

**MEMORANDUM**  
**AND**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**Amrit Corp. Ltd.**

भारत सरकार-कम्पनी कार्य मंत्रालय  
कम्पनी रजिस्ट्रार कार्यालय, उत्तर प्रदेश एवं उत्तरांचल

नाम परिवर्तन के पश्चात नया निगमन प्रमाण-पत्र

कार्पोरेट पहचान संख्या : L15141UP1940PLC000946

मैसर्स AMRIT BANASPATI COMPANY LIMITED

के मामले में, मैं एतद्वारा सत्यापित करता हूँ कि मैसर्स  
AMRIT BANASPATI COMPANY LIMITED

जो मूल रूप में दिनांक उन्तीस मार्च उन्नीस सौ बत्तीस को कम्पनी अधिनियम, 1956 (1956 का 1) के अंतर्गत मैसर्स  
AMRIT BANASPATI COMPANY LIMITED

के रूप में निगमित की गई थी, ने कम्पनी अधिनियम, 1956 की धारा 21 की शर्तों के अनुसार विधिवत आवश्यक विनिश्चय पारित करके तथा  
लिखित रूप में यह सूचित करके की उसे भारत का अनुमोदन, कम्पनी अधिनियम, 1956 की धारा 21 के साथ पठित, भारत सरकार, कम्पनी कार्य  
विभाग, नई दिल्ली की अधिसूचना सं.सा.का.नि 507 (अ) दिनांक 24.6.1985 एस्.आर.एन A16832057 दिनांक 26/06/2007 के द्वारा  
प्राप्त हो गया है, उक्त कम्पनी का नाम आज परिवर्तित रूप में मैसर्स  
AMRIT CORP. LIMITED

हो गया है और यह प्रमाण-पत्र, कथित अधिनियम की धारा 23(1) के अनुसरण में जारी किया जाता है।

यह प्रमाण-पत्र, मेरे हस्ताक्षर द्वारा कानपुर में आज दिनांक छब्बीस जून दो हजार सात को जारी किया जाता है।

GOVERNMENT OF INDIA - MINISTRY OF COMPANY AFFAIRS  
Registrar of Companies, Uttar Pradesh and Uttranchal

Fresh Certificate of Incorporation Consequent upon Change of Name

Corporate Identity Number : L15141UP1940PLC000946 | 2900

In the matter of M/s AMRIT BANASPATI COMPANY LIMITED

I hereby certify that AMRIT BANASPATI COMPANY LIMITED which was originally incorporated on Twenty Ninth day of March Nineteen Hundred Forty under the Companies Act, 1956 (No. 1 of 1956) as AMRIT BANASPATI COMPANY LIMITED having duly passed the necessary resolution in terms of Section 21 of the Companies Act, 1956 and the approval of the Central Government signified in writing having been accorded thereto under Section 21 of the Companies Act, 1956, read with Government of India, Department of Company Affairs, New Delhi, Notification No. G.S.R 507 (E) dated 24/06/1985 vide SRN A16832057 dated 26/06/2007 the name of the said company is this day changed to AMRIT CORP. LIMITED and this Certificate is issued pursuant to Section 23(1) of the said Act.

Given under my hand at Kanpur this Twenty Sixth day of June Two Thousand Seven.



(DINESH CHAND)  
कम्पनी रजिस्ट्रार / Registrar of Companies  
उत्तर प्रदेश एवं उत्तरांचल  
Uttar Pradesh and Uttranchal

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता :  
Mailing Address as per record available in Registrar of Companies office:

AMRIT CORP. LIMITED  
G T ROADGHAZIABAD, GHAZIABAD,  
UTTAR PRADESH - 201009,  
Uttar Pradesh, INDIA



2354/11-1399, Dated March 29, 1940

**Certificate of Incorporation**

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No. 56 of 1939-1940

I hereby certify that the Amrit Banaspati Company, Ltd. is this day incorporated under the Indian Companies' Act VII of 1913, and that the Company is Limited by Shares as Public Company.

Given under my hand at Lucknow, this Twenty Ninth day of March One Thousand Nine hundred and Forty.



Sd./illegible,  
Dy. Registrar of Joint Stock Cos.,  
U.P. of Agra & Oudh.



**(THE COMPANIES ACT, 2013)**  
**(COMPANY LIMITED BY SHARES)**  
**MEMORANDUM OF ASSOCIATION**  
**OF**  
**AMRIT CORP. LIMITED**

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- I** The Name of the Company is “**AMRIT CORP. LIMITED**”.
- II** The Registered Office of the Company will be situated in the State of **UTTAR PRADESH**.
- III (A) THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:**
- 1.** To carry on the business of manufacturing, producing buying, selling, stocking, supplying, exchanging, converting, altering, distributing, importing, exporting, processing, packaging, repacking all kinds of edible oils and fats including but not limited to vegetable ghee, vegetable oil, filtered refined & micro refined vegetable oils, hydrogenated vegetable oil, bakery shortening, margarine, oil cakes, soaps, acid oil, chemicals, oleo chemicals, cattle feed, oxygen, hydrogen or any other gas and all other intermediate and bye products of oils & fats of whatsoever nature and description, all kinds of seeds and to cultivate, grow, purchase or otherwise acquire and sell and trade in seeds and other oleaginous substances and products and to crush and extract oil from oil-seeds and other substances or products capable of being conveniently carried on or otherwise directly or indirectly calculated to enhance the value of any of the Company's property or rights for the time being of the Company.
  - 2.** To carry on the business of manufacturing, producing buying, selling, stocking, supplying, exchange, converting, altering, distributing, importing, exporting, processing, packaging, repacking or otherwise handling or dealing dairy milk and milk products, including flavoured milk, milk beverages and concentrates, ice-cream, ice cream mixes, dairy desserts, milk shakes, milk powder, cheese, yoghurt, curd, baby foods, protein foods, sweets and other dairy preparation of every kind, nature and description, soya milk, flavoured soya milk butter, soya milk products and preparations, , soya baby foods, extruded snacks, other preparations of soya, soya cereals and lentils, including flour and dal, soya tofu, soya paneer, salad dressing and to promote the cultivation of soyabean, to convert soyabean into oils and its products by any process.
  - 3.** To carry on the business of development construction and operation of shopping malls, multiplexes, retailing outlets, shopping centres, residential/commercial townships, group housing buildings/flats and other construction/real estate activity individually or in combination formats comprising flats, buildings, shops, offices and/or units for residential commercial, retail or shopping purposes convention centres, recreation centres, amusement parks, exhibition and/or display platforms, arenas or spaces In whatsoever forms, theatres, art galleries, cafeterias, restaurants, parking spaces etc. and to arrange or give on rental, lease or on hire, have a business conducting arrangement or undertaking actual retailing activities or sell the shops, offices and/or units etc. to manufacturers, trade bodies, traders, service providers Including architects, engineering consultancy firms, finance companies, banks and/or any other persons or organizations/ legal entitles and render services for running such shopping malls, complexes or departmental stores as also conducting events either directly or through event management companies, providing services as event managers, holding exhibitions,

seminars, competitions, conferences, movie festivals, theatre showings, music and dance recitals, cultural events and regional/national festivals, art shows and other related events in the mall complex for its promotion and to purchase, lease, exchange or otherwise acquire land or any interest or right connected with any land with or without building.

4. To carry on the business of building, running and managing hotels, motels, restaurants, resorts, recreation centre, holiday camps, amusement parks, guest houses, banquets halls, restaurants, picnic spot, canteens, caterers, cafes, taverns, pubs, bars, beerhouses, refreshment rooms, clubs and lodging or apartments, casinos, discotheques, swimming pools, health clubs, baths, dressing rooms, health centre, conference centre, gymnastics, yoga centre, catering and hospitality services, massage and beauty parlours in and outside India and related activities thereto.
5. To carry on the business of manufacturing, producing, buying, selling stocking, supplying, exchanging, converting, altering, distributing, importing, exporting, processing, extruding, canning, bottling, freezing, packing, preserving, dehydrating, packing and repacking of fruits, potatoes, potato chips, vegetable products, cereal products, beatel leaf, pan masala, nectars, jelly, pulp, beans, ketchups, jams, desserts, chocolates, toffees, murabbas, pickles, health foods, drinks, drinking water, aerated waters, non-aerated minerals, artificial water drinks, soft drinks, concentrates, squashes, sorbets, liquors, soups, beverages, juices, juice concentrates, synthetic concentrates of every description, fats, snacks, namkeens, fast foods, cooked or boiled or fried foods, malted foods, weaning foods, flour ,bread & bakery products and confectionary items.
6. To carry on the business of rendering business advisory & consultancy services including market intelligence & risk management services, project feasibility studies and services relating to business process outsourcing, knowledge process outsourcing, legal process outsourcing, medical transcription, data processing/search/mining/ analysis and to establish, run & manage call centers, back office & help-desks and to act as management consultants, financial consultants, HR consultants and to provide consultancy and advisory services for all kinds of credit syndication & fund raising from overseas markets and bank & financial services franchisees/outsourcing services.
7. To carry on the business as buyers, sellers, import traders, export traders, importers, exporters, distributors, agents, brokers, stockists, commission agents and dealers of all kinds of consumer, industrial or engineering goods, commodities, products or material as may be permissible under trade policy and to act as a recognised trading house and/or export house.

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

1. To promote any other company for the purpose of acquiring all or any of the property and liabilities of this Company or for any other purpose, which may be directly or indirectly calculated to benefit this Company.
2. To apply for, obtain, purchase or otherwise acquire and protect, prolong and renew any patent rights, brevets, invention, processes, trade secrets, scientific technical or other assistance, manufacturing process, know-how and other information, designs, patterns, copy-rights trade-marks, licenses, concession and like rights, or the benefits or the right of use thereof, which may seem capable of being used for, or in connection with any of the purposes of the business of the company on payment of any fee, royalty

or other consideration and to use, exercise or develop the same and manufacture under or grant licenses in respect thereof or shall or otherwise deal with same.

