specifically agreed to by AIL with such secured creditors and subject to the consents and approvals of the existing secured creditors of AIL;

PROVIDED ALWAYS THAT the Scheme shall not operate to enlarge the security for any loan, deposit or facility created or made available to ALOL which shall vest in AIL by virtue of this Scheme and AIL shall not be obliged to create any further or any additional security therefore after this scheme has become effective or otherwise.

- (c) In respect of such of the assets of the undertaking as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, the same shall be so transferred by ALOL, and shall become the property of AIL in pursuance of the provisions of Section 394 of the Act as its integral part. Such delivery and/or transfer shall be made on a date to be mutually agreed upon by the respective Board of Directors of ALOL and AIL.
- (d) In respect of such of the assets of the undertaking other than those referred to in sub-para (c) above, the same shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred and vested in AIL on the Appointed Date pursuant to the provisions of Section 394 of the Act;
- (e) With effect from the Appointed Date, all debts, liabilities, duties and obligations of ALOL shall also be and stand transferred or be deemed to be transferred, without further act, instrument or deed, to AIL, pursuant to the provisions of Section 394 of the Act so as to become the debts, liabilities, duties and obligations of AIL and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause;
- (f) Upon the coming into effect of the Scheme, any loans or other obligations due between or amongst ALOL and AIL shall stand discharged and there shall be no liability in that behalf.

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- (g) AIL may, at any time after the coming into effect of the Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of the secured creditors of ALOL or in favour of any other party to any contract or arrangement to which ALOL may be party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. AIL shall under the provisions of the Scheme be deemed to be authorised to execute any such writings on behalf of ALOL and to implement or carry out all such formalities or compliances referred to above on the part of ALOL to be carried out or performed.

4. CONTRACT, DEEDS, BONDS AND OTHER INSTRUMENTS :

Subject to the provisions of the Scheme, all contracts, deeds, bonds, agreements, arrangements, insurance policies and other instruments of whatsoever nature to which ALOL is party or to the benefit of which ALOL may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect against or in favour of AIL as the case may be and may be enforced as full and effectually as if, instead of ALOL, AIL had been a party or beneficiary thereto. AIL shall/ may enter into and/or issue and/or execute deeds, writings or confirmation or enter into any tripartite arrangement, confirmations or novations, as the case may be.

5. OPERATIVE DATE OF THE SCHEME :

The Scheme, although operative from the Appointed Date, shall become effective from the last of the following dates or such other dates as the Court may direct (hereinafter called “the Effective Date”) namely:

- (a) the date on which the last of all the consents, permissions, sanctions, approvals, resolutions and orders as are hereinafter referred to have been obtained or passed; and
- (b) the date on which certified copies of the Order(s) of the High Courts under Sections 391, 392 and 394 of the Act are filed with the Registrars of Companies.

6. LEGAL PROCEEDINGS :

All suits, actions and proceedings of whatsoever nature by or against ALOL pending and/or arising on or before the Effective Date shall be continued and be enforced by or against AIL, as effectually as if the same had been pending and/or arising against AIL.

7. CONDUCT OF BUSINESS BY TRANSFEROR COMPANIES TILL EFFECTIVE DATE/ TRANSFER DATE :

With effect from the Appointed Date up to the date on which this Scheme finally takes effect (vis., the Effective Date) :

- (a) ALOL shall carry on and be deemed to have carried on the business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of the said undertakings, for and on account of and in trust for AIL;
- (b) all profits or incomes accruing or arising to ALOL or expenditure or losses arising or incurred by ALOL shall for all purposes be treated as the profits or incomes or expenditure or losses of AIL, as the case may be;

- (c) ALOL shall carry on their business activities with reasonable diligence, business prudence and shall not alienate, charge, mortgage, encumber or otherwise deal with the undertaking or any part thereof, except in the ordinary course of business or without the prior consent of AIL or pursuant to any pre-existing obligation undertaken by ALOL prior to the Appointed Date;
- (d) ALOL shall not vary the existing terms and conditions of employment of its employees except in the ordinary course of business;
- (e) save as specifically provided in the Scheme, neither of ALOL nor AIL shall make any change in their capital structure, (paid-up capital) either by any increase (by a fresh issue of rights shares, equity or preference shares, bonus shares, convertible debentures or otherwise) or by any decrease, reduction, reclassification, sub-division or consolidation, re-organisation, or in any other manner, which may in any way affect the share exchange ratio prescribed hereunder, except by mutual consent of the respective Board of Directors of ALOL and AIL.

8. ISSUE OF SHARES BY THE TRANSFEREE COMPANY :

Upon the transfers of the Undertaking of ALOL pursuant to the Scheme and the amalgamation becoming effective in terms of the Scheme, the consideration in respect of such transfers shall, subject to the provisions of the Scheme, be paid and satisfied by AIL in the manner following :

- (a) AIL shall issue and allot to the members of ALOL equity shares in the proportion of 1 (One) equity share of Rs. 10/- each of AIL at par credited as fully paid-up for every 4 (Four) equity shares of Rs. 10/- each fully paid up held by them in ALOL on the Record Date. The equity shares held by such members in ALOL shall stand cancelled.
- (b) No such allotment shall be made in respect of the Equity Shares of ALOL which are held by AIL and the same shall be cancelled;
- (c) No Fractional Certificates shall be issued by AIL in respect of the fractional entitlements, if any, to which the members of ALOL may be entitled on issue and allotment of the Equity Shares of AIL as aforesaid. The Directors of AIL shall instead consolidate all such fractional entitlements and thereupon issue and allot Equity Shares in lieu thereof to a Director or an Officer of AIL with the express understanding that such Director(s) or Officer(s) to whom such Equity Shares be allotted shall sell the shares so allotted and distribute the net sale proceeds to those members of ALOL who are entitled to such fractions in the proportion to which they are so entitled;
- (d) Save as expressly provided otherwise in the Scheme, the equity shares in AIL to be issued and allotted to the members of ALOL as aforesaid shall be subject to the Memorandum and Articles of Association of AIL and shall rank pari passu in all respect with the existing equity shares in AIL save and except that they shall be eligible for dividend from the Appointed Date;
- (e) Members of ALOL, if so required by AIL, shall surrender their share certificates for cancellation thereof to AIL. In default, upon the new shares in AIL being issued and allotted by it to the members of ALOL on the Record Date, the Share Certificates in relation to the shares held by them in ALOL shall be deemed to have been automatically cancelled and be of no effect and the Transferee Company may instead of requiring the surrender of the share certificates as

above, directly issue and despatch the new share certificates of AIL in lieu thereof.

9. DIVIDENDS, PROFITS, BONUS/RIGHTS SHARES :

- (a) ALOL shall not declare any dividend for the period commencing from and after 1st April, 2001 without the written consent of AIL.
- (b) ALOL shall not issue or allot any rights shares or bonus shares out of its authorised or unissued share capital for the time being.
- (c) It is clarified, however, that the aforesaid provision in respect of declaration of dividend is enabling provision only and shall not be deemed to confer any right on any member of ALOL to demand or claim any dividend which subject to the provisions of the Act, shall be entirely at the discretion of the Board of Directors of ALOL.

10. TRANSFER OF ALOL EMPLOYEES :

- (a) All expenses of ALOL in service on the date immediately preceding the Effective Date as are willing to join AIL, shall become the employees of AIL on such date without any break or interruption in service and on the terms and conditions not less favourable than those subsisting with reference to ALOL as the case may be on the said date. The position, rank and designation of the employees of ALOL would be decided by AIL;
- (b) In so far as the Provident Fund or any other Special scheme(s)/Fund(s) created or existing for the benefit of the Employees of ALOL are concerned, upon the coming into effect of this Scheme, AIL shall, stand substituted for the ALOL for all purposes whatsoever related to the administration or operation of such schemes or Funds or in relation to the obligation to make contributions to the said schemes/Funds in accordance with provisions of such schemes/Funds as per the terms provided in the respective Trust Deeds, to the end and intent that all the rights, duties, powers and obligations of ALOL in relation to such schemes/Funds shall become those of AIL. It is clarified that the service of the employees of the ALOL will be treated as having been continuous for the purpose of the aforesaid schemes/Funds.

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11. APPLICATION TO HIGH COURT :

ALOL and AIL shall, with all reasonable despatch, make applications/petitions under Sections 391 and 394 of the Act, to the High Court of Judicature at Bombay and the High Court of Gujarat at Ahmedabad respectively for seeking sanction of the Scheme and for dissolution of ALOL without winding up.

12. MODIFICATION/AMENDMENT TO THE SCHEME :

ALOL and AIL through their respective Board of Directors may make or assent from time to time on behalf of all persons concerned to any modifications or amendments of the Scheme or of any conditions or limitations which the High Courts and/or any other authorities under law may deem fit to approve of or impose and to resolve all doubts or difficulties that may arise for carrying out the Scheme and to do and execute all acts, deed, matters and things necessary for putting the Scheme into effect.

13. SCHEME CONDITIONAL ON APPROVALS/SANCTIONS :

The Scheme is specifically conditional upon and subject to :

HIGH COURT OF GUJARAT AHMEDABAD
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- (a) The approval to the issue and allotment of equity shares in the AIL to the ALOL shareholders in accordance with and subject to the provisions of the Scheme by Special Resolution of the AIL pursuant to Section 81(1A) of the said Act.
- (b) The approval of and agreement to the Scheme by the requisite majority of the respective members of and such classes of persons of ALOL and AIL as may be directed by the High Court of Judicature at Bombay and the High Court of Gujarat at Ahmedabad;
- (c) The sanctions of the Scheme by the High Court of Judicature at Bombay and the High Court of Gujarat at Ahmedabad being obtained under Section 391 of the Act and the appropriate orders being made by the said High Courts pursuant to Section 394 and other applicable provisions of the Act for the amalgamation under the Scheme.

14. APPROVALS/SANCTIONS IN GENERAL :

ALOL and/or AIL shall also obtain such other consents or approvals as may be required under any statute or contract not specifically referred to in Clause 13 of the Scheme including the approval of the Reserve Bank of India pursuant to the provisions of Foreign Exchange Management Act, 1999, to the extent necessary to issue and allot Shares in AIL to the non-resident shareholders of ALOL.

15. EXPENSES CONNECTED WITH THE SCHEME :

All costs, charges and expenses of ALOL and AIL respectively in relation to or in connection with the Scheme and incidental to the completion of amalgamation of the said undertaking of ALOL with AIL in pursuance of the Scheme, shall be borne and paid solely by AIL.

16. EFFECT OF NON RECEIPT OF APPROVALS/SANCTIONS :

In the event of any of the said sanctions and approvals not being obtained and/or the Scheme not being sanctioned by the said High Courts and/or the order or orders not being passed as aforesaid before 31st March, 2002 or within such further period or periods as may be agreed upon between ALOL and AIL who are hereby empowered and authorised, to agree to and extent the aforesaid period from time to time without any limitations in exercise of their powers through and by their respective Board of Directors, the Scheme shall become null and void and each party shall bear and pay its respective costs, charges and expenses for and/or in connection with the Scheme.

**WITNESS DEVDATTA MADHAV DHARMADHIKARI, ESQUIRE,
THE CHIEF JUSTICE** at Ahmedabad this 28th day of December, Two
Thousand One.

BY THE ORDER OF THE COURT

HIGH COURT OF GUJARAT
AHMEDABAD
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Sd/-
M. G. GULABANI

JOINT REGISTRAR

This 11th day of January, 2002

Sd/-
D. B. DHOLAKIA

DEPUTY REGISTRAR

This 15th day of January, 2002



TRUE COPY
ASST. REGISTRAR
THIS : 28/01/2002

ORDER DRAWN BY :

Sd/-

(M/s. Nanavati & Nanavati)
ADVOCATE FOR THE PETITIONER
Ambica Chambers, 2nd Floor,
Near Old High Court, Navrangpura,
Ahmedabad – 380 009
Phone : 7542424, 8542425, 7542426

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

(ORIGINAL JURISDICTION)

COMPANY PETITION NO. 134 OF 2009

CONNECTED WITH

COMPANY APPLICATION NO. 166 OF 2009

Section Officers
Decree Department
Dated: 10/09/2009

U/o. No.27476109 (Fls.48)
Comparing & Copies Charges
Total: Rs. 24=00

In the matter of the Companies Act, 1956;
And

In the matter of Sections 391 to 394 of the Companies Act,
1956;

Copy applied on: 02/09/2009
Copy ready on: 10/09/2009
Copy Delivered on: 10/09/2009

And

In the matter of Aarti Industries Limited;

HIGH COURT OF GUJARAT
AHMEDABAD
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And

In the matter of Scheme of Amalgamation of Surfactant
Specialities Limited (Surfactant) and Avinash Drugs Limited
(Avinash) – **Transferor Companies** with Aarti Industries
Limited (AIL) – Transferee Company;

Aarti Industries Limited, a Company incorporated
under the Companies Act, 1956 and having its
Registered Office at Plot Nos. 801, 801/23, GIDC
Estate, Phase III, Vapi – 396 195, Dist. Valsad,
Gujarat.

}
}
}
}
} **PETITIONER**
(Transfree Company)

BEFORE THE HONOURABLE MR. JUSTICE JAYANT PATEL

DATED: 1st SEPTEMBER, 2009

ORDER ON PETITION UNDER SECTION 391 OF COMPANIES ACT, 1956

The above Petition coming for hearing on 1st day of September, 2009 **AND UPON READING** the said Petition, the Order dated the 13th day of April 2009 in Company Application No. 166 of 2009 filed by the Petitioner Company whereby the Petitioner Company was ordered to convene a meetings of its Equity Shareholders, Secured Creditors (including debenture holders) and Unsecured Creditors for the purpose of considering and, if thought fit, approving, with or without modification, the arrangement embodied in the Scheme of amalgamation of Surfactant Specialities Limited (Surfactant) and Avinash Drugs Limited (Avinash) – Transferor Companies with Aarti Industries Limited (AIL), the Transferee Company, **AND UPON READING** the Affidavit of Mr. Chandrakant Vallabhaji Gogri, the Chairman appointed by this Court for the meetings of Equity Shareholders, Secured Creditors (including debenture holders) and Unsecured Creditors of the Petitioner Company, filed on the 29th day of April, 2009, showing the publication and dispatch of the notices convening the said meeting, the Affidavits dated the 27th day of May, 2009 of Mr. Shantilal Tejshi Shah, Vice Chairman of the Petitioner Company, and the Chairman of the said meetings and the Report/s of the Chairman of the said meetings, dated the 27th day of May, 2009, as to the result of the said meetings

and it appearing that the proposed Scheme of Amalgamation has been approved unanimously by the Equity Shareholders, Secured Creditors (including debenture holders) as well as the Unsecured Creditors of the Petitioner *Company, present and voting, at the said meeting, in person or by proxy*, AND UPON **READING** the Order dated the 22nd day of June, 2009, admitting the petition, the Affidavit of Shri Ashish Kantawala, Manager and Authorised Signatory of the Petitioner Company, dated the 7th day of July, 2009, showing publication of the notice of hearing of this petition in newspapers on 2nd July, 2009 viz. Times of India (Ahmedabad edition), and Gujarat Samachar (Surat Edition) AND the Affidavit of Shri Ashish Kantawala, Manager and Authorised Signatory of the Petitioner Company, dated the 7th day of July, 2009, proving the service of the notice of hearing of the Petition upon the Regional Director, Western Region, Department of Company Affairs, Central Government **AND UPON READING** the Affidavit dated 6th day of August, 2009 filed by Deputy Registrar of Companies on behalf of the Regional Director, giving their 'No objection' to the Petition **AND UPON HEARING** Mr. Nandish Chudgar Advocate of M/s. Nanavati Associates, Advocates for the Petitioner Company and Mr. Sheikh appearing for the Central Government instructed by the Regional Director / Registrar of Companies, Gujarat and no other person or persons entitled to appear at the hearing of the petition appearing this day to show cause against the same, **THIS COURT DOTH HEREBY SANCTION** the Scheme of Amalgamation as set forth in Exhibit 'A' to the Petition and in Schedule-A annexed hereto **AND THIS COURT DOTH DECLARE** the Scheme of Amalgamation to be binding on the Transferor Companies, the Transferee Company and all their respective shareholders and creditors and all concerned person with effect from the 1st day of April, 2008, which is the Appointed Date.

AND THIS COURT DOTH ORDER that the Petitioner Company shall file a certified copy of this Order with the Registrar of Companies, Gujarat within 30 (Thirty) days from the date of receipt of this Order for registration under Section 391 and Section 394 of the Companies Act, 1956 and upon receipt of the certified copy of the order passed by the Hon'ble Bombay High Court sanctioning the Scheme in the petition filed by the Transferor Companies, file relating to the said three companies shall be consolidated by the Registrar of Companies, Gujarat.

AND THIS COURT DOTH ORDER that petitioner company to pay cost of the Central Government amounting to Rs. 3,500/- to Mr. Iqbal Sheikh by Account Payee Cheque.

AND THIS COURT DOTH FURTHER ORDER that the Petitioner Company shall be at liberty to apply to this Hon'ble Court as and when occasion may arise for any directions that may be necessary.

SCHEDULE 1

Copy of the Scheme of Amalgamation

HIGH COURT OF GUJARAT, AHMEDABAD
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SCHEME OF AMALGAMATION
OF
AVINASH DRUGS LIMITED
AND
SURFACTANT SPECIALITIES LIMITED
WITH
AARTI INDUSTRIES LIMITED

PART I - GENERAL

1. This Scheme provides for amalgamation of Avinash Drugs Limited (subsidiary of Aarti Industries Limited) and Surfactant Specialities Limited as going concerns with Aarti Industries Limited pursuant to Sections 391 to 394 and other applicable provisions of the Companies Act, 1956.