3. To enter into partnership or any arrangements or agreement with any governments or authorities supreme, municipal, local or otherwise, or any person or Company or any of them for sharing profits, union of interests, exchange of shares, joint ventures, reciprocal concession or co-operation and engage in any business which the Company is authorized to carry on and to obtain from such government, authority, person or company, any rights, privileges, charters, contracts, licenses and concessions which the company may think it desirable to obtain and to enter into restructuring or other arrangements of mergers, demergers, take-overs, amalgamations as may be beneficial or desirable subject to statutory sanctions, if any, required for giving effect to such schemes or arrangements.
4. To subscribe for takeover or otherwise acquire and hold shares, stocks, debentures or other interests in or securities of any other firm, company or companies having objects altogether or in part similar to those of the Company.
5. To invest in otherwise than investment in Company's own shares and deal with the moneys of the Company in shares, stocks or any other financial instruments not immediately required in such manner as may from time to time be expedient or be determined.
6. To invest money with or without security and generally make advance of such sum or sums of money upon or in respect of or for the purchase of raw materials, goods, machinery, stores or any other property, articles and things required for the purpose of the company with or without security and upon such terms and subject to such conditions as the company may deem expedient.
7. Subject to the applicable relevant legal provisions and the directions issued by the Reserve Bank of India, to receive money on deposit or loan and borrow or raise money in such manner as the company shall think fit and in particular by the issue of debentures or debenture stock( perpetual or otherwise) and to secure the repayment of any money borrowed by mortgage, charge or lien upon all or any of the property or asset of the company (both present and future) including its uncalled capital, and also by a similar mortgage, charge or lien to secure and guarantee the performance by the company of any obligation undertaken by the company as the case may be provided that the company shall not do any banking business within the meaning of Banking Regulation Act, 1949.
8. To mortgage, hypothecate, pledge all or any of the property, whether movable or immovable of any description whatsoever and to sell, improve, manage, develop, exchange, lease, mortgage, enfranchise, dispose of turn to account or otherwise deal with all or any part of the property and rights of the Company.
9. To draw, make, accept, endorse, discount execute, negotiate, assign cheques, drafts, promissory notes, bill of exchange, hundies, debentures, bonds bills of lading, railway receipts, warrants and all other negotiable or transferable instruments.
10. To open an account or accounts with any individual, firm or company or with any Bank or Banks or Banker or shroffs and to do withdraw money from such account or accounts.
11. To pay out of the funds of the company all costs, charges and expenses of and incidental of the formation and registration of the company, and any company promoted by the



company and also to pay all costs, charges, impositions and expenses of and incidental to the acquisition by the company of the property or assets of and incidental to accomplishment of all or any formalities which the company may think necessary or proper in connection with any of the aforesaid.

- 12.** To pay for any property or rights acquired by for any services rendered to the company either by fully or partly paid up shares, with or without preferred rights in respect of dividend or payment of capital or otherwise or by any securities and debentures which company has power to issue or by grant of any rights or options, or partly in one mode and partly in another and generally on such terms as the company may determine.
- 13.** To promote from and register; and aid in the promotion and registration of any company or companies, subsidiary or otherwise for purpose of acquiring all or any of the property, rights and liabilities of the company and to transfer to any such company and property of the company and to be interested in or take otherwise acquire, hold, sell or otherwise dispose of shares, stocks, debentures and other securities in or of any such company or any other company for all or any of the objects mentioned in this Memorandum and to subsidize or otherwise assist any such company and to undertake the management and secretarial or other works, duties and business of any company on such terms as may be arranged.
- 14.** To apply for aid in promoting and obtain any charter, privilege concession license, authority for enabling the company to carry any of its objects into effect or extending any of the powers of the company for effecting any modification of the constitution of the company or for any other purpose which may seem expedient and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the interest of the company.
- 15.** To grant pensions, allowance gratitudes and bonus of existing or former employees and officers (including Directors of the company or their dependents) or connections, and to make payments towards insurance for any such purposes and to establish, join and support trust, fund or schemes (whether contributory or non-contributory) with a view to provide persons or all allowances for any persons or any other associations, Institution, trusts, fund schemes, clubs and conveniences calculated to benefit any such person.
- 16.** Subjects to the applicable relevant legal provisions, to make donations to such persons either of cash or any other assets as may be thought, directly or directly, conducive to any of the Company's objects or otherwise expedient and to subscribe or contribute or otherwise assist on guarantee money for charitable, scientific, religious benevolent, national, public or other institutions or objects and to establish and support or aid in the establishment and support of associations, institution funds, trusts and conveniences for the benefit of the employees or of person having dealings with the Company and to form and contribute to provident and benefit funds for such persons and to carry on the CSR activities as per law or otherwise.
- 17.** To provide for the welfare of employees or ex-employees of the company and the wives and families or the dependents or connections of such persons by building of houses and contributing to pensions, allowances, bonus or other payments, or by creating and from time to time, subscribing or contributing towards places of instruction, recreating hospital and dispensaries, medical and other attendance and other assistance including payment of premiums for medical insurance schemes, as the company shall think fit.

- 18.** To compensate for loss of office any Managing Director or Directors or other Officers of the company within the limitation prescribed under the applicable relevant provisions of the Company Law or other statute of rule having the force of law and to make payments to any person whose office, employment or duties may be determined by virtue of any transaction in which the company is engaged.
- 19.** To create any reserve funds, sinking fund, insurance fund and any other funds, whether for depreciation, for repairing, improving, extending or maintaining any of the property of the company or for any other purpose conducive to the interest of the company or for any purpose whatsoever.
- 20.** Subject to the applicable relevant legal provisions, to distribute as dividend or bonus among the members or the place to reserve or otherwise to apply as the company may from time to time think fit, any moneys received by way of premium on shares or debentures, issued at a premium by the company and any money received in respect of dividends accrued on forfeited shares any moneys arising from the sale by the company of forfeited shares or from unclaimed dividends.
- 21.** Subject to the applicable relevant legal provisions, to amalgamate or collaborate with local or foreign companies with or without capital participation or enter into franchise arrangement with local or foreign company or enter into partnership or into any arrangement for sharing profits, union of interests, co-operation, joint venture reciprocal concession or otherwise with any person or company in India or abroad, carrying on or engaged in or about to carry on, engage in any business or transaction, capable of being carried on or conducted so as directly or indirectly to benefit this Company and to lend money or guarantee the contract or of otherwise assist any such person or company take or otherwise acquire shares and securities of any such company and to sell, hold, re-issue with or without guarantee or otherwise deal with the same.
- 22.** To establish any purchasing, selling or distributing organization or agency and to appoint agents, dealers, distributors, C&F agents or open branches or depots for the purpose of the business of the company.
- 23.** To distribute among the members in specie or in kind any property of company or any proceeds of sale or disposal of any property of the company, but so that no distribution amounting to a reduction of capital be made except with the sanction if any for the time being required by law.
- 24.** To sell or dispose of the undertaking of the company or any part thereof for such consideration as the company may think fit and in particular for shares, debentures or securities of any other company having objects altogether or in part similar to those of this company.
- 25.** To invest any real or personal property rights or interest acquired by or belonging to the company in any person on behalf of or for the benefit company and with or without any declared trusts in favour of the company.
- 26.** To purchase, take on lease or otherwise acquire any lands, buildings, machinery, mines or other property and to build, repair and construct any factories, houses or other buildings, quarries or works that may be necessary or expedient and from time to time to alter or extend the same.

27. To manufacture, purchase, sell, import, export or otherwise deal in all kinds of aseptic/ non-aseptic packing materials, containers and vessels of every description including tins, cans, jars, flasks, casks, bottles, crates, cartons, boxes, tubes, cups, trays, films, pouches, jugs, whether made of paper, plastic, glass, and board, PVC, PET, aluminum foils, metal or any other material or substance and to fabricate, purchase, sell, import and deal in any machines or materials used in the manufacture and filling of the foregoing.
28. To do and perform all such other acts and things as may be necessary for the attainment of the above objects or any of them.
- IV. The liability of the members is limited and this liability is limited to the amount unpaid, if any, on shares held by them.
- V. The Authorised Share Capital of the Company is Rs. 25,00,00,000/- (Rupees Twenty Five Crores only) divided into 50,00,000 Redeemable Preference Shares of Rs. 10/- each and 2,00,00,000 Equity Shares of Rs. 10/- each with power to increase or reduce the 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 or conditions (including provisions for redemption) as may be determined by or in accordance with law and the regulations from time to time of the Company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulation of the Company and the terms of issue.

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**NOTES:**

1. Clause V was altered/modified/substituted by passing Special Resolutions at the Extra-Ordinary General Meeting held on 29.9.1970, 27.6.1983, 25.3.1989 and 25.11.1991.
2. Clause V was altered/modified by passing Special Resolution at the Annual General Meeting held on 14.09.2018.
3. The Existing MOA of the Company has been altered/modified/revised in accordance with the provisions of Companies Act, 2013 and the Object Clause was widened so as to cover all the business activities in hospitality sector vide Special Resolution passed in the Annual General Meeting held on 14.09.2018.

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

Names, description and addresses of subscribers	No. of shares taken by each subscriber	Signature of witness
1 DURGA PRASAD KHAITAN, Solicitor 43, Zakaria Street, Kolkata	500 - Ordinary (Five hundred)	S.G. Verma Service 24A, Mohini Mohan Road, Kolkata
2 DEBI PRASAD KHAITAN, Merchant 8, Royal Exchange Place, Kolkata	500 - Ordinary (Five hundred)	S.G. Verma Service 24A, Mohini Mohan Road, Kolkata
3 L.N. GADODIA, Merchant Kucha Natwan, Delhi	500 - Ordinary (Five hundred)	R.G. Gadodia, Merchant Kucha Natwan, Delhi
4 HARI RAM, Merchant Khari Baoll, Delhi	500 - Ordinary (Five hundred)	Manohar Lal Merchant Khari Baoli, Delhi
5 LEKHRAJ GUPTA, Merchant Civil Lines, Saharanpur.	500 - Ordinary (Five hundred)	Narayan Das, Merchant Dalmandi, Cawnpore
6 GIRDHARI LAL BAJAJ, Merchant Generalganj, Cawnpore	500 - Ordinary (Five hundred)	Sihdi Nath Dikhsit, Service 61-29, Sitaram Mohal, Cawnpore.
7 KESHAVA PRASAD KAPURIA, Merchant CK. 8/90 Garhwasitola, Benares	500 - Ordinary (Five hundred)	Durga Prasad Mishra Saudagar Brahnanala, Benares

**Dated this Ninth day of February, 1940.**

FORM 42  
(See Rule 84)

IN THE HIGH COURT OF JUDICATURE AT ALLAHABAD

ORIGINAL JURISDICTION

IN THE MATTER OF THE COMPANIES ACT, 1956  
AND

COMPANY PETITION NO. 1 OF 2007

CONNECTED WITH

COMPANY APPLICATION NO. 15 OF 2006  
(Under Section 391 and 394 of the Companies Act, 1956)

IN THE MATTER OF

THE COMPANIES ACT, 1956

AND

IN THE MATTER OF

**AMRIT BANASPATI COMPANY LIMITED**, a public limited company incorporated under the Indian Companies Act, 1913 having its registered office at Amrit Nagar, G.T. Road, Ghaziabad – 201 009 (U.P.).

..... (TRANSFEROR COMPANY) / APPLICANT

and

**ABC PAPER LIMITED**, a public limited company incorporated under the Companies Act, 1956 having its Registered Office at 1/4459, Ram Nagar, Mandoli Road, Shahdara, Delhi-110 032.

.....(TRANSFEREE COMPANY NO.1)

and

**AMRIT ENTERPRISES LIMITED**, a public limited company, incorporated under the Companies Act, 1956 having its Registered Office at Old Dhakansu Kalan, Chandigarh Road, Rajpura, Punjab – 140 401.