2. **DEFINITIONS**

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

“**The Act**” means the Companies Act, 1956, and shall include any statutory modifications or re-enactment thereof for the time being in force.

“**The Appointed Date**” means **1st April, 2008**, the date with effect from which this Scheme of Amalgamation shall be applicable.

“**Effective Date**” or “**coming into effect of this Scheme**” means the means the date on which the certified copies of the Orders of the High Courts at Bombay and Gujarat at Ahmedabad or any other competent authority under Section 391 to 394 of the Act sanctioning the Scheme are filed with the respective Registrar of Companies, Maharashtra and Gujarat;

“**Avinash**” means Avinash Drugs Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at Udyog Kshetra, 2nd, floor, Mulund Goregaon Link Road, L. B. S. Marg, Mulund(W), Mumbai 400 080.

“**Surfactant**” means Surfactant Specialities Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at Udyog Kshetra, 2nd, floor, Mulund Goregaon Link Road, L. B. S. Marg, Mulund(W), Mumbai 400 080.

“**Aarti**” or “**the Transferee Company**” means Aarti Industries Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at Plot Nos. 801, 801/23, Phase III, G.I.D.C., Vapi 396 195, Dist. Valsad, Gujarat.

“**The Record Date**” means date or dates, if any, to be fixed by the Board of Directors or duly authorised Director or Committee of Directors of the Board of Directors of **Aarti** for the purpose of issue and allotment of equity shares under this Scheme.

“**Scheme**” or “**the Scheme**” or “**this Scheme**” means this Scheme of Arrangement in its present form or with any modification(s)/amendment(s), if any, as may be approved, imposed or directed by the High Courts or any other appropriate authority sanctioning this Scheme.

“**The Transferor Companies**” means ‘**Avinash**’ and ‘**Surfactant**’ or any one or both of them as the context requires.

“**Undertakings**” means and shall include :

- (i) all the undertakings, the entire business, all the assets and properties (whether movable or immovable and tangible or intangible) of the Transferor Companies as on the Appointed Date;
- (ii) all the debts, liabilities, duties and obligations of the Transferor Companies as on the Appointed Date;
- (iii) Without prejudice to the generality of sub-clauses (i) & (ii) above, the Undertakings of the Transferor Companies shall include all the Transferor Companies’ reserves, movable and immovable assets and properties, real, corporeal and incorporeal, in possession or reversion, present and contingent, including but without being limited to land and buildings, lease-hold rights, all fixed and movable plant and machinery, vehicles, fixed assets, capital work-in-progress, current assets, investments, if any, provisions, and all other assets (whether tangible or intangible) of whatsoever nature, investments, lease and hire purchase contracts, rights, claims, powers, authorities, allotments, credits, approvals, consents, letters of intent, industrial and other licences, registrations, contracts, engagements, arrangements, rights, titles, interests, benefits, and advantages of any nature whatsoever and where so ever situate of, belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Companies, including but without being limited to all patents, trade marks, trade names, copyrights and other industrial rights and intellectual properties, technology, know-how, applications for copyrights, patents, trade names, trade marks or like and rights of any nature whatsoever, and licences, registrations, assignments, grants in respect thereof, privileges, liberties, easements, contracts, advantages, benefits, goodwill, all quota rights, permissions, approvals, authorisations, right to use and avail of telephones, telexes, facsimile and other communication facilities, connections, equipments and installations, utilities, water, electricity and electronic and all other services connections, of every kind, nature and descriptions whatsoever, reserves, provisions, funds, benefit of all agreements, arrangements, deposits, advances, recoverables and receivables and all other rights, interests, claims and powers of every kind, nature and description of and belonging to or in ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by and arising to the Transferor Companies whether in India or abroad.

PART II - SHARE CAPITAL

3. SHARE CAPITAL

(a) The share capital of **Aarti** as on 1st April, 2008 is as under :

Authorised (Rs.)	
9,00,00,000 Equity Shares of Rs.5/- each	45,00,00,000
Issued, Subscribed and Paid-up	
7,28,09,424 Equity Shares of Rs.5/- each	36,40,47,120

- (b) The share capital of **Avinash** as on 1st April, 2008 is as under :

Authorised (Rs.)
5,00,000 Equity Shares of Rs.100/- each 5,00,00,000

Issued, Subscribed and Paid-up
4,30,000 Equity Shares of Rs.100/- each 4,30,00,000

Out of the above, 3,70,000 Equity Shares of Rs. 100/- each aggregating 86.05% are held by **Aarti**.

- (c) The share capital of Surfactant as on 1st April, 2008 is as under :

Authorised (Rs.)
1,25,00,000 Equity Shares of Rs. 10/- each 12,50,00,000

Issued, Subscribed and Paid-up
1,00,00,002, Equity Shares of Rs.10/- each 10,00,00,020

Out of the above, 35,10,396 Equity Shares of Rs. 10/- each aggregating 35.10% are held by **Aarti**.

PART III – TRANSFER AND VESTING

4. MERGER OF THE TRANSFEROR COMPANIES WITH AARTI

- (a) With effect from the Appointed Date, the entire business and undertakings of the Transferor Companies, shall, without any further act or deed, but subject to the existing charges, if any, affecting the same be transferred to and vested in and managed by and/or deemed to have been transferred to and vested in and managed by the Transferee Company/**Aarti** as a going concern pursuant to Section 394 and other applicable provisions of the Act for all the estate, rights, titles and interests of the Transferor Companies therein and on the Appointed Date the Transferor Companies shall be deemed to have been amalgamated with the Transferee Company/**Aarti**.

PROVIDED ALWAYS THAT the Scheme shall not operate to enlarge the security for any loan, deposit or facility created by or availed of by the Transferor Companies which shall vest in **Aarti** by virtue of the amalgamation and **Aarti** shall not be obliged to create any further or additional security therefore after the amalgamation has become effective or otherwise.

- (b) With effect from the Appointed Date, in respect of such of the assets of the undertakings as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, the same shall be and stand transferred to and vested in, and shall become the property of **Aarti** in pursuance of the provisions of Section 394 of the Act as its integral part.
- (c) In respect of such of the assets of the undertakings other than those referred to in sub-para (b) above, the same shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred and vested in **Aarti** on the Appointed Date pursuant to the provisions of Section 394 of the Act. The mutation of the title to the immovable properties in favour of **Aarti** shall be made and duly recorded by the appropriate authorities pursuant to the sanction of the Scheme and the Scheme becoming effective in accordance with the terms hereof.

- (d) With effect from the Appointed Date, all secured and unsecured debts (whether in rupees or in foreign currency), all liabilities, duties and obligations of the Transferor Companies along with any charge, encumbrance, lien or security thereon (hereinafter also referred to as “**the Liabilities**”) shall also be and stand transferred or be deemed to be transferred, without further act, instrument or deed, to the Transferee Company, pursuant to the provisions of Section 394 of the Act so as to become the debts, liabilities, duties and obligations of **Aarti** and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause;
- (e) Upon the coming into effect of this Scheme, any loans or other obligations due between or amongst the Transferor Companies and **Aarti** shall stand discharged and there shall be no liability in that behalf.
- (f) **Aarti** may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of the secured creditors of the Transferor Companies or in favour of any other party to any contract or arrangement to which the Transferor Companies may be parties or any writings as may be necessary to be executed in order to give formal effect to the above provisions. **Aarti** shall under the provisions of the Scheme be deemed to be authorised to execute any such writings on behalf of the Transferor Companies and to implement or carry out all such formalities or compliances referred to above on the part of the Transferor Companies to be carried out or performed.
- (g) The transfer and vesting of the Undertakings and the liabilities of the Transferor Companies to the Transferee Company under this Clause 4 and the continuance of the contracts or proceedings by or against the Transferee Company under Clauses 5 and 6 hereof shall not affect any transactions contracts or proceedings relating to the Undertakings and the liabilities already concluded or discharged by the Transferor Companies in the ordinary course of business on and after the Appointed date to the end and intent all such transactions, contracts or proceedings already concluded or discharged by the Transferor Companies are deemed to have been for and on account of the Transferee Company.
- (h) All estates, assets, rights, registrations, title, interests and authorities accrued to and/or acquired by the Transferor Companies in relation to or in connection with the Undertakings after the Appointed Date and prior to the Effective Date shall have been deemed to have been accrued to and/or acquired for and on behalf of the Transferee Company and shall, upon the coming into effect of this Scheme, pursuant to the provisions of Section 394 of the Act, without any further act, instrument or deed be and stand transferred to or vested in or be deemed to have been transferred to or vested in the Transferee Company to that extent and shall become the estates, assets, right, title, interests and authorities of the Transferee Company.
- (i) Upon the coming into effect of this Scheme, all the benefits, reliefs, unutilized deposits or credits under the Income Tax, VAT/Sales Tax laws, VAT/Sales Tax set off and /or deferment, unutilized MODVAT/CENVAT/ Service Tax credits or like etc. to which the Transferor Companies are entitled to in terms of the various statutes and/or Schemes and/or awards by judicial /quasi judicial bodies (such as Arbitration, BIFR, Tribunal awards and the like) of Union and State Governments and Statutory authorities, shall be available to and vest in the Transferee Company.

5. CONTRACT, DEEDS, BONDS AND OTHER INSTRUMENTS

Subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements, arrangements, insurance policies and other instruments of whatsoever nature to which the Transferor Companies is/are parties or to the benefit of which the Transferor Companies may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect against or in favour of the Transferee Company as the case may be and may be enforced as fully and effectually as if, instead of the Transferor Companies, the Transferee Company had been a party or beneficiary thereto. The Transferee Company may enter into and/or issue and/or execute deeds, writings or confirmation or enter into any tripartite arrangement, confirmations or novations, to which one or both of the Transferor Companies will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required. Further, the Transferee Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Companies and to implement or carry out all formalities required on the part of the Transferor Companies to give effect to the provisions of this Scheme.

6. LEGAL PROCEEDINGS

All legal proceedings including suits, writ petitions, actions and proceedings of whatsoever nature by or against the Transferor Companies pending and/or arising on or before the Effective Date shall be continued and be enforced by or against the Transferee Company in the manner and to the same extent as it would or might have been continued and enforced by or against that respective Transferor Companies as if the Scheme had not been made. On and from the Effective Date, the Transferee Company shall and may initiate any legal proceedings for and on behalf of the Transferor Companies.

7. TRANSACTIONS BETWEEN APPOINTED DATE AND EFFECTIVE DATE

With effect from the Appointed Date up to the Effective Date :

- (a) The Transferor Companies shall carry on and be deemed to have carried on the business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of the said undertakings, for and on account of and in trust for **Aarti**;
- (b) All profits or incomes accruing or arising to the Transferor Companies or expenditure or losses arising or incurred by the Transferor Companies shall for all purposes be treated as the profits or incomes or expenditure or losses of **Aarti**, as the case may be;
- (c) The Transferor Companies shall carry on their business activities with reasonable diligence, business prudence and shall not sell, alienate, charge, mortgage, encumber or otherwise deal with or dispose of the assets comprising the undertaking or any part thereof or undertake any financial commitments of any nature whatsoever, except in the ordinary course of business or without the prior consent of **Aarti** or pursuant to any pre-existing obligation undertaken by the Transferor Companies prior to the Appointed Date;
- (d) **Aarti** shall be entitled, pending the sanction of the Scheme, to apply to any Government and all other agencies, departments and authorities concerned as may be necessary under any law for such consents, approvals, sanctions and registration which **Aarti** may require to carry on the business of the Transferor Companies and to give effect to the Scheme.

- (e) The Transferor Companies shall not undertake any new business or substantially expand its existing business except by and with the consent of the Board of Directors of the Transferee Company.
- (f) The Transferor Companies shall not vary the existing terms and conditions of employment of its employees except in the ordinary course of business;
- (g) The Transferor Companies shall not alter their capital structure either by issue of shares or convertible securities ((on a rights basis or by way of bonus shares or otherwise), or by any decrease, reduction, reclassification, sub-division, consolidation, re-organisation, or in any other manner, which may in any way affect the share exchange ratios prescribed hereunder, except by and with the consent of the Board of Directors of the Transferee Company.
- (h) Nothing contained in this clause restrains the Transferee Company to issue further capital or change its capital structure without any limitations.

8. EMPLOYEES OF THE TRANSFEROR COMPANIES

- (a) All the permanent employees of the Transferor Companies, who are in service on the date immediately preceding the Effective Date shall, on and from the Effective Date become and be engaged as the employees of the Transferee Company, without any break or interruption in service as a result of this amalgamation and transfer and on the terms and conditions not less favourable than those on which they are engaged by the Transferor Companies immediately preceding the Effective Date;
- (b) In so far as the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Funds or Trusts created or existing for the benefit of the employees of the Transferor Companies are concerned, upon the Scheme becoming effective, The Transferee Company shall, stand substituted for the Transferor Companies for all purposes whatsoever related to the administration or operation of such Funds or Trusts or in relation to the obligation to make contributions to the said Funds or Trusts in accordance with provisions of such Funds or Trusts as per the terms provided in the respective Trust Deeds, to the end and intent that all the rights, duties, powers and obligations of the Transferor Companies in *relation to such Funds or Trusts shall become those of the Transferee Company*. It is clarified that the services of the employees of the Transferor Companies will be treated as having been continuous for the purpose of the aforesaid Funds or provisions.

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PART IV – REORGANISATION OF CAPITAL

9. ISSUE OF SHARES BY THE TRANSFEREE COMPANY

- (a) Upon coming into effect of this Scheme and in consideration of the transfer of and vesting of the Undertakings and the Liabilities of the Transferor Companies in **Aarti** in terms of this Scheme, the Transferee Company/**Aarti** shall without any further application, act, instrument or deed, issue and allot to the equity shareholders of the Transferor Companies whose names are recorded in the Register of Members (“**the Members**”), on a Record Date, equity shares in the manner following :
 - (i) **Aarti** shall issue and allot to the members of **Avinash** equity shares in the proportion of 70(Seventy) equity shares of Rs.5/- each of **Aarti** at par credited as fully paid-up for every 100(One Hundred) equity shares

of Rs.100/- each fully paid up held by them in **Avinash** on the Record Date;

- (ii) **Aarti** shall issue and allot to the members of **Surfactant** equity shares in the proportion of 13 (Thirteen) equity shares of Rs.5/- each of **Aarti** at par credited as fully paid-up for every 100(One Hundred) equity shares of Rs.10/- each fully paid up held by them in **Surfactant** on the Record Date.;
- (iii) Equity shares of **Avinash** and **Surfactant**, if any, held by **Aarti** on the Record Date shall be cancelled and shall be deemed to have been cancelled without any further act or deed, and no shares of **Aarti** are required to be issued in lieu thereof.
- (iv) For the purpose of allotment of equity shares to the members of **Avinash** and **Surfactant**, fractional entitlements, if any, shall be rounded off to the nearest integer.

Note : The above ratios in which the shares of the Transferee Company are to be allotted to the members of the Transferor Companies by the Transferee Company are referred to in this Scheme as “**the Share Exchange Ratios**”.

- (b) Equity shares issued and allotted by **Aarti** in terms of this Scheme to the members of **Surfactant** and **Avinash** shall be subject to the provisions of the Memorandum and Articles of Association of **Aarti** and shall rank *pari passu* in all respects with the existing equity shares of **Aarti**, including in respect of dividend, if any, that may be declared by **Aarti**, on or after the Effective Date.
- (c) Equity shares of **Aarti** issued in terms of this Scheme, shall, subject to applicable regulations and obtaining the requisite approvals from all the relevant regulatory authorities pertaining to the listing, be listed on the relevant stock exchanges in India where the existing equity shares of **Aarti** are listed as on the Effective Date.
- (d) The issue and allotment of shares by the Transferee Company to the members of **Surfactant** and **Avinash** i.e. the Transferor Companies as provided in this Scheme is an integral part of thereof and shall be deemed to have been carried out without requiring any further act on part of the Transferee Company or its shareholders and as if the procedure laid down under Section 81(1A) and any other applicable provisions of the Act and such other statutes and regulations as may be applicable were duly complied with.
- (e) The shares to be issued to the members of **Surfactant** and **Avinash** i.e. the Transferor Companies as aforesaid shall be issued in dematerialized form by **Aarti** i.e. the Transferee Company, unless otherwise notified in writing by the shareholders of the Transferor Companies to the Transferee Company on or before the Record Date. In the event that the Transferee Company has received notice from any member of the Transferor Companies that the shares are to be issued in the certificate form or if any such member has not provided the requisite details relating to his account with depository participation or other confirmations as may be required, then the Transferee Company shall issue the shares in certificate form to such members.
- (f) In the event of the Transferee Company issuing any shares or any bonds or debentures (non-convertible or partly or fully convertible) by way of rights or bonus to its shareholders after the Appointed Date but before coming in to effect of this Scheme, the Transferee Company shall reserve for issue and allotment to the members of the Transferor Companies, such number of shares, bonds or

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debentures, as the case may be, to which the members of the Transferor Companies would be entitled in terms of such issue/s subject to coming in to effect of this Scheme. The shares, bonds or debentures so reserved as aforesaid shall be allotted (in case of bonus shares) or offered (in case of rights issue) to the members of the Transferor Companies only upon coming into effect of this Scheme as specified in clause 13 hereof and on the terms and conditions as those governing such allotment or issue to the members of the Transferee Company save and except that the dates of acceptance, splitting, renunciation, payment and allotment and the date from which such shares, bonds or debentures shall rank for dividend and interest and such other issues arising there from shall be suitably fixed by the Board of Directors or duly authorised Committee of the Board of Directors of the Transferee Company having due regard to similar dates fixed in respect of the issue or offer thereof to the shareholders of the Transferee Company and the applicable laws/regulations.

10. COMBINATION OF AUTHORISED CAPITAL

Upon this Scheme becoming effective, the authorised share capital of the Transferee Company shall automatically stand increased without any further act, instrument or deed on the part of the Transferee Company including payment of stamp duty and fees payable to Registrar of Companies, by the authorised share capital of Transferor Companies amounting to Rs. 17,50,00,000 (Rupees Seventeen Crores Fifty Lacs) comprising of 1,25,00,000 (One Crore Twenty Five Lacs) equity shares of Rs.10/- each and 5,00,000 (Five Lacs) equity shares of Rs.100/- each and the Memorandum of Association of the Transferee Company (relating to the authorised share capital) shall without any further act, instrument of deed be and stand altered modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Sections 16, 94 and other applicable provisions, if any, of the Act would be required to be separately passed as the case may be and for this purpose the stamp duties and fees paid on the authorised capital of the Transferor Companies shall be utilized and applied to the increased authorised share capital of the Transferee Company and there would be no requirement for any further payment of stamp duty and/or fee by the Transferee Company for increase in the authorized share capital to that extent. Upon coming into effect of this Scheme and consequent amalgamation of Avinash Drugs Limited and Surfactant Specialties Limited into Aarti Industries Limited, the authorized capital of the Transferee Company will be as under:

Authorised Capital	(Rupees)
12,50,00,000 Equity Shares of Rs. 5/- each	62,50,00,000
Total	62,50,00,000

It is clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be their consent/approval also to the alteration of the Memorandum of the Transferee Company as may be required under the Act, and Clause V of the Memorandum of Association of the Transferee Company shall respectively stand substituted by virtue of this Scheme to read as follows:

Clause V of the Memorandum of Association of the Transferee Company:

- 'V. The Authorised Share Capital of the Company is Rs. 62,50,00,000 (Rupees Sixty Two Crores Fifty Lacs) divided in to 12,50,00,000 Equity Shares of Rs.5/- each. Any shares of the original or increased capital may, from time to time be issued with such terms, conditions, restrictions and guarantees, or any rights of

preference whether in respect of dividend or of repayment of capital or both or any other special privileges or advantage over any shares previously issued or then about to be issued, or with deferred or qualified rights to any provisions or conditions and with any special rights or limited rights, or without any rights of voting and generally on such terms as the Company may from time to time determine. The rights of the holders of any class of shares, for the time being forming part of the capital of the Company, may be modified, affected, varied, extended or surrendered either with the consent in writing of the holders of three fourths of the issued shares of the class or with the sanction of a special Resolution passed at a separate meeting of the holders of those shares.

PART V – GENERAL TERMS AND CONDITIONS

11. APPLICATION TO HIGH COURTS

- (a) The Transferor Companies shall, with all reasonable despatch, make all applications/petitions under Sections 391 to 394 and other applicable provisions of the Act, to the High Court of Judicature at Bombay for sanctioning of the Scheme and for its dissolution without winding up under the provisions of the law, and obtain all approvals as may be required under the law.
- (b) The Transferee Company shall, with all reasonable despatch, make all applications/petitions under Sections 391 to 394 and other applicable provisions of the Act, to the High Court of Gujarat at Ahmedabad for sanctioning of the Scheme under the provisions of the law, and obtain all approvals as may be required under the law.

12. DISSOLUTION OF THE TRANSFEROR COMPANIES

On and from the Effective Date, the Transferor Companies shall stand dissolved without being wound up.

13. SCHEME CONDITIONAL ON APPROVALS/SANCTIONS

The Scheme is conditional upon and subject to :

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- (a) The Scheme being (i) approved by the requisite majority of the members and creditors (where applicable) of the Transferor Companies and the Transferee Company as may be directed by the Hon'ble High Courts referred to in Clause 11 and /or any other competent authority and (ii) sanctioned by the said Hon'ble High Courts and /or any other competent authority, as may be applicable;
- (b) The requisite consent, approval or permission of the Central Government or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme; and
- (c) The certified copies of the orders of the High Courts referred to in this Scheme or such other competent authority, as may be applicable, sanctioning this Scheme being filed with the Registrar of Companies, Maharashtra and the Registrar of Companies, Gujarat.

14. ACCOUNTING TREATMENT

- (a) With effect from the Appointed Date and upon the Scheme becoming effective, the unabsorbed depreciation and losses of the Transferor Companies shall be treated as the unabsorbed depreciation and losses of the Transferee Company

as on the Appointed Date and the Transferee Company shall be entitled to carry forward the losses and unabsorbed depreciation of the Transferor Companies and to revise its tax returns and including any loss, returns, related tax deduction certificates and to claim refund, advance tax credits, etc. accordingly.

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- (b) All the assets and liabilities of the Transferor Companies transferred to the Transferee Company under the Scheme shall be recorded in the books of account of the Transferee Company at the book value as recorded in the books of account of the Transferor Companies.
 - (c) All inter-company balances will stand cancelled.
 - (d) With effect 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, the difference between the amount recorded as new equity shares issued by the Transferee Company on amalgamation and the amount of share capital of each of the Transferor Companies shall, after adjustments of miscellaneous expenditure (to the extent not written off) and debit balances in the Profit and Loss Accounts of the Transferor Companies, if any, be adjusted against the Amalgamation Reserve appearing in the books of the Transferee Company.
 - (e) If considered appropriate for the purpose of application of uniform accounting methods and policies between the Transferor Companies and the Transferee Company, the Transferee Company may make suitable adjustments and reflect the effect thereof in the Amalgamation Reserve and/or General Reserve of the Transferee Company.

15. OPERATIVE DATE OF THE SCHEME

The Scheme, although operative from the Appointed Date, shall become effective from the Effective Date.

16. MODIFICATION / AMENDMENT TO THE SCHEME etc.

- (a) The Transferor Companies and the Transferee Company by their respective Board of Directors or any committee or person duly authorized by the Board of Directors in this regard may, in their full and absolute discretion, (i) modify, vary or withdraw this Scheme prior to the Effective Date in any manner at any time; and (ii) agree to and accept any conditions or limitations that the High Courts or any other appropriate authorities may deem fit to direct or impose and to resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect
- (b) For the purpose of giving effect to the Scheme or to any modifications or amendments thereof the Board of Directors of the Transferee Company or any committee or person duly authorized by the Board of Directors of the Transferee Company in this regard may determine and give such directions including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

17. SEVERABILITY

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- (a) In the event of withdrawal by any one of the Transferor Companies from the Scheme, the Scheme shall stand automatically modified to the effect that all references pertaining to the party or the Transferor Companies withdrawing from the Scheme appearing wherever in the Scheme shall stand automatically deleted or amended without any further act, instrument or deed and neither the remaining Transferor Company nor the Transferee Company shall be obliged to obtain fresh approval of their respective Board of Directors and Members or Creditors or any of them on their behalf. For the removal of doubts, it is hereby clarified that withdrawal by any one of the Transferor Companies from the Scheme shall not prejudicially affect the implementation of the Scheme between the remaining parties and in such circumstances, the Scheme shall remain in full force and effect and be implemented by and between the remaining Transferor Company and the Transferee Company as if the Transferor Company withdrawing from the Scheme was never a party to the Scheme in that behalf.
- (b) If any part or provision of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decisions of the Transferor Companies and the Transferee Company, affect the validity or implementation of the other parts and/or provisions of this Scheme.

18. EFFECT OF NON-RECEIPT OF APPROVALS/SANCTIONS

In the event of any of the approvals or conditions enumerated in the Scheme not being obtained or complied, or for any reasons, this Scheme can not be implemented in its present form, then the Board of Directors of the Transferor Companies and the Transferee Company, who are hereby empowered and authorised, shall mutually waive or modify such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement or in case this Scheme is not sanctioned by the High Courts referred to in this Scheme or such other competent authority, this Scheme shall become null and void and in that event no rights and liabilities whatsoever shall accrue to or be incurred inter se by the parties or their shareholders or creditors or employees or any other person. In such case each Company shall bear its own costs or as may be mutually agreed. for and/or in connection with the Scheme.

19. EXPENSES CONNECTED WITH THE SCHEME

All costs, charges and expenses, including any taxes and duties of the Transferor Companies and the Transferee Company respectively in relation to or in connection with this Scheme and incidental to the completion of amalgamation of the Transferor Companies in pursuance of this Scheme shall be borne and paid solely by the Transferee Company.

WITNESS K. S. RADHAKRISHNAN ESQUIRE THE CHIEF JUSTICE at Ahmedabad aforesaid this 1st day of September, Two Thousand Nine.

BY THE ORDER OF THE COURT

Sd/-
B. J. DHANDHA

IN-CHARGE REGISTRAR (JUDICIAL)

HIGH COURT OF GUJARAT
AHMEDABAD
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Sealer

Sd/-
DEPUTY REGISTRAR

This 9th day of September, 2009



ORDER DRAWN BY :

Sd/-

(Nandish Chudgar)
ADVOCATE FOR THE PETITIONER

Partner, M/s. Nanavati Associates,
Advocates for Petitioner Company,
41, Premier House, Opp. Gurudwara
Near Thaltej Cross Roads, Bodakdev,
P.O. Ahmedabad – 380 054

TRUE COPY
SD/-
ASST. REGISTRAR
DATED : 10/09/2009

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

COMPANY PETITION NO. 250 OF 2012

CONNECTED WITH

COMPANY APPLICATION NO. 333 OF 2012

SECTION OFFICER
DECREE DEPARTMENT
DATED : 03-05-2013

U / O : 9547 / 13 (FLS.32)
Comparing & Copies Charges
Total Rs. 111/-

Copy Applied on : 25-03-2013
Copy Ready on : 03-05-2013
Copy Delivered on : 03-05-2013

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In the matter of the Companies Act, 1956;

And

In the matter of Sections 391 to 394 read with
Sections 100 to 103 of the Companies Act,
1956;

And

In the matter of a Scheme of Arrangement
between Anushakti Chemicals and Drugs
Limited (ACDL) - Demerged Company and
Aarti Industries Limited (AIL) - Resulting
Company and their respective shareholders
and creditors;

Aarti Industries Limited, a }
Company incorporated under }
the Companies Act, 1956 and }
having its Registered Office at }
Plot Nos. 801, 801/23, }
GIDC Estate, Phase III, }
Vapi, Dist. Valsad, }
Gujarat 396 195 }

..... **PETITIONER COMPANY**
(Resulting Company)

CORAM : HONOURABLE MR. JUSTICE R. M. CHHAYA

ORDER ON PETITION

Date : 08 - 03 - 2013

The above petition came up for hearing on 08-03-2013. **UPON READING** the said petition, the order dated 22-10-2012 passed in Company Application No. 333 of 2012, filed by the petitioner company, whereby the petitioner company was ordered to convene meeting of the equity share holders of the company for the purpose of considering, and if thought fit, approving, with or without modification, the arrangement embodied in the Scheme of Arrangement of the petitioner company with Anushakti Chemicals and Drugs Limited (ACDL) and their respective shareholders and creditors, and whereas the meetings of the Secured and Unsecured Creditors were ordered to be dispensed with **AND** the Report dated 05-12-2012 of the Chairman of the meeting of equity shareholders as to the result of the said meeting and it

appears that the proposed Scheme of Arrangement has been approved by the requisite majority of the equity shareholdres of the Petitioner Company **AND UPON READING** the affidavit verifying the petition of Mr. Ashish Kantawala, the authorized signatory of the petitioner Company filed on 19-12-2012 **AND UPON READING** the order dated 21-12-2012 of this Court admitting the petition, the affidavit dated 24-01-2013 of Mr. Ashish Kantawala, the authorised signatory of the petitioner Company showing publication of the notice of the hearing of this petition in “The Times of India” - English daily (Ahmedabad edition) and Gujarat Samachar - Gujarati daily (Surat edition) dated 07-01-2013 respectively **AND** the affidavit dated 04-01-2013 of Mr. Shaileshbhai Muljibhai Shah, the clerk of Advocate of the petitioner showing service of notice of the hearing of the petition to The Regional Director, Western Region, Ministry of Corporate Affairs, Central Government, Ahmedabad **AND UPON CONSIDERING** the affidavit dated 19-02-2013 of Mr. Kashmir Lal Khambhoj, Regional Director, North-Western Region, Ministry of Corporate Affairs, Ahmedabad inter alia stating that there is no objection to the proposed Scheme **AND UPON HEARING** Mr. Nandish Cudgar, Advocate for M/s. Nanavati Associates, Advocates for the petitioner Company **AND UPON HEARING** Mr. Iqbal A. Shaikh, Ld. Senior Central Government Counsel appearing for the Central Government as instructed by the Regional Director, Ministry of Corporate Affairs, Govt. of India, and it appears from the report of the Regional Director that the Affairs of the Company have not been conducted in a manner prejudicial to the interest of its members or to the public interest and no other person or persons entitled to appear at the hearing of the petition appearing this day to show cause against the same.

This Court doth hereby sanction the Scheme of Arrangement set forth in **Annexure - ‘H’** of the petition herein, and in the Schedule hereof and doth hereby declare the same to be binding on the Petitioner Company and all the members and creditors of the Petitioner Company and hereby approves the said Scheme of Arrangement with effect from the appointed date i.e. 01-04-2012.

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

That the said Company do file with the Registrar of Companies, Gujarat a certified copy of this order within 30 days from the receipt of the same for registration under Section 391 of the Companies Act, 1956 and

This Court doth further order that the petitioner Company shall be at liberty to apply this Hon’ble Court as and when the occasion may arise for any directions that may be necessary.

This court doth further order that petitioner Company to pay cost of the Central Government amounting to Rs. 7,500/- to Mr. Iqbal A. Shaikh Ld. Senior Central Government Counsel.

SCHEDULE

Scheme of Arrangement as sanctioned by the Court

Dated this 8th day of March, 2013

**HIGH COURT OF GUJARAT
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SCHEME OF ARRANGEMENT
BETWEEN
ANUSHAKTI CHEMICALS AND DRUGS LIMITED
AND
AARTI INDUSTRIES LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

PREAMBLE

This Scheme of Arrangement (“Scheme”) is presented under Sections 391 to 394 read with Sections 100 to 103 and other relevant provisions of the Companies Act, 1956 for the demerger and transfer of Manufacturing Business Undertaking (as defined hereafter) of Anushakti Chemicals and Drugs Limited (“ACDL” and/or “the Demerged Company”) to Aarti Industries Limited (“AIL” and/or “the Resulting Company”) on a going concern basis, pursuant to the relevant provisions of the Companies Act, 1956. This Scheme also provides for reduction, reorganization of capital and various other matters consequential or otherwise integrally connected therewith.

RATIONALE FOR THE SCHEME

- (i) ACDL or the Demerged Company is an associate company of AIL i.e. the Resulting Company. ACDL is mainly engaged into manufacturing of various Speciality Chemicals with applications into end-user segments of Performance Chemicals, Agrochemicals and Pharmaceuticals with manufacturing units at Bhachau in the State of Gujarat, Tarapur and Dombivali in the State of Maharashtra.
- (ii) As ACDL and AIL are manufacturing some common products which include Benzene Derivatives like Chloro Benzenes and Nitro Chloro Benzenes Methanol & Aniline Compounds, Sulphuric Acid and allied products, operational and marketing synergies will be derived by demerging manufacturing business undertaking of ACDL and transferring to AIL.
- (iii) The Scheme will be in the interest and benefit of both the companies and all its stakeholders as it would help:
 - (a) realignment and consolidation of all manufacturing undertaking/activities of ACDL with that of AIL;
 - (b) to derive synergies arising out of consolidation of business, such as, enhancement of net worth of combined business to capitalise on future growth potential;
 - (c) in enhancement in earnings and cash flow visibility;
 - (d) in unlocking of value for the shareholders of both the Companies;
 - (e) to increase volumes of its existing range of products and lead to spread overall as well as products /markets specific risks with increased range of products mix;

- (f) divide risk in Business Operations to some extent and more value addition as a part of larger business;
- (g) to achieve economies of scale, administrative and operational rationalization, organizational efficiencies and optimal utilization of resources which would help improving contributions;

PARTS OF THE SCHEME

This Scheme of Arrangement is divided into the following parts:

- (a) Part I deals with the definitions and share capital;
- (b) Part II deals with demerger of Manufacturing Business Undertaking of ACDL into AIL;
- (c) Part III deals with the Remaining Undertaking of the Demerged Company;
- (d) Part IV deals with the issue of shares by the Resulting Company and reorganization of capital;
- (e) PART V deals with the accounting treatment;
- (f) PART VI deals with general terms and conditions applicable to this Scheme.