.....(TRANSFEREE COMPANY NO.2)

PETITIONERS

Before the Hon'ble Mr.Justice Sunil Ambwani

Dated: 26.3.2007

### **Order under Section 394**

The above petition coming on for hearing on 26.3.2007 and upon reading the said petition, the order dated 24th day of November, 2006 whereby the said above-named Petitioner companies was ordered to convene meetings of the Shareholders and Unsecured Creditors for the purpose of considering and, if thought fit, approving, with or without modification, the scheme of arrangement proposed to be made between the said companies, and annexed to the affidavit of Mr. J.C.Rana, filed on the 22nd day of November, 2006, the 'Indian Express' (English) published from Lucknow and Delhi dated 2.12.2006, 'Jan Satta' (Hindi) published from New Delhi dated 2.12.2006 and all editions of Daily Newspaper 'Amar Ujala' dated 30.11.2006 each containing the advertisement of the said notice convening the said meetings directed to be held by the said order dated 24.11.2006, the affidavit of Shri Sumeet Kumar and Shri Amit Negi Advocates, Chairmen appointed for the meetings dated 27.12.2006, showing the publication and dispatch of the notices convening the said meetings the report of the Chairman of the said meetings dated 27.12.2006 as to the result of the said meetings and upon hearing Shri J.Nagar, Advocate for the petitioner Companies and it appearing from the said report of the Chairman that the proposed Scheme of Arrangement / demerger has been approved unanimously present and voting in person or by proxy.

#### **This Court Doth order**

The Scheme of Arrangement/ Demerger of the Amrit Banaspati Company Limited is consequently, sanctioned subject to its approval by the Delhi High Court and Punjab High Court, where similar petitions have been filed by the Transferee Company No. 1 and Transferee Company No. 2. Let the office draw an order in statutory form with the list of properties, which are sought to be demerged in Transferee Company No. 1 and Transferee Company No. 2 separately, and be made part of the formal order. The Registrar of Company shall be, accordingly, informed.

The Confirmation petition is, accordingly, allowed and will be subject to the orders to be passed by the Delhi High Court and Punjab High Court in respect of sanction of the Scheme for Transferee Company No. 1 and Transferee Company No. 2 respectively.

#### **This Court Doth Further Order**

1. That all the property, rights and powers of the above-named Transferor Company specified in the first, second and third parts of the Schedule hereto and all other property, right and powers of the above-named Transferor Company be transferred without any further act or deed to the Transferee Companies and accordingly the same shall pursuant to Section 394(2) of the Companies Act, 1956, be transferred to and vest in the Transferee Companies for all the estate and interest of the Transferor Company therein but subject nevertheless to all charges now affecting the same; and
2. That all the liabilities and duties of the above-named Transferor Company be transferred without further act or deed to the Transferee Companies and accordingly the same shall, pursuant to Section 394(2) of the Companies Act, 1956 be transferred to and become the liabilities and duties of the Transferee Companies; and
3. That all proceedings now pending by or against the above-named Transferor Company be continued by or against the Transferee Companies; and
4. That the Transferee Companies do without further application allot to such members of the above-named Transferor Company the shares in the Transferee Companies to which they are entitled under the said Scheme of Arrangement / Demerger; and
5. That the above-named Transferee Company do within 30 days after the date of this order cause a certified copy of this order to be delivered to the Registrar of Companies, for registration and on such certified copy being so delivered the transferor Company shall stand dissolved without being wound up and the Registrar of Companies shall place all documents relating to

the above-named Transferor Company and registered with him on the file kept by him in relation to the Transferee Companies and the files relating to the said Companies shall be consolidated accordingly; and

6. That any person interested shall be liberty to apply to the Court in the above matter for any directions that may be necessary.

**ANNEXURE**

Sanctioned Scheme of Arrangement / Demerger

**SCHEDULE (PART - I)**

Description of free hold properties of the Transferor Company

**SCHEDULE (PART - II)**

Description of lease hold properties of the Transferor Company

**SCHEDULE (PART - III)**

Short description of all stocks, debentures and other chose-in-action of the  
Transferor Company.

**SCHEME OF ARRANGEMENT  
BETWEEN  
AMRIT BANASPATI COMPANY LIMITED  
AND  
ABC PAPER LIMITED  
AND  
AMRIT ENTERPRISES LIMITED  
AND  
THEIR RESPECTIVE SHAREHOLDERS**

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**PREAMBLE**

M/s Amrit Banaspati Company Limited, a Company incorporated under the provisions of the Indian Companies Act VII of 1913 having its Registered Office at G.T. Road, Ghaziabad – 201009 (U.P.) is currently engaged in the following four separate and distinct businesses:

- (a) Manufacturing and trading of edible oils including but not limited to vanaspati, refined oils, table margarine, bakery shortening and other specialty edible oil products and trading in commodities including but not limited to rice and salt (**“Edible Oils Business”**);
- (b) Manufacturing all kinds and classes of paper and pulp including but not limited to manufacturing of writing paper, printing paper, kraft paper, corrugating medium paper, newsprint paper, wrapping paper, cartridge paper, bank or bond paper, absorbent paper and to refine, process, retreat, recycle, manufacture, produce or otherwise deal in all kinds of byproducts, waste materials and substances produced and/or recovered during the production of pulp, paper, board and other materials of the paper industry (**“Paper Business”**);
- (c) Manufacturing, processing and trading of dairy milk and milk products including but not limited to UHT milk, flavoured milk, ice-cream mix, dairy mixes, milk shake products and other dairy farm products (**“Milk/Milk Products Business”**); and
- (d) Business of acquisition, development, sale and investments in the real estate sector and including but not limited to construction of residential plots, commercial spaces including shopping complexes, integrated townships and farm houses (**“Real Estate Business”**).

M/s ABC Paper Limited, a Company incorporated under the provisions of the Companies Act, 1956, having its Registered Office at 1/4459, Ram Nagar, Mandoli Road, Shahdra, Delhi -110032 was incorporated to engage in the business of manufacturing all kinds and classes of paper and pulp including but not limited to manufacturing of writing paper, printing paper, kraft paper, corrugating medium paper, newsprint paper, wrapping paper, cartridge paper, bank or bond paper, absorbent paper and to refine, process, retreat, recycle, manufacture, produce or otherwise deal in all kinds of by-products, waste materials and substances produced and/or recovered during the production of pulp, paper, board and other materials of the paper industry. The Company since incorporation has not yet commenced its operations. The Company as on March 31, 2006 is a wholly owned subsidiary of Amrit Banaspati Company Limited.

M/s Amrit Enterprises Limited, a Company incorporated under the provisions of the Companies Act, 1956 having its Registered Office at Old Dhakansu Kalan, Chandigarh Road, Rajpura, Punjab – 140 401 is currently engaged in the business of manufacturing and trading of edible oils



including but not limited to vanaspati, refined oils, bakery shortening and other specialty edible oil products.

The Composite Scheme of Arrangement (hereinafter referred to as “Scheme”) provides for demerger of Paper Business of Amrit Banaspati Company Limited into ABC Paper Limited and demerger of Edible Oil Business of Amrit Banaspati Company Limited into Amrit Enterprises Limited pursuant to the provisions of Section 391-394 read with Section 100-103 and other applicable provisions of the Companies Act, 1956 and its Rules and/or Regulations. The Scheme also provides for Reorganization of Share Capital of Amrit Enterprises Limited and Reorganization of Share Capital of Amrit Banaspati Company Limited to achieve optimum Capital Structure for both the companies and to avoid the situation of over-capitalization with reference to their respective profitability and future growth potential.

The several businesses carried on by Amrit Banaspati Company Limited have different business dynamics and growth drivers. The nature of risk and competition involved in each of these businesses is distinct from others and consequently each business or undertaking is capable of attracting a different set of investors, strategic partners, lenders and other stakeholders. There are also differences in the manner in which each of these businesses are required to be managed. In order to lend greater focus on the operation of each of its diverse businesses and for the purpose of developing the potential for further growth and expansion of each business, Amrit Banaspati Company Limited proposes to re-organize and segregate, by way of de-merger, its diverse businesses into separate legal entities having distinct management focus.

#### **Rationale for the Proposed Scheme**

- a) Each of the diverse businesses of Amrit Banaspati Company Limited has tremendous growth and profitability potential and is at a stage where they require focused leadership and management attention. Hence, simultaneously with the re-organization and segregation of businesses, Amrit Banaspati Company Limited also intends to reorganize the management of various businesses and undertakings to provide focused management attention and leadership required by the businesses which are to be segregated and de-merged.
- b) The de-merger of Paper Business of Amrit Banaspati Company Limited into ABC Paper Limited, a focused company engaged in Paper Business will enhance shareholders value by unveiling the profitability and future growth potential of Paper Business and by instigating clear management focus and vision statement for the Business. The de-merger will also assist Paper Business in reducing its cost of capital, rationalizing its resources and enhancing its leveraging and fund raising capability which in turn will enable the Paper Business to undertake future expansion strategies.
- c) Amrit Enterprises Limited is focused company engaged in Edible Oil Business. The demerger of Edible Oil Business of Amrit Banaspati Company Limited into Amrit Enterprises Limited will enable the two companies to consolidate their Edible Oil business operations and provide significant impetus to their growth in the form of enhanced scale of operations leading to economies of scale, increased asset base, stronger consolidated revenue and profitability, operational rationalization and optimal utilization of various resources. The consolidation, due to inherent synergies, would result in improved shareholders value for both the companies.
- d) The demerger proposed by this Scheme will enable investors to separately hold investments in each of the distinct businesses of Amrit Banaspati Company Limited having different investment characteristics thereby enabling them to select investments which suit their investment strategies and risk profiles.

In consideration of the above mentioned business rationale and related benefits, this Scheme between Amrit Banaspati Company Limited, ABC Paper Limited and Amrit Enterprises Limited is being proposed in accordance with the terms set out hereunder.

**PART – I**  
**DEFINITION AND SHARE CAPITAL**

**1. Definition**

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

- 1.1 **“ABCL” or “Transferor Company”** means Amrit Banaspati Company Limited, a company incorporated under the Companies Act, 1956, having its registered office at G.T. Road, Ghaziabad – 201 009 (U.P.).
- 1.2 **“ABC Paper” or “Transferee Company No. 1”** means ABC Paper Limited, a company incorporated under the Companies Act, 1956, having its registered office at 1/4459, Ram Nagar, Mandoli Road, Shahdra, Delhi - 110032.
- 1.3 **“Act”** means the Companies Act, 1956 and shall include any statutory modifications, reenactment or amendments thereof for the time being in force.
- 1.4 **“AEL” or “Transferee Company No. 2”** means Amrit Enterprises Limited, a company incorporated under the Companies Act, 1956, having its registered office at Old Dhakansu Kalan, Chandigarh Road, Rajpura, Punjab – 140 401.
- 1.5 **“Appointed Date”** means the 1st day of April, 2006 or such other date as may be approved by the High Court of Judicature at Allahabad, High Court of Judicature at Delhi and High Court of Judicature at Chandigarh or any other appropriate authority.
- 1.6 **“Edible Oils Undertaking”** means the entire undertaking of the Edible Oils Business of ABCL and including all assets and liabilities (whether movable or immovable, tangible or intangible) of whatsoever nature of Edible Oil Business as on the Appointed Date.