PART – I

DEFINITIONS AND SHARE CAPITAL

In this Scheme (as defined hereunder), unless inconsistent with the subject or context, the following expressions shall have the following meanings:

1. DEFINITIONS

- 1.1 “**Act**” or “**the Act**” means the Companies Act, 1956 or any statutory modification or reenactment thereof for the time being in force.
- 1.2 “**ACDL**” or “**The Demerged Company**” means Anushakti Chemicals and Drugs Limited, a Company incorporated under the Companies Act, 1956 and having its registered office at Udyog Kshetra, 2nd Floor, L B S Marg, Mulund Goregaon Link Road, Mulund (West), Mumbai– 400 080, Maharashtra.
- 1.3 “**AIL**” or “**The Resulting Company** “ means Aarti Industries Limited, a Company incorporated under the Companies Act, 1956 and having its registered office at Plot No. 801, 801/23 GIDC Estate, Phase III, Vapi 396195, Gujarat.
- 1.4 “**Appointed Date**” means the **1st April, 2012** or such other date as may be fixed or approved by the appropriate High Court or such other competent authority.
- 1.5 “**Court**” or “**High Court**” means and include the High Court of

Judicature of Bombay and/or High Court of Gujarat at Ahmedabad and shall also include the National Company Law Tribunal, if and when applicable;

- 1.6 **“Effective Date”** means the last of the dates on which the certified copies of the orders sanctioning this Scheme, passed by the High Court, or such other competent authority, as may be applicable, are filed with the Registrar of Companies by the Demerged Company and the Resulting Company;

Reference in the Scheme to the date of **“coming into effect of this Scheme”** or **“upon the Scheme becoming effective”** or **“effectiveness of the Scheme”** shall be construed accordingly.

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- 1.7 **“Manufacturing Business Undertaking”** or **“Demerged Undertaking”** shall mean the manufacturing unit of ACDL with its business, activities and operations including R&D centre being carried on by ACDL, the Demerged Company, on a going concern basis, including the manufacturing and/ or allied activities comprising all the assets (moveable and immoveable) and liabilities, which relate thereto or are necessary there for, other than the Remaining Business or Remaining Undertaking, and shall mean and include (without limitations) :

- (a) all assets and properties, wherever situated, leasehold or freehold, including the right to use such asset and property, whether movable or immovable, tangible or intangible, all plant and machinery, land, buildings, capital work in progress, current assets (including inventories, sundry debtors, bills of exchange, loans and advances, etc.), stocks and stores, furniture, office equipment, applications, gadgets, accessories, vehicles, fixtures,, computer installations, electricals, appliances, accessories, pertaining to or relating to Manufacturing Business Undertaking or the Demerged Undertaking;
- (b) All the debts (whether secured or unsecured), liabilities (including contingent liabilities), duties, obligations of the Demerged Company of every kind, nature and description whatsoever and howsoever accruing or arising out of, and all loans and borrowings raised or incurred and utilized for its businesses, activities and operations pertaining to or relating to Manufacturing Business Undertaking or the Demerged Undertaking;
- (c) All agreements, arrangements, rights, contracts, engagements, powers, authorities, allotments, approvals, entitlements, quotas, permits, industrial and other licenses including but without being limited to State and Prohibition Excise Department Alcohol License along with quotas thereof, consents, letters of intent, registrations, subsidies, tax credits, incentives or schemes of Central/ State Governments, quality certifications, product registrations (both Indian and foreign), powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity, water and other services, grants, engagements, and all other privileges and benefits of every kind, nature and description whatsoever relating to Manufacturing Business Undertaking or the Demerged Undertaking;
- (d) All deposits and balances with Government, Semi-Government, local and other authorities and bodies, customers and other persons, earnest moneys and/ or security deposits paid or received by the Demerged Company, directly or indirectly in connection with or in relation to Manufacturing Business Undertaking or the Demerged Undertaking;

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- (e) All intellectual property rights including patents, patent applications, trademarks, trade names, copyrights, technology, know-how, Drug Master Files, applications for copyrights, records, files, papers, data and documents relating to the Demerged Company's business, activities and operations pertaining to Manufacturing Business Undertaking or the Demerged Undertaking; and
- (f) All employees including temporary employees, if any, of the Demerged Company as on the Effective Date substantially engaged in or in relation to the business, activities and operations and as may be determined by the Board of Directors of ACDL pertaining to Manufacturing Business Undertaking or the Demerged Undertaking;
- (g) All record, files, papers, engineering and process information, computer programs, manuals, data catalogues, quotations, sales and advertising materials, customers and suppliers information and other records, whether in physical form or electronic form in connection with or relating to Manufacturing Business Undertaking of the Demerged Company.
- (h) For the purpose of this Scheme it is clarified that liabilities pertaining to or relating to the Demerged Undertaking shall mean and include:
 - (i) All present and future debts, liabilities, duties and obligations, including contingent liabilities as on the Appointed Date, which arise out of the activities or operations of the Demerged Undertaking.
 - (ii) specific loans and borrowings as on the Appointed Date raised, incurred and /or utilized solely for the activities or operations of or pertaining to the Demerged Undertaking.
 - (iii) the liabilities other than those referred to in sub-clauses (i) and (ii) above, being the amounts general or multipurpose borrowings of the Demerged Company as on the Appointed Date shall be allocated to the Demerged Undertaking in the same proportion in which the book value of assets transferred under this clause bears to the total value of assets of the Demerged Company immediately before giving effect to this Scheme.
- (i) It is intended that the definition of Demerged Undertaking under this clause would enable the transfer of all property, assets and liabilities of the Demerged Undertaking to the Resulting Company pursuant to this Scheme.
- (j) Any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Demerged Undertaking shall be mutual agreement between the Demerged Company and the Resulting Company through their authorized representatives.

1.8 **“Remaining Business”** or **“Remaining Undertaking”** means all the businesses and all properties, assets, investments and liabilities of the Demerged Company other than the Manufacturing Business Undertaking.

1.9 **“Scheme”** or **“the Scheme”** or **“this Scheme”** means this Scheme of Arrangement in its present form as submitted to the High Court or this Scheme with such modification(s), if any made, as provided in this Scheme;

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning as described to them under

the Act, the Securities Contract Regulation Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

2. Date when the Scheme comes into operation

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the High Court or made as per Clause 18 of the Scheme, shall be effective from the Appointed Date, but shall be operative from the Effective Date.

3. SHARE CAPITAL

3.1 The Share Capital of ACDL as on 31st March, 2012 is as under:

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Share Capital	Rupees
Authorized Share Capital	
3,13,15,160 Equity Shares of Rs. 10/- each	31,31,51,600
3,00,000 5% Non-Cumulative Redeemable Preference Shares of Rs. 10/- each	30,00,000
Total	31,61,51,600
Issued, subscribed and paid-up Share Capital	
3,13,15,160 Equity Shares of Rs. 10/- each fully paid up	31,31,51,600
3,00,000 5% Non-Cumulative Redeemable Preference Shares of Rs. 10/- each fully paid up	30,00,000
Total	31,61,51,600

Subsequent to the above balance sheet date, the ACDL has redeemed the said Preference Shares and as on the date of the Scheme being approved by the Board of Directors of ACDL i.e. 30th August, 2012, the authorized, issued, subscribed and paid-up share capital of ACDL is as under:

Share Capital	Rupees
Authorized Share Capital	
3,13,15,160 Equity Shares of Rs. 10/- each	31,31,51,600
3,00,000 5% Non-Cumulative Redeemable Preference Shares of Rs. 10/- each	30,00,000
Total	31,61,51,600
Issued, subscribed and paid-up Share Capital	
3,13,15,160 Equity Shares of Rs. 10/- each fully paid up	31,31,51,600
Total	31,31,51,600

As on the date of approval of this Scheme, AIL holds 1,55,29,136 Equity Shares of Rs. 10/- each fully paid up in ACDL which is 49.59% of the Paid up capital of ACDL.

3.2 The Share Capital of AIL as on 31st March, 2012 is as under:

Share Capital	Rupees
Authorized Share Capital	
125,000,000 Equity Shares of Rs. 5/- each fully paid up	62,50,00,000
Issued, subscribed and paid-up Share Capital	
79,120,073 Equity Shares of Rs. 5/- each fully paid up	39,56,00,365

Subsequent to the above balance sheet date and till the date of the Scheme being approved by the Board of Directors of AIL, there has been no change in the authorized, issued, subscribed and paid-up capital of AIL. Further, equity shares of AIL are listed on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

As on the date of approval of this Scheme, ACDL holds 19,33,247 Equity Shares of Rs. 5/- each fully paid up in AIL which is 2.44 % of the Paid up Capital of AIL.

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PART II

DEMERGER OF MANUFACTURING BUSINESS UNDERTAKING OF ACDL INTO AIL

4 TRANSFER OF MANUFACTURING BUSINESS UNDERTAKING

- 4.1 Upon this Scheme becoming effective and with effect from the Appointed Date, all properties, assets, liabilities forming part of Manufacturing Business Undertaking of the Demerged Company shall stand transferred to and vested in or deemed to be transferred to and vested in the Resulting Company under the provisions of Section 391 to 394 of the Act and in accordance with Section 2(19AA) of the Income Tax Act, 1961, without any further act, deed, matter or thing, be and stand transferred to and vested in and shall be deemed to be transferred to and vested in the Resulting Company on a going concern basis.
- 4.2 Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all immovable property (including land, buildings and any other immovable property) of the Manufacturing Business Undertaking of the Demerged Company, whether freehold or leasehold, and any documents of title, rights and easements in relation thereto, shall stand vested in the Resulting Company, without any act or deed done by the Demerged Company and without any approval or acknowledgement of any third party. With effect from the Appointed Date, the Resulting Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges, and fulfill all obligations, in relation or applicable to such immovable properties. The mutation/ substitution of the title to such immovable properties shall be made and duly recorded in the name of the Resulting Company by the appropriate authorities pursuant to the sanction of the Scheme by the Court and the Scheme becoming effective in accordance with the terms hereof. The Demerged Company shall take all steps as may be necessary to ensure that lawful, peaceful and unencumbered possession, right, title, interest of its immovable property is given to the Resulting Company.

- 4.3 Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all the assets of the Manufacturing Business Undertaking of the Demerged Company as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, shall stand vested in the Resulting Company, and shall become the property and an integral part of the Resulting Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by manual delivery or endorsement and delivery, as appropriate to the property being vested, and the title to such property shall be deemed to have transferred and vested accordingly. No stamp duty shall be payable on the transfer of such movable properties upon its transfer and vesting in the Resulting Company.
- 4.4 In respect of movables other than those dealt with in Clause 4.3 above including sundry debts, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, development rights, advances paid to any parties for acquisition of development rights, earnest money and deposits with any Government, quasi government, local or other authority or body or with any company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Resulting Company without any notice or other intimation to the debtors (although the Resulting Company may, without being obliged, and if it so deems appropriate, at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or depositor, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in the Resulting Company.

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4.5 Upon the coming into effect of this Scheme and with effect from the Appointed Date, all liabilities relating to and comprised in the Manufacturing Business Undertaking including all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations and undertakings of the Demerged Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized for Manufacturing Business Undertaking, to the extent they are outstanding on the Effective Date, shall, stand transferred to and vested in or deemed to be transferred to and vested in the Resulting Company under the provisions of Sections 391 to 394 and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing. After the Effective Date, the Resulting Company undertakes to meet, discharge and satisfy the said liabilities to the exclusion of the Demerged Company. Provided however that no debts, liabilities, loans raised and used or liabilities and obligations incurred or dues and obligations shall have been assumed by the Demerged Company in relation to the Demerged Undertaking after the Appointed Date without the prior written consent of the Resulting Company other than in the ordinary course of business.

- 4.6 The transfer and vesting as aforesaid shall be subject to subsisting charges, if any, in respect of any assets of Manufacturing Business Undertaking of Demerged Company.

PROVIDED always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility availed of by the Demerged Company and the Resulting Company shall not be obliged to create any further or additional security thereof after the Effective Date or otherwise.

Without prejudice to the provisions of the foregoing clauses and upon coming into effect of this Scheme, the Demerged Company and the Resulting Company shall execute any instruments or documents or do all the acts and deeds as maybe required, including

the filing of necessary particulars and, if required, also to file modification(s)/satisfaction of charge(s), as may be necessary, with the Registrar of Companies to give formal effect to the above provisions, if required.

- 4.7 All staff, workmen and employees as detailed under sub-clause (f) of Clause 1.7 above in relation to the Demerged Company shall stand transferred to the Resulting Company, without any further act or deed to be done by the Demerged Company or the Resulting Company.
- 4.8 All items as detailed under sub-clause (g) of Clause 1.7 in relation to the Demerged Company shall stand transferred to or vested in the Resulting Company, without any further act or deed done by the Demerged Company or the Resulting Company.
- 4.9 Pursuant to the Scheme becoming effective, the Resulting Company shall, if so required under any law or otherwise, execute deeds of confirmation or other writings or arrangement with any party to any contract or arrangement relating to Manufacturing Business Undertaking to which the Demerged Company is a party in order to give formal effect to the above provisions. The Resulting Company shall, be deemed to be authorized to execute any such writings on behalf of the Demerged Company to carry out or perform all such formalities or compliances referred to above on part of the Demerged Company.
- 4.10 Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all existing and future incentives, un-availed credits and exemptions, benefit of carried forward losses and other statutory benefits, including in respect of income tax (including Minimum Alternative Tax), excise (including Modvat / Cenvat), customs, VAT, sales tax, service tax etc relating to the Manufacturing Business Undertaking to which the Demerged Company is entitled to shall be available to and shall statutorily vest in the Resulting Company without any further act, assurance or deed.
- 4.11 Pursuant to this Scheme becoming effective, the Resulting Company shall be entitled to secure the record of the change in the legal ownership upon the vesting of the assets of the Demerged Company relating to Manufacturing Business Undertaking in accordance with the provisions of Sections 391 to 394 of the Act. The Demerged Company and the Resulting Company shall be jointly and severally authorised to execute any writings and / or carry out any formalities or compliance in this regard,
- 4.12 All the licenses, permits, quotas, approvals (including, but not limited to, environmental approvals, statutory and regulatory approvals), permissions, registrations, incentives, MAT Credit entitlement, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Demerged Company and all rights and benefits that have accrued or which may accrue to the Demerged Company, whether before or after the Appointed Date, relating to Manufacturing Business Undertaking shall, under the provisions of Sections 391 to 394 of the Act and all other applicable provisions, if any, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or be deemed to be transferred to and vested in and be available to the Resulting Company so as to become as and from the Appointed Date licenses, permits, quotas, approvals, permissions, registrations, incentives, MAT Credit entitlement, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, liberties, special status and other benefits or privileges of the Resulting Company shall remain valid, effective and enforceable on the same terms and conditions.

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- 4.13 The Resulting Company may, at its discretion, but shall not be compulsorily required to, file relevant intimations, for the record of the statutory authorities signifying the transfer of the assets / properties including, but not limited to, permissions, approvals, consents, sanctions, remissions, special reservations, incentives, concessions and other authorizations of the Demerged Company relating to the Manufacturing Business Undertaking.
- 4.14 Any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Manufacturing Business Undertaking of the Demerged Company or whether it arises out of the activities or operations of Manufacturing Business Undertaking of the Demerged Company shall be decided by mutual agreement between the Board of Directors of the Demerged Company and the Resulting Company.

4.15 **COMPLIANCE WITH SECTION 2(19AA) of the INCOME-TAX ACT, 1961**

The provisions of this Scheme as they relate to demerger of the Manufacturing Business Undertaking into and with the Resulting Company have been drawn up to comply with the conditions relating to “demerger” as defined under Section 2(19AA) of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section of the Income-tax Act, 1961, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income-tax Act, 1961, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(19AA) of the Income-tax Act, 1961. Such modification will, however, not affect the other parts of the Scheme.

5. LEGAL PROCEEDINGS

- 5.1 If any suit, appeal or other proceedings of whatever nature by or against the Demerged Company relating to the Manufacturing Business Undertaking is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of this demerger or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Resulting Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Demerged Company as if the Scheme had not been made.
- 5.2 On and from the Effective Date, the Resulting Company shall, and may, if required, initiate, continue any legal proceedings in relation to the Manufacturing Business Undertaking of the Demerged Company. The Demerged Company and the Resulting Company shall make relevant applications in that behalf and the Demerged Company and the Resulting Company shall co-operate with each other in respect of any such legal and other proceedings.

6. CONTRACTS, DEEDS OTHER INSTRUMENTS

- 6.1 Subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature relating to Manufacturing Business Undertaking to which the Demerged Company is a party, or the benefit to which the Demerged Company may be eligible, subsisting or operative immediately on or before the Effective Date, shall be in full force and effect against or in favor of the Resulting Company and may be enforced as fully and effectively as if instead of the Demerged Company, the Resulting Company had been a party or beneficiary thereto. Further,

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Resulting Company shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of the Demerged Company and to implement or carry out all formalities required on the part of the Demerged Company, to give effect to the provisions of this Scheme.

- 6.2 As a consequence of the demerger of the Manufacturing Business Undertaking of the Demerged Company into Resulting Company in accordance with or pursuant to this Scheme, the recording of change in name in the records of the statutory or regulatory authorities from the Demerged Company to the Resulting Company, whether pertaining to any license, permit, approval or any other matter, or whether for the purposes of any transfer, registration, mutation or any other reason, shall be carried out by the concerned statutory or regulatory or any other authority.

7. STAFF, WORKMEN, AND EMPLOYEES

- 7.1 Upon the Scheme becoming effective, all staff, workmen and employees on the payrolls of the Demerged Company relating to Manufacturing Business Undertaking, in service on the Effective Date shall be deemed to have become staff, workmen, and employees of the Resulting Company on such date without any break or interruption in their service and on the terms and conditions of their employment not less favorable than those subsisting with reference to the Demerged Company as on the said date.

- 7.2 Any question that may arise as to whether any staff, workman or employee belongs to or does not belong to the Manufacturing Business Undertaking of the Demerged Company, shall be mutually decided by Board of Directors of the Demerged Company and the Resulting Company or committee(s) thereof.