Without prejudice to the generality of the above, the Edible Oils Undertaking shall include:

- 1.6.1 All assets and properties, patents, copyrights and other intellectual property rights, whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but without being limited to vehicles, fixed assets, capital work in progress, current assets, investments, reserves, provisions, funds, in respect of the Edible Oils Business, leases, licences, tenancy rights, hire purchase and lease arrangements, computers, office equipment, telephones, telexes, facsimile connections, communication facilities, equipment and installations, benefits of agreements, contracts and arrangements, powers, authorities, permits, quota rights, allotments, approvals, consents, privileges, liberties, advantages, easements and all the right, title, interest, goodwill, benefit and advantage, deposits, advances, receivables, funds, cash, bank balances, accounts and all other rights, claims and powers of whatsoever nature and wheresoever situated belonging to or in the possession of or granted in favour of or enjoyed by ABCL in connection with or pertaining to or relatable to the Edible Oils Business and all earnest money and/or deposits including security deposits paid by ABCL in connection with or relating to the Edible Oils Business.
- 1.6.2 All secured and unsecured debts, liabilities (including contingent liabilities), duties, undertakings and obligations of Edible Oils Business of every kind, nature and description whatsoever and howsoever arising.

For the purpose of this Scheme, it is clarified that liabilities pertaining to the Edible Oils Business shall, include:

- (a) The liabilities which arise out of the activities or operations of the Edible Oils Business.
- (b) Specific loans, borrowings and deposits raised, incurred and utilized solely for the activities or operation of the Edible Oils Business.
- (c) Liabilities other than those referred to in Sub-Clauses (a) and (b) above, being the amounts of general or multipurpose borrowings of ABCL, allocated to the Edible Oils Business in the same proportion in which the value of the assets transferred under this Scheme bear to the total value of the assets of ABCL immediately before giving effect to this Scheme.

1.6.3 All permanent employees of ABCL employed in the Edible Oils Business as identified by the Board of Directors of ABCL, as on the Effective Date; and

1.6.4 Any question that may arise as to whether a specified asset or liability pertains to or does not pertain to the Edible Oils Business or whether it arises out of the activities or operations of the Edible Oils Business shall be decided by mutual agreement between the Board of Directors of ABCL and AEL.

1.7 **“Edible Oil Brands”** means all brand names or trademarks pertaining to the Edible Oils Business of ABCL and owned or used by ABCL as on the Appointed Date whether by reason of registration under the Trade Mark Act, 1999 or by reason of continuous use by ABCL for a considerable period of time excluding “Gagan” (registered under the Trade and Merchandise Marks Act, 1958 with the Trade Mark Registrar, Mumbai, bearing Trade Mark No. 301001 dated 26.11.1974) in all its forms and usages and including more specifically the following:

- 1) “Amrit” (registered under the Trade & Merchandise Marks Act, 1958 with the Trade Mark Registrar, Mumbai, bearing Trade Mark No. 357628 dated 19.01.1980)
- 2) “Merrigold” (registered under the Trade Marks Act, 1999 with the Trade Mark Registrar, Mumbai, bearing Trade Mark No. 551189/29 dated 16.05.1991)
- 3) “Ginni” (registered under the Trade and Merchandise Marks Act, 1958 with the Trade Mark Registrar, Mumbai, bearing Trade Mark No. 307531 dated 08.08.1975)
- 4) “Sunehri Teer” (registered under the Trade Marks Act, 1999 with the Trade Mark Registrar, Mumbai, bearing Trade Mark No. 514081 dated 28.07.1989)
- 5) “Bansari” (registered under the Trade Marks Act, 1999 with the Trade Mark Registrar, Mumbai, bearing Trade Mark No. 1191796 dated 16.04.2003)

1.8 **“Effective Date”** means the date on which certified copies of the Orders of the High Court of Judicature at Allahabad, High Court of Judicature at Delhi and High Court of Judicature at Chandigarh or any other appropriate authority under Sections 391 to 394 of the Act sanctioning the Scheme are filed with the relevant Registrar of Companies by the De-merged Company and each of the Transferee Companies.

1.9 **“High Court”** means the High Court of Judicature at Allahabad, High Court of Judicature at Delhi and High Court of Judicature at Chandigarh and such other High Court having jurisdiction in the matter.

1.10 **“Paper Undertaking”** means the entire undertaking of the Paper Business of ABCL and including all assets and liabilities (whether movable or immovable, tangible or intangible) of whatsoever nature of Paper Business as on the Appointed Date.

Without prejudice to the generality of the above, the Paper Undertaking shall include:

- 1.10.1 All assets and properties, patents, copyrights and other intellectual property rights, whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but without being limited to vehicles, fixed assets, capital work in progress, current assets, investments, reserves, provisions, funds, in respect of the Paper Business, leases, licences, tenancy rights, hire purchase and lease arrangements, computers, office equipment, telephones, telexes, facsimile connections, communication facilities, equipment and installations, benefits of agreements, contracts and arrangements, powers, authorities, permits, quota rights, allotments, approvals, consents, privileges, liberties, advantages, easements and all the right, title, interest, goodwill, benefit and advantage, deposits, advances, receivables, funds, cash, bank balances, accounts and all other rights, claims and powers of whatsoever nature and wheresoever situated belonging to or in the possession of or granted in favour of or enjoyed by ABCL in connection with or pertaining to or relatable to the Paper Business and all earnest money and/or deposits including security deposits paid by ABCL in connection with or relating to the Paper Business.
- 1.10.2 All secured and unsecured debts, liabilities (including contingent liabilities), duties, undertakings and obligations of Paper Business of every kind, nature and description whatsoever and howsoever arising.
- For the purpose of this Scheme, it is clarified that liabilities pertaining to the Paper Business shall, include:
- (a) The liabilities which arise out of the activities or operations of the Paper Business.
  - (b) Specific loans, borrowings and deposits raised, incurred and utilized solely for the activities or operation of the Paper Business.
  - (c) Liabilities other than those referred to in Sub-Clauses (a) and (b) above, being the amounts of general or multipurpose borrowings of ABCL, allocated to the Paper Business in the same proportion in which the value of the assets transferred under this Scheme bear to the total value of the assets of ABCL immediately before giving effect to this Scheme.
- 1.10.3 All permanent employees of ABCL employed in the Paper Business as identified by the Board of Directors of ABCL, as on the Effective Date; and
- 1.10.4 Any question that may arise as to whether a specified asset or liability pertains to or does not pertain to the Paper Business or whether it arises out of the activities or operations of the Paper Business shall be decided by mutual agreement between the Board of Directors of ABCL and ABC Paper.
- 1.11 **“Remaining Business”** means all the business of ABCL other than the Paper Undertaking, Edible Oil Brands (excluding “Gagan”) and Edible Oil Undertaking.
- 1.12 **“Record Date”** means the date to be fixed by the respective Board of Directors of ABCL, ABC Paper and AEL for the purpose of issue of Equity Shares of ABC Paper and AEL to the Equity Shareholders of ABCL and reorganization of Share Capital of ABCL.
- 1.13 **“Record Date for Reorganization of Share Capital of AEL”** means the date before the date mentioned in Clause 1.12 above and to be fixed by the Board of Directors of AEL for the purpose of reorganization of Share Capital of AEL contained in Part III of this Scheme.

1.14 “Scheme” or “the Scheme” or “this Scheme” means this Scheme of Arrangement in its present form submitted to the High Courts or any other appropriate authority or with any modification(s) made under Clause 29 of this Scheme

1.15 “Transferee Companies” means ABC Paper and AEL collectively.

## 2. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the High Court or any other appropriate authority shall be operative from the Appointed Date but shall be effective from the Effective Date.

## 3. SHARE CAPITAL

3.1 The share capital of ABC Paper as on March 31, 2006 is as under:

	<b>(Amount in Rs.)</b>
	As on March 31, 2006
<b>Authorised Capital</b>	
1,000,000 Equity Shares of Rs. 10/- each	10,000,000
	<b>10,000,000</b>
<b>Issued, Subscribed and Paid-up</b>	
169,900 Equity Shares of Rs. 10/- each	1,699,000
	<b>1,699,000</b>

ABC Paper is a wholly owned subsidiary of ABCL. Subsequent to the Balance Sheet date, the Company has increased its Authorised Capital to Rs. 2000 lacs divided into 1,75,00,000 Equity Shares of Rs. 10/- each and 25,00,000 – 7% Redeemable Preference Shares of Rs. 10/- each. The Company has also issued and allotted fresh 21,30,000 Equity Shares of Rs. 10/- each for cash at par and 20,00,000 – 7% Redeemable Preference Shares of Rs. 10/- each for cash at par to ABCL and consequently the Paidup Share Capital has increased to 22,99,900 Equity Shares of Rs. 10/- each aggregating to Rs. 229.99 lacs and 20,00,000 – 7% Redeemable Preference Shares of Rs. 10/- each aggregating to Rs. 200 lacs.

3.2 The share capital of AEL as on March 31, 2006 is as under:

	<b>(Amount in Rs.)</b>
	As on March 31, 2006
<b>Authorised Capital</b>	
7,000,000 Equity Shares of Rs. 10/- each	70,000,000
	<b>70,000,000</b>
<b>Issued, Subscribed and Paid-up</b>	
5,019,400 Equity Shares of Rs. 10/- each	50,194,000
Forfeited Share Money	1,176,000
	<b>5,1370,000</b>

There is no change in the capital structure of AEL after March 31, 2006 till the date of this Scheme being approved by its Board of Directors.

3.3 The share capital of ABCL as on March 31, 2006 is as under:

<b>(Amount in Rs.)</b>	
As on March 31, 2006	
<b>Authorised Capital</b>	
1,000,000 15% Redeemable Cumulative Preference Shares of Rs. 10/- each	10,000,000
4,000,000 11% Redeemable Cumulative Preference Shares of Rs. 10/- each	40,000,000
20,000,000 Equity Shares of Rs. 10/- each	<u>200,000,000</u>
	<b><u>250,000,000</u></b>
<b>Issued, Subscribed and Paid up</b>	
12,852,925 Equity Shares of Rs. 10/- each	128,529,250
	<b><u>128,529,250</u></b>

There is no change in the capital structure of ABCL after March 31, 2006 till the date of this Scheme being approved by its Board of Directors.