- 7.3 It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund or such other Special Fund, if any, or Trusts (hereinafter collectively referred as 'Funds') created for the benefit of the staff, workmen and employees of the Manufacturing Business Undertaking of the Demerged Company shall, with the approval of the concerned authorities, become Funds of the Resulting Company, or shall be transferred to or merged with other similar funds of the Resulting Company for all purposes whatsoever in relation to the administration or operation of such Funds or in relation to the obligation to make contributions to the said Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Demerged Company in relation to such Funds shall become those of the Resulting Company.

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- 7.4 It is clarified that the services of all transferred staff, workmen and employees of the Demerged Company, to the Resulting Company will be treated as having been continuous for the purpose of the aforesaid employee benefits and / or liabilities. For the purpose of payment of any retrenchment compensation, gratuity, and / or other terminal benefits, and / or any other liability pertaining to staff, workmen and employees, the past services of such staff, workmen and employees with the Demerged Company shall also be taken into account by the Resulting Company, who shall pay the same, if and when, payable.
- 7.5 It is further clarified that the Resulting Company shall be entitled to effect transfer of the staff, workmen and employees of the Manufacturing Business Undertaking of the Demerged Company in ordinary and usual course of business and as per business prudence and further to re-assess and /or re-allocate any activities being undertaken by staff, workmen and employees of the Manufacturing Business Undertaking of the Demerged Company.

8. CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE

8.1 With effect from the Appointed Date up to the Effective Date:

8.1.1 The Demerged Company shall carry on, and be deemed to have carried on its business, operations or activities, and shall be deemed to have held and stood possessed of and shall hold and stand possessed of the assets, properties, liabilities relating to Manufacturing Business Undertaking on behalf of and / or in trust for the Resulting Company.

8.1.2 All profits or income accruing or arising to the Demerged Company, or losses arising or expenditure incurred by it, shall for all purposes be treated as, and be deemed to be treated as, the profits or income or losses or expenditure, as the case may be, of the Resulting Company.

8.1.3 All assets howsoever acquired by the Demerged Company for carrying on its business, operations or activities and the liabilities relating to the Manufacturing Business Undertaking shall be deemed to have been acquired and are also contracted for and on behalf of the Resulting Company.

8.1.4 All income taxes, VAT, Excise, Service Tax, duties and levies etc. paid in relation to the Manufacturing Business Undertaking of the Demerged Company for and in relation to the period from the Appointed Date shall be deemed to be and treated as paid for and on behalf of the Resulting Company and the Resulting Company shall be entitled to the credit of the same without any further act, assurance or deed.

8.2 The Resulting Company shall also be entitled, pending sanction of the Scheme, to apply to the Central Government, State Government, and all other agencies, department and statutory authorities concerned, wherever necessary, for such consents, approvals and sanctions which the Resulting Company may require including the registration, approvals, exemptions, relieves, etc., as may be required / granted under any law for the time being in force for carrying on business of Manufacturing Business Undertaking of the Demerged Company.

8.3 With effect from the Appointed Date and until the Effective Date, the Demerged Company undertakes that it will preserve and carry on the business of the Demerged Undertaking with reasonable diligence and business prudence and shall not undertake financial commitments or sell, transfer, alienate, charge, mortgage, or encumber the Demerged Undertaking or any part thereof save and except in each case:

- (a) if the same is in its ordinary course of business as carried on by it as on the date of filing this Scheme with the High Court; or
- (b) if the same is expressly permitted by this Scheme; or
- (c) if the prior written consent of the board of directors of the Resulting Company has been obtained.

9. SAVING OF CONCLUDED TRANSACTIONS

9.1 The vesting of the Manufacturing Business Undertaking into the Resulting Company under Clause 4 above and the continuance of proceedings by or against the Demerged Company under Clause 5 above shall not affect any transaction or proceedings already concluded by the Demerged Company on or after the Appointed Date till the Effective

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Date, to the end and intent that Resulting Company accepts and adopts all acts, deeds, and things done and executed by the Demerged Company in respect thereto as done and executed on behalf of itself.

PART III

REMAINING UNDERTAKING OF THE DEMERGED COMPANY

10. Remaining undertaking to continue with the Demerged Company.
- 10.1 The Remaining Undertaking and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Demerged Company.
- 10.2 (a) All legal, taxation or other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, and in each case relating to the Remaining Undertaking (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the Remaining Undertaking) shall be continued and enforced by or against the Demerged Company after the Effective Date. The Resulting Company shall not in any event be responsible or liable in relation to any such legal, taxation or other proceeding against the Demerged Company, which relate to the Remaining Undertaking.
- (b) If proceedings are taken against the Resulting Company in respect of the matters referred to in sub clause (a) above, it shall defend the same in accordance with the advice of the Demerged Company and at the cost of the Demerged Company, and the latter shall reimburse and indemnify the Resulting Company against all liabilities and obligations incurred by the Resulting Company in respect thereof.
- 10.3 With effect from the Appointed Date and up to and including the Effective Date:
- (a) the Demerged Company shall carry on and shall be deemed to have been carrying on all business and activities relating to the Remaining Undertaking for and on its own behalf;
- (b) all profits accruing to the Demerged Company thereon or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Remaining Undertaking shall, for all purposes, be treated as the profits or losses, as the case may be, of the Demerged Company; and
- (c) all assets and properties acquired by the Demerged Company in relation to the Remaining Undertaking on and after the Appointed Date shall belong to and continue to remain vested in the Demerged Company.

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PART IV

ISSUE OF SHARES BY THE RESULTING COMPANY AND REORGANIZATION OF CAPITAL

The provisions of this Part IV shall operate notwithstanding anything to the contrary in this Scheme.

11. ISSUE OF SHARES BY THE RESULTING COMPANY

11.1. Upon the coming into effect of this Scheme and in consideration of the demerger by way of transfer and vesting of the Manufacturing Business Undertaking of ACDL in AIL pursuant to Part II of this Scheme, AIL shall, without any further application, act, instrument or deed, issue and allot shares, credited as fully paid up, to the extent indicated below to the shareholders of ACDL holding fully paid-up shares in ACDL and whose names appear in the Register of Members of ACDL on the Effective Date, or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of AIL, in the following manner:

‘3 (Three) fully paid Equity Shares of Rs. 5/- each of AIL shall be issued and allotted to the Equity Shareholders of ACDL for every 5 (Five) fully paid up Equity Shares held by them in ACDL. ’(“Share Entitlement Ratio”).’

No equity shares will be issued against equity shares held by AIL in ACDL.

11.2 Where equity shares of the Resulting Company are to be allotted to heirs, executors or administrators or successors, as the case may be, of deceased equity shareholders of the Demerged Company, the concerned heirs, executors, administrators or successors shall be obliged to produce evidence of title, satisfactory to the Board of Directors of the Resulting Company.

11.3 In the event that the Resulting Company restructures its equity share capital by way of share split / consolidation / issue of bonus shares during the pendency of the Scheme, the Share Exchange Ratio shall be adjusted accordingly to take into account the effect of any such corporate actions.

11.4 The equity shares issued and allotted by the Resulting Company in terms of this Scheme shall be subject to the provisions of the Memorandum and Articles of Association of the Resulting Company and shall, rank *pari passu* with the then existing equity shares of the Resulting Company, in all respects including dividends, bonus and rights entitlements.

11.5 For the purpose of allotment of equity shares to the members of ACDL as per Clause 11.1, fractional entitlements, if any, shall be rounded off to the nearest integer.

11.6 In so far as the issue of equity shares by the Resulting Company pursuant to this Scheme, each of the shareholders the Demerged Company holding shares in physical form shall have the option, exercisable by notice in writing by them to the Resulting Company on or before the Record Date, to receive, the equity shares of the Resulting Company either in certificate form or in dematerialized form, in lieu of their shares in the Demerged Company in accordance with the terms hereof. In the event that such notice has not been received by the Resulting Company in respect of any of the member of the Demerged Company, the shares of the Resulting Company shall be issued to such members in physical form. Those of the members of the Demerged Company who exercise the option to receive the shares in dematerialized form shall be required to have an account with a depository participant and shall provide full details thereof and such other confirmations as may be required in the notice provided by such shareholder to the Resulting Company. It is only thereupon that the Resulting Company shall issue and directly credit the demat/dematerialized securities account of such member with the equity shares of the Resulting Company. The physical share certificates representing the equity shares of the Demerged Company shall stand

automatically and irrevocably cancelled on the issue of equity shares by the Resulting Company in terms of this Scheme.

- 11.7 In the event of there being any pending share transfer, whether lodged or outstanding, of any shareholder of the Demerged Company, the Board of Directors or any Committee thereof of the Resulting Company shall be empowered even subsequent to the effective date to effectuate such transfer as if such changes in the Registered holders were operative from the effective date, in order to remove any difficulties arising to the transfer of shares after the Scheme becomes effective.
- 11.8 The equity shares to be issued by the Resulting Company to the members of Demerged Company pursuant to Clause 11.1 of the Scheme, in respect of any shares in Demerged Company which are held in abeyance under the provisions of Section 206A of the Act or otherwise pending allotment or settlement of dispute, by order of court or otherwise, be held in abeyance by the Resulting Company.
- 11.9 For the purpose of issue of equity shares to the shareholders of the Demerged Company, the Resulting Company shall, if and to the extent required, apply for and obtain the required statutory approvals and approvals of the other concerned regulatory authorities for the issue and allotment by the Resulting Company of such equity shares.
- 11.10 The New Equity Share Capital of the Resulting Company issued in terms hereof shall, subject to payment of the appropriate fee and approval of the respective stock exchange(s), be listed on recognised stock exchange(s) in India, where the shares of the Resulting Company are already listed. The Resulting Company shall enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said stock exchanges.
- 11.11 Approval to the Scheme given by the shareholders of the Resulting Company shall be deemed to be the due compliance of the provisions of Section 81(1A) and the other relevant and applicable provisions of the Act for the issue and allotment of the equity shares by the Resulting Company to the shareholders of the Demerged Company as provided in the Scheme. The issue and allotment of New Equity Shares in the Resulting Company to the members of the Demerged Company as provided in this Scheme shall thus be deemed to have been carried out in compliance with the procedure laid down under Section 81(1A) and other applicable provisions, if any, of the Act and it is clarified that no separate approvals shall need to be obtained by the Resulting Company in this regard.
- 11.12 The New Equity Shares in the Resulting Company allotted pursuant to the Scheme shall remain frozen in the depositories system till listing / trading permission is given by the designated stock exchanges.
- 11.13 Unless otherwise determined by the Board of Directors or any committee thereof of the Demerged Company and the Board of Directors or any committee thereof of the Resulting Company, issuance of equity shares in terms of Clause 11.1 above shall be done within 90 days from the Effective Date.
- 11.14 The cost of acquisition of the equity shares of the Resulting Company in the hands of the shareholders of the Demerged Company shall be the amount which bears to the cost of acquisition of equity shares held by the shareholder in the Demerged Company the same proportion as the net book value of the assets transferred in the demerger to the Resulting Company bears to the net worth of the Demerged Company immediately before the demerger hereunder.

11.15 The period for which the equity share(s) in the Demerged Company were held by the shareholders shall be included in determining the period for which the equity shares in the Resulting Company issued in terms of Clause 11.1 above are held by the respective shareholder in the Resulting Company.

12. REORGANIZATION OF CAPITAL

12.1 As an integral part of this Scheme and upon coming into effect of this Scheme, the issued, subscribed and paid up capital of the Demerged Company shall be reduced by Rs. 15,65,75,800/-, being no longer represented by assets of the Demerged Company, and such reduction shall be effected by reducing the face value and the paid up value of the equity shares of the Demerged Company from Rs. 10/- per share to Rs. 5/- per share fully paid.

12.2 Since the demerger by way of transfer and vesting of the Manufacturing Business Undertaking of ACDL in AIL pursuant to Part II of this Scheme does not involve either diminution of liability in respect of unpaid share capital or payment to any member of any paid up share capital, the reduction of share capital pursuant to the Scheme shall be deemed to be effected and sanctioned as an integral part of this Scheme itself and to that extent the approval granted by the members to the Scheme shall be deemed to include the approval under Section 100 and other applicable provisions of the Act.

12.3 The reduction, if any, in the face value of issued, subscribed and paid-up share capital of the Demerged Company shall be effected as an integral part of the Scheme in accordance with the provisions of Sections 100 to 103 of the Act and the Order of the High Court sanctioning the Scheme shall be deemed to be also the Order under Section 102 of the Act for the purpose of confirming the reduction. The reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital, and the provisions of Section 101 of the Act will not be applicable.

12.4 Notwithstanding the reduction as mentioned in Clause 12, ACDL shall not be required to add “and reduced” as a suffix to its name and ACDL shall continue in its existing name.

12.5 The share certificates of the Demerged Company in relation to the shares held by its equity shareholders shall, without any further application, act, instrument or deed be deemed to have been automatically cancelled pursuant to the reorganisation of capital and new share certificates in respect of equity shares with reduced face value and paid up value will be issued by the Demerged Company to its equity shareholders whose names appear in the Register of Members of ACDL on the Effective Date.

13. AMENDMENT TO THE MEMORANDUM OF ASSOCIATION

13.1 Upon the coming into effect of this Scheme, as an integral part of this Scheme, the authorized share capital of Rs. 31,61,51,600/- of ACDL shall, without any further act or deed, be automatically stand altered, reclassified and divided into Equity Shares of Rs. 5/- each. Consequently, Clause V of the Memorandum of Association of ACDL (relating to Authorised Share Capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, in the manner set out below and be replaced by the following Clause :

‘V. The Authorised Share Capital of the Company is Rs. 31,61,51,600/- (Rupees Thirty one crore sixty one lakh fifty one thousand six hundred only) divided into 6,32,30,320 (Six Crore Thirty Two Lakhs Thirty Thousand Three Hundred and Twenty) Equity Shares of Rs. 5/- each.

The Company has power, from time to time, to increase or reduce its capital and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges, conditions or restrictions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions or restrictions in such manner as may for the time being be permitted by the Articles of Association of the Company or the legislative provisions for the time being in force in that behalf.’.

13.2 Upon the coming into effect of this Scheme, ACDL shall file necessary forms of notice of alteration of authorised share capital with the Registrar of Companies. Maharashtra at Mumbai in accordance with applicable law in this regard.

13.3 It is clarified that approval of members granted to this Scheme shall be deemed to be their consent/ approval to the alteration of Memorandum of Association of ACDL as per Clause 13.1 pursuant to Sections 16, 94 and 394 and applicable provisions of the Act, as the case may be and shall not be required to pass separate resolutions for the same.

14. DIVIDEND

14.1 For the avoidance of doubt it is hereby clarified that nothing in this Scheme shall prevent the Resulting Company from declaring and paying dividends, whether interim or final, to its equity shareholders as on the respective record date for the purpose of dividend.

14.2 In the event that the Resulting Company declares any dividend between the date of filing of the Scheme and the record date fixed for the purpose (Record Date) then in such an event, the shareholders of the Demerged Company who are entitled to receive shares of the Resulting Company pursuant to clause 11.1 above (the Demerged Company shareholders) shall, on the Record Date, also be eligible to receive an amount representing such dividend proportionate to the shares they are entitled to receive. For this purpose, the Resulting Company shall, at the time of declaration of dividend to its shareholders as aforesaid, reserve the amount required for payment of dividend to the Demerged Company shareholders. The Board of Directors of the Resulting Company will declare the aforesaid reserved amount as dividend to the Demerged Company shareholders after the Record Date and the amount set apart will be appropriated towards such declaration. For the avoidance of doubt it is clarified that no interest shall be payable by the Resulting Company to the Demerged Company shareholders in relation to such amount to be applied towards payment of such dividend.

14.3 The Demerged Company shall not, without the prior written approval of the Resulting Company, make any declaration of dividend between the date of filing of this Scheme and the Effective Date. Until the effectiveness of the Scheme, the holders of equity shares of the Demerged Company and the Resulting Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing respective rights under their respective Articles of Association.

14.4 It is clarified that the aforesaid provisions in respect of declaration of dividends, whether interim or final, are enabling provisions only and shall not be deemed to confer any right on any member of the Demerged Company and/or the Resulting Company to demand or claim any dividends which, subject to the provisions of the Act, shall be

entirely at the discretion of the respective Boards of Directors of the Demerged Company and the Resulting Company and subject, wherever necessary, to the approval of the shareholders of the Demerged Company and the Resulting Company, respectively.

15. FUND RAISING BY ISSUE OF SHARES / OTHER INSTRUMENTS BY RESULTING COMPANY

- 15.1 For the avoidance of doubt it is hereby clarified that nothing in this Scheme shall prevent the Resulting Company from raising funds by issue of new equity shares and / or preference shares and / or any convertible / non-convertible instruments.

PART V

ACCOUNTING TREATMENT

16. ACCOUNTING TREATMENT

16.1 In the books of Resulting Company

- 16.1.1 The Resulting Company shall, upon the Scheme becoming effective, record the assets and liabilities of the Manufacturing Business Undertaking of the Demerged Company vested in it pursuant to this Scheme, at the respective book values thereof as appearing in the books of the Demerged Company, in accordance with the provisions of Section 2(19AA) of the Income Tax Act, 1961, at the close of business of the day immediately preceding the Appointed Date.
- 16.1.2 The Resulting Company shall credit to its share capital account, the aggregate face value of the Equity Shares issued by it pursuant to Clause 11.1 of this Scheme.
- 16.1.3 Upon the Scheme being effective, the inter se amounts of loans, advances and/ or other payables/receivables, as the case may be, of the Demerged Undertaking and the Resulting Company will stand cancelled and there shall be no further obligation/outstanding in that behalf.
- 16.1.4 The excess or deficit, if any, remaining after recording the aforesaid entries, shall be adjusted, by the Resulting Company to its Capital Reserve Account or Goodwill, as the case may be.
- 16.1.5 If considered appropriate for the purpose of application of uniform accounting methods and policies between the Demerged Company and the Resulting Company, the Resulting Company may make suitable adjustments and adjust the effect thereof in the Capital Reserve Account of the Resulting Company.

16.2 In the books of Demerged Company

- 16.2.1 Upon the Scheme becoming effective, the book value of assets and liabilities pertaining to the Demerged Undertaking shall be reduced from the book values of the assets and liabilities appearing in the books of ACDL.
- 16.2.2 Upon the Scheme being effective, the inter se amounts of loans, advances and/or other payables/receivables, as the case may be, of the Demerged Undertaking and the Resulting Company will stand cancelled and there shall be no further obligation/outstanding in that behalf.

16.2.3 The difference remaining after recording the aforesaid entries and further adjusting the reduction in the equity share capital referred to in Clause 12 above to the extent of Rs. 15,65,75,800/-, shall be debited to the Profit and Loss Account of the Demerged Company.

16.3 Accounting Standards

16.3.1 The accounting treatment specified under the Scheme would be in accordance with the accounting standards prescribed under Section 211 (3C) of the Companies Act, 1956 and where the Scheme prescribes a different treatment, the same shall be ignored in order to be compliant with the applicable accounting standard(s).

PART VI

GENERAL TERMS AND CONDITIONS

17. SCHEME CONDITIONAL ON APPROVAL/SANCTIONS

17.1 The Scheme is conditional upon and subject to:

- HIGH COURT OF GUJARAT
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- (a) The Scheme being approved by the requisite majority in number and value of such classes of persons including the respective members and/or creditors of the Demerged Company and the Resulting Company as may be directed by the High Court.
 - (b) The sanction of the High Court under Sections 391 to 394 of the said Act in favor of the Demerged Company and the Resulting Company under the said provisions and to the necessary Order under Section 394 of the said Act being obtained.
 - (c) Certified or authenticated copy of the Order of the High Court sanctioning the Scheme being filed with the Registrar of Companies, by the Demerged Company and the Resulting Company.

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

17.3 If any part of this Scheme is invalid, ruled illegal by any Court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of this Scheme, and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the Board of Directors of the companies involved in the Scheme shall attempt to bring about a modification in this Scheme, as will best preserve for the parties the benefits, and obligations of this Scheme, including, but not limited to, such part.

18. APPLICATION TO THE HIGH COURT

18.1 The Demerged Company and the Resulting Company shall, with all reasonable dispatch, make and file all necessary applications and petitions before the High Court for the sanction of this Scheme under Sections 391 to 394 of the Act and each of them

shall apply for all necessary approvals as may be required under law.

19. Modification of Scheme

19.1 The Demerged Company and the Resulting Company, with the approval of their respective Boards of Directors, may consent, from time to time, on behalf of all persons concerned, to any modifications/amendments or additions/deletions to the Scheme which may otherwise be considered necessary, desirable or appropriate by the said Boards of Directors to resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds matters, and things necessary for bringing this Scheme into effect or agree to any terms and / or conditions or limitations that the Hon'ble Court or any other authorities under law may deem fit to approve of, to direct and or impose. The aforesaid powers of the Board of Directors of the Demerged Company and the Resulting Company to give effect to the modification/amendments to the Scheme may be exercised by their respective Boards of Directors or any person authorized in that behalf by the concerned Board of Directors subject to approval of the Hon'ble Court or any other authorities under applicable law.

20. Costs, Charges etc.

20.1 All costs, charges and expenses incurred (including stamp duty) in relation to or in connection with or incidental to this Scheme or the implementation thereof shall, except as expressly otherwise agreed, be borne and paid by the Resulting Company. The Resulting Company shall be eligible for deduction of expenditure incurred as per Section 35DD of the Income Tax Act, 1961.

★ ★

ORDER ON COMPANY PETITION NO. 250 OF 2012

WITNESS BHASKAR BHATTACHARYA Esquire, the **CHIEF JUSTICE** at Ahmedabad aforesaid this 8th day of March Two Thousand Thirteen

By the Order of the Hon'ble Court

Sd/-
Registrar (Judicial)
This 2nd day of May, 2013

**HIGH COURT OF GUJARAT
AHMEDABAD
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Sealer

Sd/-
Deputy Registrar
This 2nd day of May 2013



Order drawn by :

Sd/-
(Nandish Chudgar)
Advocate / Partner
M/s. Nanavati Associates
'B' Block, Satyam Corporate Square
Behind Rajpath Club, Bodakdev,
Ahmedabad – 380 054.

**TRUE COPY
SD/-
ASSISTANT REGISTRAR
DATED : 03-05-2013**

Date : 25-03-2013
12-04-2013

O/13703/2013

Prepared By	: ANJALI
Applied on	: 29-04-2013
Prepared on	: 29-04-2013
Notified on	: 30-04-2013
Delivered on	: 30-04-2013

CHARGE : 15
Read By : Sd/- 30-04-2013
Examined By : Sd/- 30-04-2013

HIGH COURT OF GUJARAT AHMEDABAD CERTIFIED COPY

Section Officer Decree Department DATED : 30-04-2013
--

**IN THE HIGH COURT OF GUJARAT AT AHMEDABAD
ORDER PASSED BY THE COURT IN THE CASE OF**

1. AARTI INDUSTRIES LTD }
PLOT NOS. 801, 801/23, GIDC ESTATE }
PHASE III, VAPI, }
DIST. VALSAD, GUJARAT 396 195 } **PETITIONER(S)**

VERSUS

1. .. }
.. }
.. }
.. } **RESPONDENT(S)**

Being COMPANY PETITION No. 250 of 2012

Appearance on Record :
NANAVATI ASSOCIATES as ADVOCATE for the Petitioner(s) No. 1
MR. PS CHAMPANERI as ADVOCATE for the Respondent(s) No. 1

COURTS ORDER :

CORAM :
HONOURABLE MR. JUSTICE R. M. CHHAYA
Date of Decision: 24-04-2013

(COPY OF ORDER ATTACHED HEREWITH)

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IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

COMPANY PETITION NO. 250 of 2012

In

COMPANY APPLICATION NO. 333 OF 2012

=====

AARTI INDUSTRIES LTD (Petitioner(s))

Versus

..... Respondent(s)

=====

Appearance:

MR. NANDISH Y CHUDGAR, ADVOCATE for NANAVATI ASSOCIATES for the Petitioner(s)
No. 1

MR. PS CHAMPANERI, ASSISTANT SOLICITOR GENERAL OF INDIA for the Respondent(s)
No. 1

=====

CORAM : HONOURABLE MR. JUSTICE R. M. CHHAYA

Date : 24-04-2013

ORDER BELOW THE NOTE FOR SPEAKING TO MINUTES DATED 17-04-2013

In Para 8 of the order dated 08-03-2013, it is mentioned that "An affidavit dated 23-01-2013 has been filed on behalf of the petitioner Company" The said date is 24-01-2013, as is indicative from Page-212 of the paper book.

Considering the aforesaid and in view of the statement made in the note for speaking to minutes, the same is allowed. The aforesaid date be read as 24-01-2013. Accordingly, the note for speaking to minutes dated 17-04-2013 stands disposed of.



**SD/-
(R. M. CHHAYA)**

**TRUE COPY
SD/-
ASSISTANT REGISTRAR
DATED : 30-04-2013**

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ORDER ON PETITION COMP 116 OF 2015

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

(ORIGINAL JURISDICTION)

COMPANY PETITION NO. 116 OF 2015

CONNECTED WITH

COMPANY APPLICATION NO. 329 OF 2014

SD/-
"CORRECTED BY"
SD/-
09-09-2015
SECTION OFFICER'S
DECREE DEPARTMENT
DT.: 09-09-2015

Copy Applied on : 10-08-2015
Copy Ready on : 09-09-2015
Notified on : 09-09-2015
Copy delivered on : 09-09-2015
Sent by :
Regd. By Post :

Dy. S.O. : SD/-

D/O No. : 27312 (P) - 21
Comparing & Copies Charges
Total Rs. 85/-

**HIGH COURT OF GUJARAT
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In the matter of the Companies Act, 1956

And

In the matter of Sections 391 to 394 read with
Sections 100 to 103 of the Companies Act,
1956

And

In the matter of Scheme of Amalgamation

BETWEEN

Gogri & Sons Investments Private Limited

And

Alchemie Leasing and Financing
Private Limited

And

Anushakti Holdings Limited

And

Anushakti Chemicals and Drugs Limited
(the Transferor Companies)

WITH

Aarti Industries Limited
(the Transferee Company)
And their respective Shareholders

AARTI INDUSTRIES LIMITED, a
Company incorporated under the
Companies Act, 1956 and having its
registered office at Plot Nos. 801,
801/23, GIDC Estate, Phase III, Vapi,
Dist. Valsad, Gujarat 396 195.

}
}
}
}
}
}
}
} **PETITIONER**
} **(TRANSFEEE COMPANY)**

ORDER ON PETITION COMP 116 OF 2015

BEFORE HONOURABLE MR. JUSTICE VIPUL M. PANCHOLI

DATE: 31st JULY, 2015

ORDER ON PETITION

THE ABOVE Petition coming on for hearing on 31 day of July, 2015, **UPON READING** the said petition, the order dated 24th day of December, 2014 in the Company Application No. 329 of 2014 filed by the Petitioner Company whereby the Honourable Court dispensed with the meeting of its Secured Creditors and Unsecured Creditors, and the Petitioner Company was ordered to convene separate meetings of its Equity Shareholders for the purpose of considering, and if thought fit, approving, with or without modification, the arrangement proposed to be made between the said Transferee Company and **Gogri & Sons Investments Private Limited, Alchemie Leasing and Financing Private Limited, Anushakti Holdings Limited, And Anushakti Chemicals and Drugs Limited (the Transferor Companies)** and annexed to the Affidavit dated 30th day of January, 2015 of Mr. Rajendra Vallabhaji Gogri, Chairman and Managing Director of the Applicant Company showing the publication in the “**Times of India**”, an English daily, Ahmedabad Edition dated the 19th day of January, 2015, and “**Gujarat Samachar**”, a Gujarati daily, Surat Edition dated the 20th day of January, 2015 each containing the advertisement of the notice convening the said meetings directed to be held by the said Order dated the 24th day of December, 2014, and dispatch of the notices convening the said meetings, the Reports of the Chairman of the said meetings dated the 3rd day of March, 2015 as to the result of the said meetings of Equity Shareholders of the Petitioner Transferee Company and it appearing that the proposed Scheme of Amalgamation has been approved unanimously by the Equity Shareholders of the Petitioner Transferee Company **AND UPON READING** the Order dated the 21 day of April, 2015 admitting the Petition, the Affidavit dated the 29th day of June, 2015 of Mr. Sunil Mavji Dedhia, Authorized Signatory of the petitioner company, showing publication of the notice of hearing of this Petition in “**Times of India**”, an English daily, Ahmedabad Edition dated the 18th day of May, 2015 and “**Gujarat Samachar**”, a Gujarati daily, Surat Edition dated the 18th day of May, 2015 **AND UPON READING** the Affidavit dated 21 day of July, 2015 filed by Shri Shambhu Kumar Agarwal, Regional Director, Ministry of Corporate Affairs, North-Western Region Ahmedabad, stated that they have received no complaint and/or representation in respect to the proposed Scheme, and that there are no other objections other than the ones raised in Paras 2(c), 2(d) and 2(e) **AND UPON HEARING** Mr. Nandish Chudgar, assisted by Mr. Raheel Patel, Advocates for M/s. Nanavati Associates for the Petitioner Company, Mr. Kshitij Amin, Advocate for Mr. Devang Vyas, Assistant Solicitor General appearing for the Central Government instructed by the Regional Director and it is not prejudicial to the interest of the shareholders of the Petitioner Company and public at large.

This Court doth hereby sanction the Scheme of Amalgamation as set forth in **Annexure - “Q”** of the petition herein and in the Schedule hereto and doth hereby declare the same to be binding with effect from the Appointed date (i.e. 01/04/2015) on the Petitioner Company, the Transferor Companies and all their respective shareholders, Creditors and ALL concerned persons;

And this Court doth further order that the amendment in the Scheme is allowed and accordingly, the “Appointed Date” as mentioned in the Scheme shall be 01.04.2015;

And this Court doth further order that the Petitioner Company shall within 30 days after the date of sealing of the order to be made herein or within such other time as may be permitted by this Honourable Court cause a certified copy thereof to be delivered to the Register of Companies, Gujarat at Ahmedabad for registration;

HIGH COURT OF GUJARAT
AHMEDABAD
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ORDER ON PETITION COMP 116 OF 2015

And this Court doth further order that liberty is reserved to the petitioner Company and all other persons interested in this Petition to apply to this Honourable Court herein as and when occasion may arise for any direction that may be necessary.

This Court doth further order payment of Rs. 10,000/- as the cost of this petition awardable to Mr. Devang Vyas, Assistant Solicitor General for the Central Government.

SCHEDULE

Scheme of Amalgamation as Sanctioned by the Court
Dated this 31 July, 2015.

HIGH COURT OF GUJARAT
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AHMEDABAD
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SCHEME OF AMALGAMATION
BETWEEN
GOGRI & SONS INVESTMENTS PRIVATE LIMITED
AND
ALCHEMIE LEASING AND FINANCING PRIVATE LIMITED
AND
ANUSHAKTI HOLDINGS LIMITED
AND
ANUSHAKTI CHEMICALS AND DRUGS LIMITED
AND
AARTI INDUSTRIES LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS

PREAMBLE

This Scheme of Amalgamation is presented under Section 391 to 394 read with Sections 100 to 103 and other applicable provisions of the Companies Act, 1956 for amalgamation of Gogri & Sons Investments Private Limited (hereinafter referred to as GSIPL”) and Alchemie Leasing And Financing Private Limited (hereinafter referred to as or “ALFPL) and Anushakti Holdings Limited (hereinafter referred to as or “AHL’) and Anushakti Chemicals And Drugs Limited hereinafter referred to as or ‘ACDL”) with Aarti Industries Limited (hereinafter referred to as “Transferee Company” or “AIL”).

PARTS OF THE SCHEME

This Scheme of Amalgamation is divided into the following parts:

- (1) PART I deals with the definitions, share capital and description of GSIPL, ALFPL, AHL, ACDL and AIL;
- (2) PART II deals with the amalgamation of GSIPL, ALFPL, AHL, ACDL with AIL;
- (3) PART III deals with general terms and conditions applicable to this Scheme of Amalgamation.

PART I

DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

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

- 1.1 “Act” means the Companies Act, 1956 and shall include any statutory modification(s), re-enactment(s) or amendment(s) thereof for the time being in force and also mean and refer to corresponding Sections of Companies Act, 2013 as and when such corresponding Sections are notified in the Official Gazette by the Central Government;
- 1.2 “Appointed Date”: Appointed Date means 1st April 2015
- 1.3 “Companies” means collectively GSIPL, ALFPL, AHL, ACDL and AIL;
- 1.4 “Effective Date” means the last of the dates on which all the conditions and matters referred to in clause 20 hereof have been fulfilled;
- 1.5 “High Court” or “Court” means the High Court of Judicature of Bombay and / or High Court of Gujarat at Ahmedabad to which this Scheme of Amalgamation in its present form is submitted for sanctioning of the Scheme under Sections 391 to 394 of the Act, and shall include National Company Law Tribunal, if and when applicable;
- 1.6 “AIL Shares” means 2,16,34,702 (Two crore sixteen lakhs thirty four thousand seven hundred and two) equity shares of Rs. 5/- (Rupees Five) each of AIL in aggregate held by the Transferor Companies in AIL which represent approximately 24.42% of the fully paid up share capital of AIL and such additional equity shares which the Transferor Companies may acquire in AIL prior to the Effective Date;
- 1.7 “Record Date” means the date fixed by the Board of Directors or a Committee thereof of the Transferee Company for the purpose of determining the members of the Transferor Companies to whom New Equity Shares will be allotted pursuant to this Scheme.
- 1.8 “Scheme” or “the Scheme” or “this Scheme” means this Scheme of Amalgamation in its present form as submitted to the High Court with such modification(s), if any made, as per clause 19 of the Scheme, as approved or directed by the said Court or such other competent authority, as may be applicable;
- 1.9 “GSIPL” means Gogri & Sons Investments Private Limited, a company incorporated under the Act and having its registered office at Antariksha, 6th floor, Murar Road, Mulund, Mumbai-400080 Maharashtra;
- 1.10 “ALFPL” means Alchemie Leasing And Financing Private Limited, a company incorporated under the Act and having its registered office at Antariksha, 6th floor, Murar Road, Mulund (West), Mumbai-400080 Maharashtra;
- 1.11 “AHL” means Anushakti Holdings Limited, a company incorporated under the Act and having its registered office at Gala No. 202, Udyog Kshetra Industrial Premises, Co-op. Soc. Ltd. Plot No. 71, Nahur, LBS Marg, Mulund (W), Mumbai-400080, Maharashtra;

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- 1.12 “ACDL” means Anushakti Chemicals and Drugs Limited, a company incorporated under the Act and having its registered office at Udyog Kshetra, 2nd Floor, L B S Marg, Mulund Goregaon Link Road, Mulund (West), Mumbai-400 080 Maharashtra;
- 1.13 “Transferor Companies” means GSIPL, ALFPL, AHL and ACDL or any one or all of them as the context requires;
- 1.14 “Transferee Company” or “AIL” means Aarti Industries Limited, a company incorporated under the Act and having its registered office at Plot No. 801, 801/23 GIDC Estate, Phase III, Vapi 396195, Gujarat;
- 1.15 Any reference in the Scheme to “upon the Scheme becoming effective” or “on the scheme becoming effective” or “effectiveness of the Scheme” shall mean the Effective Date.