## **PART – II**

### **DE-MERGER OF PAPER UNDERTAKING**

#### **4. VESTING OF PAPER UNDERTAKING IN ABC PAPER**

- 4.1 With effect from the Appointed Date or such other date as may be fixed or approved by the High Courts and upon the Scheme becoming effective, the whole of the Paper Undertaking of ABCL, as defined in Clause 1.10, shall, under the provisions of Sections 391 and 394 and all other applicable provisions, if any, of the Act, and pursuant to the orders of the High Court or any other appropriate authority sanctioning the Scheme and without any further act or deed, be transferred to and vested in and/or deemed to be transferred to and vested in ABC Paper on a going concern basis.
- 4.2 Without prejudice to the generality of the above said clause:
- 4.2.1 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licences, permissions, approvals, quotas or consents to carry on the business of the Paper Undertaking of ABCL shall stand vested in or transferred to ABC Paper without any further act or deed and shall be appropriately mutated by the Statutory Authorities concerned in favour of ABC Paper. The benefit of all statutory and regulatory permissions, factory licences, environmental approvals and consents, excise and sales tax registrations or any other licences of ABCL relating to Paper Undertaking and consents shall vest in and become available to ABC Paper pursuant to this Scheme. In so far as the various incentives, subsidies, rehabilitation Schemes, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by ABCL pertaining to the Paper Undertaking, as the case may be, are concerned, the same shall vest with and be available to ABC Paper on the same terms and conditions.
- 4.2.2 In respect of all the movable assets of the Paper Undertaking of ABCL and the assets which are otherwise capable of transfer by physical delivery or endorsement and delivery, including cash on hand, shall be so transferred to ABC Paper and deemed to have been physically handed over by physical delivery or by endorsement and delivery, as the case may be, to ABC Paper to the end and

- intent that the property and benefit therein passes to ABC Paper with effect from the Appointed Date.
- 4.2.3 Such delivery and transfer shall be made on a date mutually agreed upon between the respective Board of Directors of ABCL and ABC Paper. However such date shall be within thirty days from the Effective Date.
- 4.2.4 In respect of any intangible assets of the Paper Undertaking of ABCL other than those mentioned in Clause 4.2.2 above, and those other movable assets, including actionable claims, sundry debtors, outstanding loans, advances recoverable in cash or kind or for value to be received and deposits with the Government, semi-Government, local and other authorities and bodies and customers, ABCL shall if so required by ABC Paper, and ABC Paper may, issue notices in such form as ABC Paper may deem fit and proper stating that pursuant to the High Court having sanctioned this Scheme under Section 394 of the Act, the relevant debt, loan, advance or other asset, be paid or made good or held on account of ABC Paper, as the person entitled thereto, to the end and intent that the right of ABCL to recover or realize the same stands transferred to ABC Paper and that appropriate entries should be passed in their respective books to record the aforesaid changes.
- 4.2.5 It is expressly clarified that upon the Scheme becoming effective all taxes payable by ABCL pertaining to Paper Undertaking from the Appointed Date onwards shall be treated as the tax liability of ABC Paper; similarly all credits for tax deduction at source on income of Paper Undertaking of ABCL; or obligation for deduction of tax at source on any payment made by or to be made by the Paper Undertaking of ABCL shall be made or deemed to have been made and duly complied with if so made by ABCL or ABC Paper. Similarly any advance tax payment required to be made by specified due dates in the tax laws shall also be deemed to have been made correctly if so made by ABCL.
- 4.2.6 All taxes of any nature, duties, cesses or any other like payment or deductions made by ABCL pertaining to Paper Undertaking to any statutory authorities such as income tax, sales tax, service tax etc. or any tax deduction / collection at source, relating to the period after the Appointed Date up to the Effective Date shall be deemed to have been made on account of or paid by ABC Paper and the relevant authorities shall be bound to transfer to the account of and give credit for the same to ABC Paper upon the passing of the orders on this Scheme by the High Courts upon relevant proof and documents being provided to the said authorities.
- 4.2.7 All cheques and other negotiable instruments, payment orders received in the name of ABCL pertaining to Paper Undertaking after the Effective Date shall be accepted by the Bankers of ABC Paper and credited to the account of ABC Paper. Similarly, the Banker of ABC Paper shall honour cheques issued by ABCL pertaining to Paper Undertaking for payment after the Effective Date.
- 4.3 With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description of ABCL relating to the Paper Undertaking and as defined under Clause 1.10 shall also, under the provisions of Sections 391 and 394 of the Act, without any further act or deed, be transferred to or be deemed to be transferred to ABC Paper so as to become as from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of ABC Paper and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent

liabilities, duties and obligations have arisen in order to give effect to the provisions of this subclause.

## **5. ISSUANCE OF EQUITY SHARES IN ABC PAPER**

- 5.1 Upon this Scheme becoming operative and in consideration of the de-merger and vesting of the Paper Undertaking of ABCL in ABC Paper, ABC Paper shall, without any further application or deed, issue and allot to the equity shareholders of ABCL and whose names appear in the Register of Members of ABCL as on the Record Date, his/her heirs, executors, administrators or the successors-in-title, as the case may be, two (2) Equity Shares of the face value of Rs. 10/- (Rupees Ten) each credited as fully paid-up, for every four (4) Equity Shares of the face value of Rs. 10/- (Rupees Ten) each of ABCL.
- 5.2 The Equity Shares to be issued and allotted in terms hereof will be subject to the Memorandum and Articles of Association of ABC Paper. The new Equity Shares shall rank pari passu in all respects including dividend with the existing Equity Shares of ABC Paper and shall be subject to any condition that may be imposed or suggested by the Stock Exchange/s or any other competent authority.
- 5.3 The shareholders of ABCL, to whom equity shares are to be issued by ABC Paper pursuant to Clause 5.1 above, shall be issued shares in dematerialized form. However, shareholders of ABCL shall have an option to receive the certificate(s) of shares or receive credit in their de-mat accounts. Those, who wish to receive their equity shares indematerialized form, shall provide all details relating to their account with depository participant, to ABC Paper. In case no response is received, ABC Paper shall issue the shares in the form in which the shares were held as on the Record Date by the concerned shareholder in ABCL.
- 5.4 ABC Paper shall, if and to the extent required, apply for and obtain any approvals from concerned regulatory authorities for the issue and allotment by ABC Paper of equity shares to the members of ABCL under the Scheme.
- 5.5 The Equity Shares to be issued by ABC Paper shall, subject to the execution of the listing agreement and payment of the appropriate fee, be listed on the Mumbai and Uttar Pradesh Stock Exchanges, in pursuance of Clause 8.3.5 of SEBI (Disclosure & Investor Protection Guidelines), 2000.
- 5.6 The Board of Directors of ABC Paper shall consolidate all fractional entitlements, if any, arising out of the aforesaid exchange process and allot Equity Shares in lieu thereof to a director or an officer of ABC Paper or such other person as the Board of Directors of ABC Paper and ABCL shall jointly appoint in this behalf who shall hold the Equity Shares in trust on behalf of the members entitled to fractional entitlements with the express understanding that such director(s) or officer(s) or person(s) shall sell the same in the market at such time or times and at such price or prices and to such person or persons, as it/he/they may deem fit, and pay to ABC Paper, the net sale proceeds thereof, whereupon ABC Paper shall distribute such net sale proceeds subject to taxes, if any, to the members in proportion to their respective fractional entitlements.
- 5.7 The approval of this Scheme by the shareholders of AEL shall be deemed to be due compliance of the provision of Section 81 (1A) and other relevant and applicable provision of the Act for the issue and allotment of Equity Shares by AEL to the shareholders of ABCL, as provided in this Scheme.

## **6. ACCOUNTING TREATMENT IN THE BOOKS OF ABC PAPER**

- 6.1 Upon the Scheme becoming effective and with effect from the Appointed Date, ABC Paper shall record the assets and liabilities of the Paper Undertaking of ABCL vested in



it pursuant to this Scheme, at their respective book values as appearing in the books of ABCL, at the close of business of the day immediately preceding the Appointed Date.

- 6.2 ABC Paper shall credit the aggregate face value of the new equity shares issued by it to the shareholders of ABCL pursuant to this Scheme to the Share Capital Account in its books of accounts.
- 6.3 The difference, between the amount credited by ABC Paper to the Share Capital Account as per Clause 6.2 above, and the Net Assets of the Paper Undertaking of ABCL as per Clause 6.1 above, shall be debited / credited by ABC Paper to the General Reserve Account.

## **7. BUSINESS AND PROPERTY IN TRUST FOR ABC PAPER**

- 7.1 During the period between the Appointed Date and the Effective Date:
  - (a) ABCL shall carry on and be deemed to have carried on its business and activities in relation to the Paper Undertaking and shall stand possessed of all assets and properties of the Paper Undertaking as defined in Clause 1.10, and referred to in Clause 4 above, in trust for ABC Paper and shall account for the same to ABC Paper.
  - (b) Any income or profit accruing or arising to ABCL in relation to the Paper Undertaking and all costs, charges, expenses and losses incurred by ABCL in relation to the Paper Undertaking shall for all purposes be treated as the income, profits, costs, charges, expenses and losses, as the case may be, of ABC Paper.
  - (c) ABCL shall not utilize the profits or income, if any, relating to the Paper Undertaking for the purpose of declaring or paying any dividend or for any other purpose in respect of the period falling on and after the Appointed Date, without the prior written consent of ABC Paper.
- 7.2 With effect from the Appointed Date, all debts, liabilities, duties and obligations of the Paper Undertaking of ABCL as on the close of business on the date preceding the Appointed Date whether or not provided in the books of the Paper Undertaking of ABCL and all other liabilities relating to the Paper Undertaking which arises or accrues on or after the Appointed Date but which relates to the period on or upto the Appointed Date shall be deemed to be the debt, liabilities, duties and obligations of ABC Paper.

## **8. CONDUCT OF BUSINESS OF PAPER UNDERTAKING**

- 8.1 As and from the date of acceptance of this Scheme by the Board of Directors of the ABCL and the Board of Directors of ABC Paper till the Effective Date:
  - (a) ABCL shall carry on the business of its Paper Undertaking with reasonable diligence and in the same manner as it had been doing hitherto fore and ABCL shall not alter or expand the business of its Paper Undertaking except with the concurrence of ABC Paper.
  - (b) ABCL shall not, without the written concurrence of Board of the ABC Paper, alienate, charge or encumber any of its properties defined in Clause 1.10 and referred to in Clause 4 above except in the ordinary course of business or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the respective Boards of Directors of the ABCL and the ABC Paper.
  - (c) ABCL shall not vary or alter, except in the ordinary course of its business and as may be required for reorganization, the terms and conditions of employment of any of the employees of Paper Undertaking.

- 8.2 With effect from the Effective Date, the ABC Paper shall commence and carry on and shall be authorized to carry on the business carried on by the Paper Undertaking of ABCL.

## **9. STAFF, WORKMEN & EMPLOYEES OF PAPER UNDERTAKING**

- 9.1 On the Scheme becoming operative, all staff, workmen and employees of the Paper Undertaking of ABCL in service on the Effective Date shall be deemed to have become staff, workmen and employees of the ABC Paper with effect from the Appointed Date without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with ABC Paper shall not be less favourable than those applicable to them with reference to ABCL on the Effective Date.
- 9.2 It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund or Trusts created or existing for the benefit of the staff, workmen and employees of the Paper Undertaking of ABCL shall be transferred to ABC Paper. ABC Paper shall have the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of ABCL in relation to such Fund or Funds shall become those of ABC Paper. It is clarified that the services of the staff, workmen and employees of the Paper Undertaking of ABCL will be treated as having been continuous for the purpose of the said Fund or Funds. Until such time that ABC Paper creates/arranges for its own funds, ABC Paper may, subject to necessary approvals and permissions if any, continue to make contributions pertaining to the employees of the Paper Undertaking of ABCL to the relevant fund of ABCL. Such contributions and other balances pertaining to the employees of the Paper Undertaking of ABCL shall be transferred to the funds created by ABC Paper on creation of relevant funds/arrangements by ABC Paper.

## **10. LEGAL PROCEEDINGS RELATING TO PAPER UNDERTAKING**

- 10.1 If any suit, appeal or other proceedings of whatever nature by or against ABCL and relating to its Paper Undertaking are pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of 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 ABC Paper, as the case may be, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against ABCL as if this Scheme had not been made.
- 10.2 After the Appointed Date, if any proceedings are taken against ABCL in respect of the matters referred to in the sub-clause 10.1 above, it shall defend the same at the cost of ABC Paper and ABC Paper shall reimburse and indemnify ABCL against all liabilities and obligations incurred by ABCL in respect thereof.
- 10.3 ABC Paper undertakes to have all legal or other proceedings initiated by or against ABCL referred to in Clause 10.1 above transferred into its name and to have the same continued, prosecuted and enforced by or against ABC Paper to the exclusion of ABCL.

## **11. CONTRACTS, DEEDS, ETC. OF PAPER UNDERTAKING**

Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature relating to the Paper Undertaking of ABCL and to which ABCL is party and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of ABC Paper, as the case may be, and may be enforced by or against ABC Paper as fully and effectually as if, instead of ABCL, ABC Paper had been a

party thereto. ABC Paper shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which ABCL will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary. ABC Paper shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of ABCL and to implement or carry out all formalities required on the part of ABCL to give effect to the provisions of this Scheme.

## **12. SAVING OF CONCLUDED TRANSACTIONS OF PAPER UNDERTAKING**

The transfer of properties and liabilities under Clause 4 above and the continuance of proceedings by or against ABCL under Clause 10 above shall not affect any transaction or proceedings already concluded by ABCL on or after the Appointed Date till the Effective Date, to the end and intent that ABC Paper accepts and adopts all acts, deeds and things done and executed by ABCL in respect thereto as done and executed on behalf of itself.

### **PART – III**

#### **REORGANIZATION OF SHARE CAPITAL OF AEL**

### **13. REORGANIZATION OF SHARE CAPITAL OF AEL**

13.1 Upon the Scheme becoming operative, AEL shall, reorganize its paid up equity share capital by sub-dividing 5,019,400 equity shares of Rs. 10 each credited as fully paid up into 5,019,400 equity shares of Rs. 5 each credited as fully paid up and subsequent to such sub-division, as integral part of the said reorganization, consolidate 5,019,400 equity shares of Rs. 5 each credited as fully paid up into 2,509,700 equity shares of Rs. 10 each credited as fully paid up.

13.2 In consideration of the sub-division and consolidation mention in Clause 13.1 above, AEL shall, without any further application or deed, issue and allot to its equity shareholders, whose names appear in the Register of Members as on the Record Date for Reorganization of Share Capital of AEL as defined in Clause 1.13, his/her heirs, executors, administrators or the successors-in-title, as the case may be, 1 (one) 7% Redeemable Preference Share of Rs.10/- (Rupees Ten) each credited as fully paid-up and to be redeemed at par within a minimum period of 6 (Six) months but not later than 1 (One) year from the Record Date for Reorganization of Share Capital of AEL as the Board of Directors of AEL may decide, for every 2 (Two) fully paid-up equity shares of the face value of Rs. 10/- (Rupees Ten) each held by such equity shareholders, before the sub-division and consolidation of equity shares as mentioned in Clause 13.1 above and on the Record Date for Reorganization of Share Capital of AEL.

13.3 The share certificates of AEL 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 Reorganization of Share Capital as per Clause 13.1 above and new equity share certificates giving effect to sub-division and consolidation mentioned in Clause 13.1 above and new 7% redeemable preference share certificates will be issued by AEL. It is clarified that the number of shares held in dematerialized form will be reduced automatically and the de-mat account of the shareholders shall be credited after giving effect to the sub-division and consolidation as contemplated in Clause 13.1 and with 7% redeemable preference shares to be issued pursuant to Clause 13.2 above.

13.4 The Board of Directors of AEL shall consolidate all fractional equity share entitlements, if any, arising due to sub-division and consolidation of paid up equity share capital as contemplated in Clause 13.1 and allot Equity Shares in lieu thereof to a director or an officer of AEL or such other person as the Board of Directors of AEL shall appoint in this

behalf who shall hold the Equity Shares in trust on behalf of the members entitled to fractional entitlements with the express understanding that such director(s) or officer(s) or person(s) shall sell the same in the market at such time or times and at such price or prices and to such person or persons, as it/he/they may deem fit, and pay to AEL, the net sale proceeds thereof, whereupon AEL shall distribute such net sale proceeds subject to taxes, if any, to the members in proportion to their respective fractional entitlements.

- 13.5 The fractional redeemable preference share entitlement, if any, arising pursuant to Clause 13.2 shall be paid by AEL to the members in cash.
- 13.6 **The reorganization of paid up equity share capital and issuance of 7% redeemable preference shares pursuant to clause 13.1 and 13.2 above, which constitutes reduction of capital, shall be effected as a part of the Scheme only as the same does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid up share capital, and the order of the Court sanctioning the Scheme shall be deemed to be an order under Section 102 of the Act confirming the reduction.**
- 13.7 Any allotment of equity shares out of the forfeited shares shall be adjusted by giving effect to provisions of Clause 13.1 and 13.2.

#### **PART – IV**

#### **DE-MERGER OF EDIBLE OILS BUSINESS**

#### **14. TRANSFER OF EDIBLE OIL BRANDS**

- 14.1 Upon the Scheme becoming operative, before giving effect to the de-merger of Edible Oils Undertaking and with effect from the Appointed Date, Edible Oil Brands of ABCL as defined in Clause 1.7, shall without any further act or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in AEL so as to vest in AEL all the rights and title pertaining to such Edible Oil Brands therein by virtue of High Court Order, and it shall not be necessary to obtain the consent of any third party or other person in order to give effect to the provisions of this sub-clause.
- 14.2 ABCL and AEL hereto agree to execute all such documents or letters as may be required for the purpose of securing registration of the Edible Oil Brands in the name of AEL.
- 14.3 ABCL undertakes that its rights in the Edible Oil Brands is legally transferable and free of any encumbrances or charges and that ABCL, upon the Scheme becoming operative and with effect from the Appointed Date for Transfer of Edible Oil Brands, will cease to have any rights of any nature in the Edible Oil Brands and consequently will not, directly or indirectly, use or cause to be used the Edible Oil Brands.
- 14.4 Upon this Scheme becoming operative and in consideration of transfer and vesting of Edible Oil Brands of ABCL in AEL as per Clause 14.1 above, AEL shall, without any further application or deed, issue and allot to ABCL 16,40,037 (Sixteen lacs forty thousand and thirty seven) Equity Shares of the face value of Rs. 10/- (Rupees Ten) each credited as fully paid-up at a premium of Rs.34.20 (Rupees Thirty four and paise twenty) each for consideration other than cash. The consideration for the transfer of Edible Oil Brands and premium at which the Equity Shares shall be issued and allotted by AEL to ABCL for consideration other than cash has been arrived at by independent valuers jointly appointed by Board of Directors of ABCL and AEL.

#### **15. VESTING OF UNDERTAKING**

- 15.1 With effect from the Appointed Date or such other date as may be fixed or approved by the High Courts and upon the Scheme becoming effective, the whole of the Edible Oils

Undertaking of ABCL, as defined in Clause 1.6, shall, under the provisions of Sections 391 and 394 and all other applicable provisions, if any, of the Act, and pursuant to the orders of the High Court or any other appropriate authority sanctioning the Scheme and without any further act or deed, be transferred to and vested in and/or deemed to be transferred to and vested in AEL on a going concern basis.

15.2 Without prejudice to the generality of the above said clause:

15.2.1 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licences, permissions, approvals, quotas or consents to carry on the business of the Edible Oils Undertaking of ABCL shall stand vested in or transferred to AEL without any further act or deed and shall be appropriately mutated by the Statutory Authorities concerned in favour of AEL. The benefit of all statutory and regulatory permissions, factory licences, environmental approvals and consents, sales tax registrations or any other licences of ABCL relating to Edible Oils Undertaking and consents shall vest in and become available to AEL pursuant to this Scheme. In so far as the various incentives, subsidies, rehabilitation Schemes, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by ABCL pertaining to the Edible Oils Undertaking, as the case may be, are concerned, the same shall vest with and be available to AEL on the same terms and conditions.

15.2.2 In respect of all the movable assets of the Edible Oils Undertaking of ABCL and the assets which are otherwise capable of transfer by physical delivery or endorsement and delivery, including cash on hand, shall be so transferred to AEL and deemed to have been physically handed over by physical delivery or by endorsement and delivery, as the case may be, to AEL to the end and intent that the property and benefit therein passes to AEL with effect from the Appointed Date.

15.2.3 Such delivery and transfer shall be made on a date mutually agreed upon between the respective Board of Directors of ABCL and AEL. However such date shall be within thirty days from the Effective Date.

15.2.4 In respect of any intangible assets of the Edible Oils Undertaking of ABCL other than those mentioned in Clause 15.2.3 above, and those other movable assets, including actionable claims, sundry debtors, outstanding loans, advances recoverable in cash or kind or for value to be received and deposits with the Government, semi-Government, local and other authorities and bodies and customers, ABCL shall if so required by AEL, and AEL may, issue notices in such form as AEL may deem fit and proper stating that pursuant to the High Courts having sanctioned this Scheme under Section 394 of the Act, the relevant debt, loan, advance or other asset, be paid or made good or held on account of AEL, as the person entitled thereto, to the end and intent that the right of ABCL to recover or realize the same stands transferred to AEL and that appropriate entries should be passed in their respective books to record the aforesaid changes.

15.2.5 It is expressly clarified that upon the Scheme becoming effective all taxes payable by ABCL pertaining to Edible Oils Undertaking from the Appointed Date onwards shall be treated as the tax liability of AEL; similarly all credits for tax deduction at source on income of Edible Oils Undertaking of ABCL or obligation for deduction of tax at source on any payment made by or to be made by the Edible Oils Undertaking of ABCL shall be made or deemed to have been made and duly complied with if so made by ABCL or AEL. Similarly any advance tax payment

required to be made by specified due dates in the tax laws shall also be deemed to have been made correctly if so made by ABCL.