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

2. DESCRIPTION OF THE COMPANIES

- 2.1 GSIPL is a private limited company registered with the Reserve Bank of India as a non deposit taking non banking financial company. GSIPL is a promoter group company in AIL. Presently, GSIPL is engaged in the business of acquiring and holding investments in the shares of AIL for the purposes other than trading of such securities. As on the 31 March, 2014, GSIPL held 58,33,773 equity shares of Rs. 5/- each fully paid up being approximately 6.59% of the total share capital of AIL. The entire share capital of GSIPL is held by the promoters of GSIPL, who are inter alia also the promoters of AIL.
- 2.2 ALFPL is a private limited company registered with the Reserve Bank of India as a non deposit taking non banking financial company. ALFPL is a promoter group company in AIL. Presently, ALFPL is engaged in the business of acquiring and holding investments in the shares of AIL for the purposes other than trading of such securities. As on the 31st March, 2014, ALFPL held 51,84,098 equity shares of Rs. 5/- each Fully paid up being approximately 5.85% of the total share capital of AIL. The entire share capital of ALFPL is held by the promoters of ALFPL, who are inter alia also the promoters of AIL,
- 2.3 AHL is a public limited company and was incorporated on 21st August, 2002 as a Private Limited Company under the name of Anushakti Chemicals and Drugs Private Limited. The Company was, later on, converted into Public Limited Company under the applicable provisions of the Companies Act, 1956 and consequently name was changed to Anushakti Chemicals and Drugs Limited on 28th July, 2004. The name of the Company was later changed to Anushakti Holdings Limited with effect from 30th August, 2011. AHL is an associate of and a promoter group company in AIL. Presently, AHL is engaged in the business of acquiring and holding investments in the shares of AIL for the purposes other than trading of such securities. As on the 31st March, 2014, AHL held 70,22,301 equity shares of Rs. 5/- each fully paid up being approximately 7.93% of the total share capital of AIL. Promoters / promoter group companies of AIL hold in aggregate approximately 40.81% in the share capital of AHL. AIL holds approximately 49% in the share capital of AHL.
- 2.4 ACDL is a public limited company and was incorporated on 25th August, 1992 under the name of Alchemic Drugs Pvt. Ltd. was converted into Public Company on 1st

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August, 1994. The name of the Company was changed to Aarti Healthcare Ltd. on 29th May, 2000. The name of the Company was later changed to Anushakti Chemicals and Drugs Limited with effect from 11th November, 2011. ACDL is an associate of and a promoter group company in AIL. Presently, ACDL is engaged in the business of acquiring and holding investments in the shares of AIL for the purposes other than trading of such securities. As on the 31st March, 2014, ACDL held 35,94,530 equity shares of Rs. 5/- each fully paid up being approximately 4.06 % of the total share capital of AIL. Promoters/promoter group companies of AIL hold in aggregate approximately 40.37% in the share capital of ACDL. AIL holds approximately 49.59% in the share capital of ACDL.

- 2.5 AIL is a public limited company whose equity shares are listed on the BSE Limited and the National Stock Exchange of India Limited. AIL is engaged, inter alia, in the business of manufacturing, buying, selling and exporting of chemicals covering Organic and Inorganic chemicals, Agro Chemicals, Bulk Pharmaceuticals and Speciality Chemicals. As on 31st March, 2014, the promoters of AIL, which inter alia also include promoters of the Transferor Companies, hold 60.88% of entire share capital of AIL and the remaining 39.12% of the share capital of AIL is held by the general public.

3. SHARE CAPITAL

- 3.1 The share capital of GSIPL as on 31st March, 2014 is as follows:

Particulars	Amount in Rupees (Rs.)
Authorised capital	
53,000 Equity Shares of Rs. 100/- each	53,00,000
Issued, subscribed and paid-up capital	
52,845 Equity Shares of Rs. 100/- each	52,84,500

Subsequent to the above balance sheet date and till the date of the scheme being approved by the Board of Directors of GSIPL, there has been no change in the authorized, issued, subscribed and paid-up capital of GSIPL.

- 3.2 The share capital of ALFPL as on 31st March, 2014 is as follows:

Particulars	Amount in Rupees (Rs.)
Authorised capital	
430,000 Equity Shares of Rs. 10/- each	43,00,000
Issued, subscribed and paid-up capital	
4,20,060 Equity Shares of Rs. 10/- each	42,00,600

Subsequent to the above balance sheet date and till the date of the Scheme being approved by the Board of Directors of ALFPL, there has been no change in the authorized, issued, subscribed and paid-up capital of ALFPL.

3.3 The share capital of AHL as on 31st March, 2014 is as follows:

Particulars	Amount in Rupees (Rs.)
Authorised capital	
2,00,00,000 Equity Shares of Rs. 10/- each	200,000,000
Issued, subscribed and paid-up capital	
80,56,000 Equity Shares of Rs. 10/- each	180,560,000

Subsequent to the above balance sheet date and till the date of the Scheme being approved by the Board of Directors of AHL, there has been no change in the authorized, issued, subscribed and paid-up capital of AHL.

The share capital of ACDL as on 31st March, 2014 is as follows:

Particulars	Amount in Rupees (Rs.)
Authorised capital	
63,230,320 Equity Shares of Rs. 5/- each	316,151,600
Issued, subscribed and paid-up capital	
31,315,160 Equity Shares of Rs. 5/- each	156,575,800

Subsequent to the above balance sheet date and till the date of the Scheme being approved by the Board of Directors of ACDL, there has been no change in the authorized, issued, subscribed and paid-up capital of ACDL.

3.5 The share capital of AIL as on March 31, 2014 is as follows:

Particulars	Amount in Rupees (Rs.)
Authorised Capital	
12,50,00,000 Equity Shares of Rs. 5/- each	62,50,00,000
Issued, subscribed and paid-up capital	
8,85,91,687 Equity Shares of Rs. 5/- each	44,29,58,435

Subsequent to the above balance sheet date and till the date of the Scheme being approved by the Board of Directors of AIL, there has been no change in the authorized, issued, subscribed and paid-up capital of AIL.

PART II

AMALGAMATION OF GSIPL, ALFPL, AHL, ACDL WITH AIL

4. RATIONALE FOR THE SCHEME

It is proposed to amalgamate GSIPL, ALFPL, AHL, ACDL i.e. the Transferor Companies into AIL by this Scheme, as a result of which the promoter shareholders of the Transferor Companies, who are inter alia also the promoters of AIL shall directly hold shares in AIL and the following benefits shall, inter alia, accrue to the Companies and to the respective shareholders and stakeholders of the Companies:

- (a) The merger will result in the promoter group of AIL directly holding shares in AIL, which will lead not only to simplification of the shareholding structure and reduction of shareholding tiers but also demonstrate the promoter groups direct commitment to and engagement with AIL.
- (b) There will be a positive impact on earnings per share of AIL to the extent that no equity shares would be issued by AIL in consideration of this Scheme to the extent of proportionate shareholding of AIL in the equity shares of AHL (i.e. approximately 49%) and ACDL (i.e. approximately 49.59%). Further, consequent reduction of capital of AIL would result in increased shareholders value in the long term.
- (c) The merger of the Transferor Companies with AIL will result in an increase in the public float of AIL, which will form part of public shareholding and not that of promoter group. That will in turn increase the trading stock of the shares of AIL.
- (d) Increase, in the public float and trading stock of the shares of AIL will positively impact the liquidity of the shares of AIL.

5. TRANSFER AND VESTING

5.1 With effect from the Appointed Date and upon the Scheme becoming effective, the entire business and whole of the undertaking(s) of the Transferor Companies including all the properties and assets, present or future or contingent or of whatsoever nature, if any, shall under the provisions of Section 391 and 394 of the Act and pursuant to the order of the High Court sanctioning this Scheme and without any further act or deed be transferred and/or deemed to be transferred to and vested with AIL so as to become the properties of AIL.

5.2 With effect from the Appointed Date and upon the Scheme becoming effective, all debts, liabilities, obligations, charges, liens, mortgages, contingent liabilities, taxes and duties of the Transferor Companies and other obligations of whatsoever nature, if any, shall under the provisions of Section 391 and 394 of the Act and pursuant to the order of the High Court sanctioning this Scheme and without any further act, instrument or deed be transferred or be deemed to be transferred to and vest in and be assumed by AIL so as to become the debts, liabilities, contingent liabilities, duties and obligations of AIL on the same terms and conditions as were applicable to the Transferor Companies.

5.3 Further, this clause of the Scheme has been drawn up to comply with the conditions relating to ‘Amalgamation’ as specified under tax laws, including Section 2(1B) of the Income-tax Act, 1961 or any statutory modification(s), re-enactment(s) or amendment(s) thereof for the time being in force. If any term(s) or provision(s) of the Scheme is /are inconsistent with the provisions of Section 2(1B) of the Income tax Act, 1961, the provisions of Section 2(1B) of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent necessary to comply with Section 2(1B) of the Income-tax Act, 1961, such modifications will, however, not affect the other clauses of the Scheme.

5.4 With effect from the Appointed Date and upon the Scheme becoming effective, subject to applicable law, any statutory licenses, permissions, approvals, registration and/or consents, if any, held by the Transferor Companies shall stand vested in AIL (save and except as otherwise specified in this Scheme) without any further acts, deeds, matters or things and shall be appropriately registered with the statutory authorities concerned in favour of the AIL. The benefit of all statutory and

regulatory licenses, permissions, approvals, registration of the Transferor Companies shall vest in and become available to the AIL pursuant to the Scheme. Provided that any statutory licenses, permissions, approvals, registration and/or consents held by the Transferor Companies that are not required by AIL will, if required by applicable laws, be cancelled or surrendered by the Transferor Companies and/or AIL.

6. CONSIDERATION

6.1 Upon the Scheme becoming effective and consequent amalgamation of the Transferor Companies with AIL, in terms of this Scheme, AIL shall, subject to the provisions of sub-clause 6.2 without any application or deed, issue and allot equity shares, credited as fully paid up, in consideration of this Scheme, to the extent indicated below, to the members of the Transferor Companies holding fully paid-up equity shares of the Transferor Companies and whose names appear in the Register of Members of the Transferor Companies on the Record Date, or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of the Transferor Companies and/or AIL in the following proportions:

- (i) 58,33,773 fully paid up equity shares of Rs. 5/- each of AIL shall be issued and allotted as are held by GSIPL in AIL on 1st April, 2014 i.e. 58,33,773 fully paid up equity shares of Rs. 5/- each to all the equity shareholders of GSIPL collectively, in proportion to the number of equity shares held by them in GSIPL;
- (ii) 51,84,098 fully paid up equity shares of Rs. 5/- each of AIL shall be issued and allotted as are held by ALFPL in AIL on 1st April, 2014 i.e. 51,84,098 fully paid up equity shares of Rs. 5/- each to all the equity shareholders of ALFPL collectively, in proportion to the number of equity shares held by them in ALFPL;
- (iii) 35,81,743 fully paid up equity shares of Rs. 5/- each of AIL shall be issued and allotted in consideration of this Scheme, upon cancellation of 70,22,301 fully paid up equity shares of Rs. 5/- each of AIL held by AHL in AIL on 1st April, 2014 to all the equity shareholders (other than AIL) of AHL collectively, in proportion to the number of equity shares held by them in AHL (i.e. approximately 49%);
- (iv) 18,12,009 fully paid up equity shares of Rs. 5/- each of AIL shall be issued and allotted in consideration of this Scheme, upon cancellation of 35,94,530 fully paid up equity shares of Rs. 5/- each of AIL held by ACDL in AIL on 1st April, 2014 to all the equity shareholders (other than AIL) of ACDL collectively, in proportion to the number of equity shares held by them in ACDL (i.e. approximately 49.59%);
- (v) In the event the Transferor Companies hold more than 2,16,34,702 fully paid up equity shares of Rs. 5/- each held in AIL in aggregate as on 1st April, 2014, without incurring any additional liability, such additional number of equity shares of AIL, if any, shall be issued and allotted in consideration of this Scheme, as may be held by the Transferor Companies in AIL, upon cancellation thereof, in addition to 2,16,34,702 equity Shares held by the Transferor Companies in AIL in aggregate on 1st April, 2014, excluding such number of additional equity shares of AIL as are held by AHL and ACDL to the extent of proportionate shareholding of AIL in the equity shares of AHL (i.e. approximately 49%)

and ACDL (i.e. approximately 49.59%) to all the equity shareholders (other than AIL) of the respective Transferor Companies collectively, in proportion to the number of equity shares held by them in the respective Transferor Companies;

(New equity shares to be issued as above are hereinafter referred to as “New Equity Shares”)

It is clarified that any positive net assets of the Transferor Companies as on the Appointed Date including all taxes paid and/or refunds /credits /claims receivable by the Transferor Companies, net of any adjustment(s) of any demand or liability thereof, if any, in respect of period prior to the Appointed Date, other than the investment in the AIL Shares, will not affect / alter the share exchange ratio as provided above and shall be treated as the asset or refunds/credit/claims, as the case may be, of the Transferee Company.

- 6.2 No equity shares would be issued by AIL in consideration of this Scheme upon cancellation of equity shares of Rs. 5/- each of AIL held by AHL and ACDL to the extent of proportionate shareholding of AIL in the equity shares of AHL (i.e. approximately 49%) and ACDL (i.e. approximately 49.59%).
- 6.3 The new Equity Shares issued and allotted pursuant to the sub-clause 6.1 would be deemed to be issued and allotted from the Appointed Date for all purposes.
- 6.4 The New Equity Shares to be issued to the members of the Transferor Companies as per sub- clause 6.1 shall be subject to the Memorandum of Association and Articles of Association of AIL. The New Equity Shares shall rank pari passu in all respects, including dividend, with the existing equity shares of AIL.
- 6.5 In respect of fractional entitlement to a shareholder, the same shall be rounded to the nearest integer.
- 6.6 Upon New Equity Shares being issued and allotted by AIL to the members of the Transferor Companies in accordance with sub-clause 6.1 above, the investment held by the Transferor Companies in the equity share capital of all i.e. AIL Shares shall, without any further application, act, instrument or deed stand cancelled.
- 6.7 The shares or the share certificates, if any, in relation to the equity shares held by the Transferor Companies in AIL shall, without any further application, act, Instrument Of deed, be deemed to have been automatically cancelled and be of no effect, and the shares held by the Transferor Companies in dematerialized form shall be extinguished, on and from such issue and allotment of New Equity shares.
- 6.8 The New Equity Shares to be issued by AIL shall be issued in dematerialized form by AIL. The members of the Transferor Companies shall be required to have an account with a depository participant and shall be required to provide details thereof to AIL as may be required.
- 6.9 The New Equity Shares of AIL shall be listed and / or admitted to trading on the National Stock Exchange of India Limited and the BSE Limited and on such other stock exchanges on which the existing equity shares of AIL are Listed at that time (“Stock Exchanges”). AIL shall enter into such arrangements and give such confirmations and / or undertakings as may be, necessary in accordance with the applicable laws or regulations for complying with the formalities of the Stock Exchanges. On such formalities being fulfilled the Stock Exchanges shall list and/or admit the New Equity Shares for purpose of trading.

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- 6.10 AIL shall, if and to the extent required, apply for and obtain any approvals from concerned regulatory authorities for the issue and allotment by AIL of New Equity Shares to the members of the Transferor Companies in terms of and under the Scheme.
- 6.11 The issue and allotment of New Equity Shares to the members of the Transferor Companies pursuant to the sub-clause 6.1 above is an integral part of this Scheme.
- 6.12 The approval of this Scheme by the members of the Transferor Companies shall be deemed to be due compliance with the applicable provisions of the Act including Section 62(1)(c) of the Companies Act, 2013, if applicable, for the issue and allotment of New Equity Shares by AIL to the members of the Transferor Companies, as provided in the Scheme and for this purpose no separate resolution under applicable provisions of the Act shall be required to be passed by shareholders of the Transferee Company.

7. CANCELLATION OF EQUITY SHARES OF AIL HELD) BY THE TRANSFEROR COMPANIES

- 7.1 On the Scheme becoming effective and with effect from the Appointed Date, the investment held by the Transferor Companies in the equity share capital of AIL shall stand cancelled. Accordingly, the share capital of AIL shall stand reduced to the extent of face value of shares held by the Transferor Companies in AIL and so cancelled.
- 7.2 Such reduction of share capital of AIL as provided in Sub-clause 7.1 above shall be effected as an integral part of the Scheme and the Orders of the Court sanctioning the Scheme shall be deemed to be an Order under Section 102 of the Companies Act, 1956 and provisions, of the Companies Act, 2013, if applicable, confirming such reduction of share capital of AIL and no separate sanction under the Sections 100 to 103 and other applicable provisions of the Act will be necessary. AIL shall not be required to add the words “and reduced” as a suffix to its name consequent upon such reduction.