- 15.2.6 All taxes of any nature, duties, cesses or any other like payment or deductions made by ABCL pertaining to Edible Oils Undertaking to any statutory authorities such as income tax, sales tax, service tax etc. or any tax deduction / collection at source, relating to the period after the Appointed Date up to the Effective Date shall be deemed to have been made on account of or paid by AEL and the relevant authorities shall be bound to transfer to the account of and give credit for the same to AEL upon the passing of the orders on this Scheme by the High Courts upon relevant proof and documents being provided to the said authorities.
- 15.2.7 All cheques and other negotiable instruments, payment orders received in the name of ABCL pertaining to Edible Oils Undertaking after the Effective Date shall be accepted by the Bankers of AEL and credited to the account of AEL. Similarly, the Banker of AEL shall honour cheques issued by ABCL pertaining to Edible Oils Undertaking for payment after the Effective Date.
- 15.3 With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description of ABCL relating to the Edible Oils Undertaking and as defined under Clause 1.6 shall also, under the provisions of Sections 391 and 394 of the Act, without any further act or deed, be transferred to or be deemed to be transferred to AEL so as to become as from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of AEL and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.

## **16. ISSUANCE OF EQUITY SHARES IN AEL**

- 16.1 Upon this Scheme becoming operative and in consideration of the de-merger and vesting of the Edible Oil Undertaking of ABCL in AEL, AEL shall, without any further application or deed, issue and allot to the equity shareholders of ABCL and whose name appears in the Register of Members of ABCL as on the Record Date, his/her heirs, executors, administrators or the successors-in-title, as the case may be, one (1) Equity Share of the face value of Rs. 10/- (Rupees Ten) each credited as fully paid-up for every four (4) Equity Shares of the face value of Rs. 10/- (Rupees Ten) each of ABCL. The swap ratio has been arrived at by independent valuers jointly appointed by Board of Directors of AEL and ABCL.
- 16.2 The Equity Shares to be issued and allotted in terms hereof will be subject to the Memorandum and Articles of Association of AEL. The new Equity Shares shall rank pari passu in all respects including dividend with the existing Equity Share of AEL and shall be subject to any condition that may be imposed or suggested by the Stock Exchange/s or any other competent authority.
- 16.3 The shareholders of ABCL, to whom equity shares are to be issued by AEL pursuant to Clause 16.1 above, shall be issued shares in dematerialized form. However, shareholders of ABCL shall have an option to receive the certificate(s) of shares or receive credit in their de-mat accounts. Those, who wish to receive their equity shares in dematerialized form, shall provide all details relating to their account with depository participant to AEL. In case no response is received, AEL shall issue the shares in the form in which the shares were held as on the Record Date by the concerned shareholder in ABCL.

- 16.4 AEL shall, if and to the extent required, apply for and obtain any approvals from concerned regulatory authorities for the issue and allotment by AEL of equity shares to the members of ABCL under the Scheme.
- 16.5 The Board of Directors of AEL shall consolidate all fractional entitlements, if any, arising out of the aforesaid exchange process and allot Equity Shares in lieu thereof to a director or an officer of AEL or such other person as the Board of Directors of AEL and ABCL shall jointly appoint in this behalf who shall hold the Equity Shares in trust on behalf of the members entitled to fractional entitlements with the express understanding that such director(s) or officer(s) or person(s) shall sell the same in the market at such time or times and at such price or prices and to such person or persons, as it/he/they may deem fit, and pay to AEL, the net sale proceeds thereof, whereupon AEL shall distribute such net sale proceeds subject to taxes, if any, to the members in proportion to their respective fractional entitlements.
- 16.6 The approval of this Scheme by the shareholders of AEL shall be deemed to be due compliance of the provisions of Section 81 (1A) and other relevant and applicable provisions of the Act for the issue and allotment of Equity Shares by AEL to the shareholders of ABCL, as provided in this Scheme.

#### **17. ACCOUNTING TREATMENT IN THE BOOKS OF AEL**

- 17.1 Upon the Scheme becoming effective and with effect from the Appointed Date, AEL shall record the assets and liabilities of the Edible Oils Undertaking of ABCL vested in it pursuant to this Scheme, at their respective book values as appearing in the books of ABCL, at the close of business of the day immediately preceding the Appointed Date.
- 17.2 AEL shall credit the aggregate face value of the new equity shares issued by it to the shareholders of ABCL pursuant to this Scheme to the Share Capital Account in its books of accounts.
- 17.3 The difference, between the amount credited by AEL to the Share Capital Account, as per Clause 17.2 above, and the Net Assets of the Edible Oil Undertaking of ABCL as per Clause 17.1 above, shall be debited / credited by AEL to the General Reserve Account.

#### **18. BUSINESS AND PROPERTY IN TRUST FOR AEL**

- 18.1 During the period between the Appointed Date and the Effective Date:
- (a) ABCL shall carry on and be deemed to have carried on its business and activities in relation to the Edible Oils Undertaking and shall stand possessed of all assets and properties of the Edible Oils Undertaking as defined in Clause 1.6, and referred to in Clause 15 above, in trust for AEL and shall account for the same to AEL.
  - (b) Any income or profit accruing or arising to ABCL in relation to the Edible Oils Undertaking and all costs, charges, expenses and losses incurred by ABCL in relation to the Edible Oils Undertaking shall for all purposes be treated as the income, profits, costs, charges, expenses and losses, as the case may be, of AEL.
  - (c) ABCL shall not utilize the profits or income, if any, relating to the Edible Oils Undertaking for the purpose of declaring or paying any dividend or for any other purpose in respect of the period falling on and after the Appointed Date, without the prior written consent of AEL.
- 18.2 With effect from the Appointed Date, all debts, liabilities, duties and obligations of the Edible Oils Undertaking of ABCL as on the close of business on the date preceding the

Appointed Date whether or not provided in the books of the Edible Oils Undertaking of ABCL and all other liabilities relating to the Edible Oils Undertaking which arises or accrues on or after the Appointed Date but which relates to the period on or upto the Appointed Date shall be deemed to be the debt, liabilities, duties and obligations of AEL.

## **19. CONDUCT OF BUSINESS OF EDIBLE OILS UNDERTAKING**

19.1 As and from the date of acceptance of this Scheme by the Board of Directors of the ABCL and the Board of Directors of AEL till the Effective Date:

- (a) ABCL shall carry on the business of its Edible Oils Undertaking with reasonable diligence and in the same manner as it had been doing hitherto fore, and ABCL shall not alter or expand the business of its Edible Oils Undertaking except with the concurrence of AEL.
- (b) ABCL shall not, without the written concurrence of Board of AEL, alienate, charge or encumber any of its properties defined in Clause 1.6 and referred to in Clause 15 above except in the ordinary course of business or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the respective Boards of Directors of the ABCL and the AEL.
- (c) ABCL shall not vary or alter, except in the ordinary course of its business and as may be required for reorganization, the terms and conditions of employment of any of the employees of Edible Oils Undertaking. 19.2 With effect from the Effective Date, AEL shall commence and carry on and shall be authorized to carry on the business carried on by the Edible Oils Undertaking of ABCL.

19.2 With effect from the Effective Date, AEL shall commence and carry on and shall be authorized to carry on the business carried on by the Edible Oils Undertaking of ABCL.

## **20. STAFF, WORKMEN & EMPLOYEES OF EDIBLE OILS UNDERTAKING**

20.1 On the Scheme becoming operative, all staff, workmen and employees of the Edible Oils Undertaking of ABCL in service on the Effective Date shall be deemed to have become staff, workmen and employees of AEL with effect from the Appointed Date without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with AEL shall not be less favourable than those applicable to them with reference to ABCL on the Effective Date.

20.2 It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund or Trusts created or existing for the benefit of the staff, workmen and employees of the Edible Oils Undertaking of ABCL shall be transferred to AEL. AEL shall have the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of ABCL in relation to such Fund or Funds shall become those of AEL. It is clarified that the services of the staff, workmen and employees of the Edible Oils Undertaking of ABCL will be treated as having been continuous for the purpose of the said Fund or Funds. Until such time that AEL creates/arranges for its own funds, AEL may, subject to necessary approvals and permissions if any, continue to make contributions pertaining to the employees of the Edible Oils Undertaking of ABCL to the relevant fund of ABCL. Such contributions and other balances pertaining to the employees of the Edible Oils Undertaking of ABCL shall be transferred to the funds created by AEL on creation of relevant funds/arrangements by AEL.



## **21. LEGAL PROCEEDINGS RELATING TO EDIBLE OILS UNDERTAKING**

- 21.1 If any suit, appeal or other proceeding of whatever nature by or against ABCL and relating to its Edible Oils Undertaking is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of 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 AEL, as the case may be, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against ABCL as if this Scheme had not been made.
- 21.2 After the Appointed Date, if any proceedings are taken against ABCL in respect of the matters referred to in the sub-clause 21.1 above, it shall defend the same at the cost of AEL and AEL shall reimburse and indemnify ABCL against all liabilities and obligations incurred by ABCL in respect thereof.
- 21.3 AEL undertakes to have all legal or other proceedings initiated by or against ABCL referred to in Clause 21.1 above transferred into its name and to have the same continued, prosecuted and enforced by or against AEL to the exclusion of ABCL.

## **22. CONTRACTS, DEEDS, ETC. OF EDIBLE OILS UNDERTAKING**

Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature relating to the Edible Oils Undertaking of ABCL and to which ABCL is party and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of AEL, as the case may be, and may be enforced by or against AEL as fully and effectually as if, instead of ABCL, AEL had been a party thereto. AEL shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which ABCL will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary. AEL shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of ABCL and to implement or carry out all formalities required on the part of ABCL to give effect to the provisions of this Scheme.

## **23. SAVING OF CONCLUDED TRANSACTIONS OF EDIBLE OILS UNDERTAKING**

The transfer of properties and liabilities under Clause 15 above and the continuance of proceedings by or against ABCL under Clause 21 above shall not affect any transaction or proceedings already concluded by ABCL on or after the Appointed Date till the Effective Date, to the end and intent that AEL accepts and adopts all acts, deeds and things done and executed by ABCL in respect thereto as done and executed on behalf of itself.

## **PART – V**

### **REDUCTION AND CANCELLATION OF EQUITY SHARES IN ABCL**

## **24. REDUCTION AND CANCELLATION OF EQUITY SHARES IN ABCL**

- 24.1 Upon coming into effect of the Scheme and upon vesting in and transfer of the Paper Undertaking and Edible Oils Undertaking to ABC Paper and AEL respectively, ABCL shall, for every four (4) fully paid-up Equity Shares of Rs. 10/- (Rupees Ten) each held by equity shareholders on the Record Date, without any further application or deed, reduce and cancel two (2) fully paid-up Equity Shares of the face value of Rs. 10/- (Rupees Ten) each against the allotment and issuance of Equity Shares by ABC Paper pursuant to Clause 5 of this Scheme and one (1) fully paid-up Equity Share of the face value of Rs. 10/- (Rupees Ten) each against the allotment and issuance of Equity Shares by AEL pursuant to Clause 16 of this Scheme.