8. MERGING OF AUTHORISED SHARE CAPITAL

- 8.1 Upon the Scheme coming into effect, the authorised share capital of all the Transferor Companies of Rs. 52,57,51,600/- (Rupees Fifty two crore fifty seven lakh fifty one thousand six hundred only) shall stand combined/consolidated with the authorised share capital of AIL and the authorised share capital of AIL shall, without any further act, deed or action, stand increased, post amalgamation, to Rs. 115,07,51,600/- (Rupees One hundred fifteen crore seven lakh fifty one thousand six hundred only) and such increased authorised share capital be divided into 23,01,50,320 equity shares of Rs. 5/- (Rupees Five only) each.

- 8.2 Clause V of the Memorandum of Association of AIL shall be amended by deleting the clause and replacing it by the following:

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‘The Authorised share capital of the Company is Rs. 115,07,51,600/- (Rupees One hundred fifteen crore seven lakh fifty one thousand six hundred only) divided into 23,01,50,320 equity shares of Rs. 5/- (Rupees Five only) each. Any shares of the original or increased capital may, from time to time be issued with such terms, conditions, restrictions and guarantees, or any rights of preference whether in respect of dividend or of repayment of capital or both or any other special privileges or advantage over any shares previously issued or then about to be issued, or with deferred or qualified rights to any provisions or conditions and with any special rights or limited rights, or without any rights of voting and generally on such terms as the

Company may from time to time determine. The rights of the holders of any class of shares, for the time being forming part of the capital of the Company, may be modified, affected, varied, extended or surrendered either with the consent in writing of the holders of three fourths of the issued shares of the class or with the sanction of a special Resolution passed at a separate meeting of the holders of those shares.”

8.3 It is hereby clarified that this increase in authorised share capital of AIL shall be effected as an integral part of this Scheme without any further act or deed on the part of AIL and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, AIL shall not be obliged to follow the procedure or filing as required under Section 13, 61 or any other applicable provisions of the Companies Act, 2013. It is further clarified that no registration fee and stamp duty shall be payable by AIL on account of this amendment or merging of authorised share capital.

9. CONDUCT OF BUSINESS TILL THE EFFECTIVE DATE

9.1 With effect from the Appointed Date and up to and including the Effective Date, the Transferor Companies shall carry on its business with utmost prudence for and on behalf of and in trust of AIL.

9.2 With effect from the Appointed Date and up to and including the Effective Date, the Transferor Companies shall not sell, transfer or alienate, charge, mortgage or encumber or otherwise deal with or dispose of any of its undertaking(s) or any part thereof save and except in each case:

- (a) if the same is in the ordinary course of business of the Transferor Companies as carried on by the Transferor Companies as on the date of filing this Scheme with the High Court; or
- (b) if the same is expressly permitted by this Scheme; or
- (c) if the prior written consent of the Board of Directors of AIL has been obtained.

Notwithstanding the above, the Transferor Companies will not, in any event, transfer or otherwise dispose of or create any form of encumbrance in any manner over the equity shares held by the Transferor Companies in AIL.

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9.3 Upon the Scheme becoming effective, AIL the contracts or arrangements, if any, entered into by the Transferor Companies with its shareholders relating to the operations and management of the Transferor Companies, if any, shall be deemed to be terminated qua the Transferor Companies and AIL the rights and obligations of the shareholders of the Transferor Companies qua Transferor Companies under such shareholders or other contracts or arrangement and any obligations of the Transferor Companies towards its shareholders shall get extinguished.

For the avoidance of doubts, it is clarified that there are no outstanding claims or liabilities owed against any of the Transferor Companies by any of its respective shareholders, in relation to the aforementioned shareholders agreements or other contracts or arrangements with its shareholders, if any.

9.4 Subject to Sub-clause 9.5 of this Scheme, any income and other available cash (including money market or mutual fund investments, fixed deposits with banks etc., if

any) of the Transferor Companies shall be utilized in accordance with clause 10 of this Scheme.

- 9.5 Any income, profits or other funds of the Transferor Companies will first be utilized to meet any current or expected liabilities of the Transferor Companies, including any tax liabilities, if any, before they are utilized for other purposes, including but not limited to, utilization in accordance with clause 10 of this Scheme.
- 9.6 Save and except as otherwise specified in this Scheme, any income or profit accruing or arising to the Transferor Companies or expenditure or losses arising or incurred or suffered by the Transferor Companies pertaining to the businesses and undertaking(s) of the Transferor Companies from the Appointed Date till the Effective Date shall for all purposes be treated as the income or profits or losses or expenditures as the case may be of AIL. All Taxes (including income Tax, Service Tax, Value Added Tax etc.) or liabilities paid or payable by the Transferor Companies in respect of the operations and / or the profits of the business before the Appointed Date shall be on account of the Transferor Companies and/or promoter shareholders of the Transferor Companies only. All Taxes (including Income Tax, Service Tax, Value Added Tax etc.), paid or payable, whether by way of deduction at source, advance tax or otherwise, by the Transferor Companies, in respect of the profits or activities or operations of business after the Appointed Date, the same shall be deemed to be paid or payable on behalf of AIL and shall, in AIL proceedings, be dealt with accordingly.
- 9.7 With effect from the Appointed Date and upto and including the Effective Date, in the event AIL distributes dividend (including interim dividend) or issues bonus shares or offers rights shares to its shareholders, the Transferor Companies shall be entitled to receive such dividend and bonus shares, and subscribe to such rights shares offered by AIL subject to sub-clause 6.2 of this Scheme.

10. DIVIDEND, ACQUISITION OF ADDITIONAL SHARES OF AIL

- 10.1 Until the Effective Date, the Transferor Companies may utilize its income / available cash if any, for the following purposes
- (a) for declaration or payment of dividend, whether interim or final, to its shareholders; and / or
 - (b) for further acquisition of equity shares of AIL, including by way of purchases on floor of Stock Exchanges; and / or
 - (c) for meeting its expenses or liabilities in the ordinary course of business or for the purposes specified in the Scheme.
- 10.2 Until the Effective Date, the holders of shares of the respective Transferor Companies shall, save as expressly provided otherwise in the Scheme, continue to enjoy their existing rights under the Articles of Association of the respective Transferor Companies including the right to receive dividends.
- 10.3 It is clarified that the aforesaid provisions in respect of declaration of dividends and/or further acquisition of equity shares of AIL, including by way of purchases on floor of Stock Exchanges are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Companies to demand or claim dividend which, subject to the provisions of the Act, shall be entirely at the discretion of the Board of Directors of the Transferor Companies.

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- 10.4 It is clarified that upon amalgamation of the Transferor Companies with AIL in terms of this Scheme, AIL will issue and allot such additional number of equity shares of AIL to the equity shareholders (other than AIL) of the Transferor Companies as on the Record Date in accordance with Sub-clause 6.1 of the Scheme, in lieu of the additional equity shares of AIL, if any, acquired by the Transferor Companies in accordance with Sub-clause 10.1 of the Scheme. Further, such additional shares of AIL, if any, acquired by the Transferor Companies in accordance with Sub-clause 10.1 of the Scheme shall also stand cancelled upon amalgamation of the Transferor Companies with AIL in accordance with the Sub-clause 7.1 of the Scheme and issuance of New Equity Shares by AIL to the equity shareholders (other than AIL) of the Transferor Companies as on the Record Date, in accordance with the Sub-clause 6.1 of the Scheme.

11. EMPLOYEES

Upon the Scheme becoming effective, AIL staff, workmen and permanent employees of the Transferor Companies, if any, who are in service on the Effective Date shall be deemed to have become staff, workmen and employees (as the case may be) of AIL with effect from the Appointed Date without any break or interruption in their service, on same terms and conditions on which they are engaged as on the Effective Date and the terms and conditions of their employment with AIL shall in no event be less favourable than those applicable to them with reference to the Transferor Companies on the Effective Date.

12. CONTRACTS, DEEDS, RESOLUTIONS ETC.

Subject to other provisions contained in this Scheme all contracts deeds, understandings, bonds, guarantees, agreements, instruments and writings and benefits of whatsoever nature, if any, to which the Transferor Companies are parties and subsisting or having effect on the Effective Date, shall remain in full force and effect against or in favour of AIL and may be enforced by or against AIL as fully and effectually as if, instead of the Transferor Companies, AIL had been a party thereto.

13. LEGAL PROCEEDINGS

- 13.1 If any suit, appeal or other proceedings of whatsoever nature by or against the Transferor Companies are pending, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the amalgamation of the Transferor Companies with AIL or anything contained in this Scheme, but the said Suit, appeal, or other legal proceedings, as the case may be, may be continued, prosecuted and enforced, as the case may be, by or against AIL and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Transferor Companies, as if this Scheme has not been made, In the event that the legal proceedings referred to herein require the Transferor Companies and/or AIL to be jointly treated as parties thereto, AIL shall be added as party to such proceedings.

- 13.2 On and from the Effective Date. AIL may, if required, initiate any legal proceedings in relation to the rights, title, interest, obligations or liabilities or any nature whatsoever, whether under contract or law or otherwise, of the Transferor Companies and to the same extent as would or might have been initiated by the Transferor Companies.

14. ACCOUNTING TREATMENT

- 14.1 The Transferee Company shall abide by the Accounting standard (AS) - 14 issued by The Institute of Chartered Accountants of India and / or as prescribed and applicable under the Act.

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14.2 All assets and liabilities recorded in the books of the Transferor Companies shall be recorded by the Transferee Company at their respective book values as appearing in the books of the Transferor Companies on the Appointed Date using the pooling of interest method.

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14.3 The equity shares of the Transferee Company held by the Transferor Companies shall get cancelled in accordance with sub-clause 7.1 of the Scheme and as a result the equivalent share capital of the Transferee Company and the book value of investments held by the Transferor Companies in the Transferee Company recorded as per sub-clause 14.2 above shall stand cancelled.

14.4 The face value of New Equity Shares issued by the Transferee Company pursuant to sub-clause 6.1 shall be credited to the share capital account of the Transferee Company.

14.5 The difference between the value of net assets of the Transferor Companies transferred to AIL and recorded as per sub-clause 14.2 above, and the consideration issued by AIL (pursuant to sub-clause 6.1 above) shall be adjusted in reserves as per AS 14.

14.6 The difference (if any) between the book value of investments held by the Transferor Companies in the equity share capital of AIL cancelled pursuant to sub-clause 14.3 above and the face value of corresponding equity share capital of AIL shall be first adjusted against the permissible Capital Reserve(s) of the combined entity and the balance (if any) shall be adjusted against AIL other reserves as deemed appropriate by the management of the Transferee Company subject to sub-clause 14.1 above.

15. INDEMNITY BY SHAREHOLDERS OF THE TRANSFEROR COMPANIES

The shareholders of the Transferor Companies shall indemnify and hold harmless AIL and its directors, officers, representatives, partners, employees and agents (collectively, the 'Indemnified Persons') for losses, Liabilities, costs, charges, expenses (whether or not resulting from third party claims), including those paid or suffered pursuant to any actions, proceedings, claims and including interests and penalties discharged by the Indemnified Persons which may devolve on Indemnified Persons on account of amalgamation of the Transferor Companies into AIL but would not have been payable by such Indemnified Persons otherwise, in the form and manner as may be agreed amongst AIL and the promoter shareholders of the Transferor Companies pro-rata and in the proportion of their respective shareholding in the Transferor companies.

16. SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the assets, liabilities and obligations appertaining / relating to the Transferor Companies, pursuant to this Scheme, and the continuance of the proceedings by or against AIL, under clause 13 hereof shall not affect any transactions of proceedings already completed by the Transferor Companies, on and after the Appointed Date to the end and intent that AIL accepts all acts, deeds, matters and things done and executed by and / or on behalf of the Transferor Companies, as acts, deeds and things done and executed by and on behalf of AIL.

17. DISSOLUTION OF THE TRANSFEROR COMPANIES

On the Scheme becoming effective, the Transferor Companies shall be dissolved without being wound up on such terms and conditions as the Court may direct or determine.

PART III

GENERAL TERMS AND CONDITIONS

18. APPLICATION TO THE HIGH COURT

The Transferor Companies and the Transferee Company shall, with ALL reasonable dispatch, make applications petitions to the High Court of Judicature of Bombay and /or High Court of Gujarat at Ahmedabad and/or any other appropriate/competent authority for sanctioning the Scheme under Sections 391 to 394 read with Sections 100 to 103 and other applicable provisions, if any, of the Act, for an order or orders thereof for carrying the Scheme into effect and for dissolution of the Transferor Companies.

19. MODIFICATIONS! AMENDMENTS TO THE SCHEME

19.1 The Transferor Companies and the Transferee Company by their respective Board of Directors (the “Board”), which term shall include any duly constituted committee thereof), may assent to, make and / or consent to any modifications amendments to the Scheme or to any conditions or limitations that the High Court and/or any other authority under law may deem fit to direct or impose, or which may otherwise be considered necessary, desirable or appropriate by them (i.e. the Board). The Transferor Companies and the Transferee Company by their respective Board be and are hereby authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions of law or otherwise whether by reason of any directive or orders of any other authorities or otherwise however arising out of or under or by virtue of the Scheme and / or any matter concerned or connected therewith.

19.2 The term ‘any other authority’ referred to in sub-clause 19.1 above, shall specifically include the Stock Exchanges with which the shares of the Transferee Company are listed and with which the Transferee Company shall file a copy of the Scheme under sub-clause (f) of Clause 24 of the Listing Agreement of the respective stock Exchanges.

19.3 If any part of this Scheme hereof is invalid, ruled illegal by any Court of competent jurisdiction, or unenforceable under present or future laws, then such part shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any of the Companies or their respective shareholders or creditors, in which case the Scheme will be modified to such extent, as will best preserve for the them the benefits and obligations of the Scheme, including but not limited to such part.

19.4 In the event that any conditions imposed by the Court or any other authority are found unacceptable for any reason whatsoever by ALL or any of the Companies, then all or any of such Companies shall be entitled to withdraw from this Scheme in which event no rights and liabilities whatsoever shall accrue to or be incurred inter se to or by the companies or any of them.

20. CONDITIONALITY OF THE SCHEME

Scheme is and shall be conditional upon and subject to:

20.1 The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and/or creditors of the Transferor Companies and the Transferee Company, in terms with the applicable provisions of the

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Act and guidelines issued by SEBI, as amended and updated from time to time, and, as may be considered necessary to give effect to Scheme and / or as may be directed by the High Court or any other appropriate authority as may be applicable except to the extent as may be waived by the Court and or any other competent authority as may be applicable. It is hereby clarified that the Transferee Company will provide for voting by public shareholders through postal ballot and e-voting and that the Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it.

- 20.2 The sanction of this Scheme by the High Court or any other appropriate authority under Sections 391 to 394 read with Sections 100 to 103 and other applicable provisions, if any, of the Act in favour of the Transferor Companies and the Transferee Company.
- 20.3 Certified or authenticated copy of the orders of the High Court sanctioning the Scheme being filed with the Registrar of Companies by the Transferor Companies and the Transferee Company.
- 20.4 The requisite, consent, approval or permission of statutory or regulatory authorities, if any, which by law may be necessary for the implementation of this Scheme, being obtained, including approvals as may be required from any other authority as referred in Sub-clause 19.2 above.

21. EFFECT OF NON RECEIPT OF APPROVALS

In the event any of the said sanctions and approvals referred to in clause 21 not being obtained and/ or the Scheme not being sanctioned by the High Court or such other appropriate authority, if any, this Scheme shall stand revoked, cancelled and be no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as if specifically provided in the Scheme or as may otherwise arise in law and agreed between some or all of the respective parties to this Scheme.

22. COSTS, CHARGES AND EXPENSES

All costs, charges, taxes including duties, levies and all other expenses, if any, arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto shall be borne and paid by the Transferor Companies. In case the amount of costs, charges and taxes is in excess of the cash available with the Transferor Companies, such excess amount shall be borne by the promoter shareholders of the Transferor Companies pro-rata and in the proportion of their respective shareholding in the respective Transferor companies. No costs, charges, taxes pertaining to the Scheme shall be borne by AIL.

23. DIFFERENCES

In case any doubt or difference or issue (in relation to the Scheme) arises between the Transferor Companies and AIL, any of their shareholders, creditors, employees or persons, entitled to or /claiming any right to any New Equity Shares in AIL or as to the interpretation of any term of the Scheme or implementation of this Scheme, after the Scheme becomes effective, then the Board of Directors of AIL shall resolve all such disputes and its decision shall be final and binding on AIL concerned.

HIGH COURT OF GUJARAT
AHMEDABAD
CERTIFIED COPY

ORDER ON PETITION COMP 116 OF 2015

WITNESS VIJAY MANOHAR SAHAI Esquire, the **ACTING CHIEF JUSTICE** at Ahmedabad aforesaid this 31 day of July, Two Thousand Fifteen.

By the order of Honourable Court

Checked and found correct and signed each and every page

Sd/- 08-09-2015 Manjushri Dy. S.O.	Sd/- H.P. Kapode S.O.	Sd/- Alice P.P. S.O.
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Sd/-
08-09-2015
E.G. Prajapati
D.R.

Sd/-
09-09-2015
Registrar (Judicial)
This **9th** day of **September, 2015**

Sealer



Order Drawn By:

Sd/-
(MR. NANDISH CHUDGAR)
PARTNER
ADVOCATES FOR PETITIONER
M/S. NANAVATI ASSOCIATES
Block-B, Satyam Corporate Square,
Behind Rajpath Club, Off. S. G. Highway,
Bodakdev, Ahmedabad - 380 059.

Sd/-
09-09-2015
Dy. Registrar
This **9th** day of **September, 2015**

TRUE COPY

SD/-
ASSISTANT REGISTRAR
THIS 09-09-2015