- 24.2 The share certificates of ABCL 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 reduction and cancellation as per Clause 24.1 above and new share certificates with the revised number of Equity Shares will be issued by ABCL. It is clarified that the number of shares held in dematerialized form will be reduced automatically and the de-mat account of the shareholders, to whom reduced equity shares are to be allotted pursuant to Clause 24.1 shall be credited after giving effect to the reduction and cancellation as contemplated in Clause 24.1.
- 24.3 The Board of Directors of ABCL shall consolidate all fractional entitlements, if any, arising due to the reduction and cancellation of Equity Shares as contemplated in Clause 24.1 and allot Equity Shares in lieu thereof to a director or an officer of ABCL or such other person as the Board of Directors of ABCL shall appoint in this behalf who shall hold the Equity Shares in trust on behalf of the members entitled to fractional entitlements with the express understanding that such director(s) or officer(s) or person(s) shall sell the same in the market at such time or times and at such price or prices and to such person or persons, as it/he/they may deem fit, and pay to ABCL, the net sale proceeds thereof, whereupon ABCL shall distribute such net sale proceeds subject to taxes, if any, to the members in proportion to their respective fractional entitlements.
- 24.4 The reduction and cancellation of equity shares as contemplated in Clause 24.1, shall be effected as a part of the Scheme only as the same does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid up share capital, and the order of the Court sanctioning the Scheme shall be deemed to be an order under Section 102 of the Act confirming the reduction.

## **25. ACCOUNTING TREATMENT IN THE BOOKS OF ABCL**

- 25.1 On the Scheme becoming effective, ABCL shall transfer the Paper Undertaking along with all its assets and liabilities as defined in Clause 1.6 of this Scheme to ABC Paper at their respective values as appearing in the books at the close of business of the day immediately preceding the Appointed Date.
- 25.2 On the Scheme becoming effective, ABCL shall transfer the Edible Oils Undertaking along with all its assets and liabilities as defined in Clause 1.10 of this Scheme to AEL at their respective values as appearing in the books at the close of business of the day immediately preceding the Appointed Date.
- 25.3 The difference, between the Net Assets transferred by ABCL pursuant to Clause 25.1 and 25.2 above and the amount reduced from the Share Capital Account pursuant to Clause 24.1, shall be adjusted to the Securities Premium Account, Capital Reserve Account and General Reserve Account, in this order of utilization and to the extent required.
- 25.4 The reduction of Capital Reserve Account and Securities Premium Account pursuant to Clause 25.3 above shall be effected as an integral part of the Scheme itself as the same does not involve either diminution of liability in respect of unpaid capital or payment to any shareholder of any amount paid in respect of shares issued and the Order of the High Court sanctioning the Scheme shall be deemed to be an order under Section 102 of the Act confirming the reduction.

## **26. CHANGE IN NAME**

- 26.1 On the Scheme becoming effective, the name of ABCL shall stand changed to “Amrit Corp. Limited” and the same shall be substituted for the existing name wherever it appears in the Memorandum and Articles of Association of ABCL.

26.2 The approval of this Scheme by the Hon'ble High Court of Allahabad, Hon'ble High Court of Delhi and Hon'ble High Court of Chandigarh shall be deemed to be due compliance of the provision of Section 21 and other relevant and applicable provision of the Act for the change in name of ABCL, as provided in Clause 26.1 above.

26.3 On the Scheme becoming effective, the name of AEL shall stand changed to "Amrit Banaspati Company Limited" and the same shall be substituted for the existing name wherever it appears in the Memorandum and Articles of Association of AEL.

26.4 The approval of this Scheme by the Hon'ble High Court of Allahabad, Hon'ble High Court of Delhi and Hon'ble High Court of Chandigarh shall be deemed to be due compliance of the provision of Section 21 and other relevant and applicable provision of the Act for the change in name of AEL, as provided in Clause 26.3 above.

## **27. REMAINING BUSINESS**

The Remaining Business and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by ABCL.

## **PART – VI**

### **GENERAL TERMS AND CONDITIONS**

## **28. APPLICATIONS TO THE HIGH COURT**

ABCL and the Transferee Companies shall, with all reasonable dispatch, make applications to the High Court under whose jurisdiction the registered office of ABCL and the Transferee Companies are situated, for sanctioning this Scheme under Sections 391- 394 of the Act and other applicable provisions of the Act.

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

ABCL and the Transferee Companies by their respective Board of Directors may make and/or consent to any modifications/ amendments to the Scheme or to any conditions or limitations that the High Court or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e. the Board of Directors). The ABCL and the Transferee Companies by their respective Board of Directors shall be authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or order of any other authority or otherwise however arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

## **30. CONDITIONALITY OF THE SCHEME**

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

- i) 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 ABCL and the Transferee Companies as may be directed by the High Court.
- ii) The sanction of the High Court under Sections 391 to 394 of the said Act in favour of ABCL and the Transferee Companies under the said provisions and to the necessary Order under Section 394 of the said Act being obtained.
- iii) Certified or authenticated copies of the Orders of the High Courts sanctioning the Scheme being filed with the respective Registrar of Companies by ABCL and the Transferee Companies.
- iv) All other sanctions and orders as are legally necessary or required in respect of the Scheme being obtained.

### **31. EFFECT OF NON-RECEIPT OF APPROVALS/SANCTIONS**

In the event of any of the said sanctions and approvals referred to in Clause 30 not being obtained and/ or the Scheme not being sanctioned by the High Courts or such other competent authority, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law. Each party shall bear and pay its respective costs, charges and expenses for and or in connection with the Scheme.

### **32. COSTS, CHARGES & EXPENSES**

All costs, charges, taxes including duties, levies and all other expenses, if any of ABCL and the Transferee Companies arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto shall be borne by the respective Transferee Companies.

IN THE HIGH COURT OF JUDICATURE AT ALLAHABAD  
(ORIGINAL JURISDICTION)

COMPANY PETITION No. 30 of 1991  
WITH  
COMPANY PETITION No. 31 of 1991

CONNECTED WITH

Company Application Nos. 30 & 31 of 1991

In the matter of Companies Act, 1956

AND

In the matter of Section 391 and 394 of the said Act

and

In the matter of Scheme of Amalgamation of Amrit Protein Foods Limited  
with Amrit Banaspati Company Limited

1. AMRIT BANASPATI COMPANY LIMITED  
having its Registered Office at  
G.T. Road, Ghaziabad-201009  
Uttar Pradesh

Petitioner in  
(Transferee Company)  
Company Petition No. 30/1991

2. AMRIT PROTEIN FOODS LIMITED  
having its Registered Office at  
Amrit Naga, G.T. Road,  
Ghaziabad-201009, Uttar Pradesh

Petitioner in  
(Transferor Company)  
Company Petition No. 31/1991

Before the Hon'ble Mr. Ravi S. Dhavan J.  
Dated 27th day of February, 1992

### **ORDER ON PETITION**

The above petitions coming on for hearing on 27th day of February, 1992 and 23rd April, 1992 and upon reading the said Petitions, the Order dated 11th day of October, 1991 made by this Court in Company Applications No. 30 and 31 of 1991 whereby the Transferee Company and the Transferor Company were ordered to convene separate meetings of the Share holders and Creditors of the Transferee Company and Transferor Company for the purposes of considering and if thought fit approving with or without modifications the compromise or arrangement embodied in the Scheme of Amalgamation proposed to be made between the Transferor Company and the Transferee Company and annexed as Annexure 'B' to the Affidavits of Shri J.C. Rana and Shri T.M. Sen dated the 10th Day of October, 1991 in support of the said Company Applications AND UPON PERUSING the issue of the Hindustan times, Delhi Editions dated 25th day of October, 1991, Jansatta, Delhi edition dated 25th day of October, 1991 and Hint, Ghaziabad edition dated 25th day of October, 1991 each containing the advertisements of the said notices convening the said meetings directed to be held by the said Order dated 11th October, 1991 AND UPON READING the Affidavits of Shri Ajay Kumar Banerji, Chairman appointed for the meetings dated the 18th day of November 1991 showing the publication and despatch of the notices convening the said meetings AND UPON READING the reports dated 9th December, 1991 of Shri Ajay Kumar Banerji, the Chairman of the said meetings as to the result of the said meetings AND UPON HEARING Mr. S.N. Verma, Senior Advocate and Mr. Navin Sinha, Advocate, Counsel for both the Companies (Transferee Company as well as Transferor) AND IT APPEARING from the said Report of the Chairman of the said meetings that the proposed Scheme of Amalgamation of the Transferor Company with the Transferee Company has been approved by a majority of not less than 3/4th in value of the shareholders and creditors of the Transferee Company and the Transferor Company present and voting in person or by proxy AND no person entitled to appear at the hearing of the said petitions appearing this day to show cause against the same AND UPON PERUSING the Report of the Official Liquidator dated the 13th day of February, 1992 that affairs of the Transferor Company have not been conducted in a manner prejudicial to the interest of its members or to public interest.

THIS COURT DOTH HEREBY SANCTION the Scheme of Amalgamation of Amrit Protein Foods Ltd. (the Transferor Company) with Amrit Banaspati Company Ltd. (the Transferee Company) as set forth in para 1 of the said petitions herein of the Transferor Company and the Transferee Company and also in the Schedule hereto AND DOTH HEREBY DECLARE the same to be binding on all the shareholders and creditors of the Transferor Company and the Transferee Company and also on the Transferor Company and the Transferee Company and all other persons concerned there with or affected thereby.

THIS COURT DOTH FURTHER ORDER

1. That with effect from 30th day of September, 1991 (hereinafter referred to as "the Transfer Date") the whole of the undertaking and all the moveable, immovable and other properties of whatsoever nature including all rights, powers, benefits, privileges of every kind and description of the Transferor Company be transferred without any further act, deed or thing to the Transferee Company and that pursuant to section 394(2) of the Companies Act, 1956, the same be transferred to and also vested in the Transferee Company for all estate and interest of the Transferor Company therein but subject nevertheless to all charges, if any, then effecting the same.
2. That as and from the Transfer Date all the liabilities, duties and obligations of the Transferor Company shall also be transferred or deemed to be transferred without further act or deed to

the Transferee Company and the same be pursuant to Section 394(2) of the Companies Act, 1956 transferred to and become the liabilities, duties and obligations of the Transferee Company.

3. That all the proceedings by or against the Transferor Company and pending at the Transfer Date shall be continued, prosecuted and enforced by or against the Transferee Company.
4. That the Transferee Company do without further application allot shares to the members of the Transferor Company, to which they are entitled to under the said Scheme of Amalgamation, the investment of the Transferee Company in the Equity Share Capital of the Transferor Company stand cancelled without any further act or deed as a consequence of amalgamation of the Transferor Company with the Transferee Company.
5. That the Transferor Company do within thirty days of the receipt of this Order cause a certified copy thereof to be delivered to the Registrar of Companies U.P., Kanpur for registration and on such certified copy being so delivered the Registrar of companies U.P., Kanpur shall place all documents relating to the Transferor Company and registered with him on the file kept by him in relation to the Transferee Company and the files and records relating to the said two Companies shall be consolidated accordingly.

Dated this 18th day of May 1992.

(BY THE COURT)

SEAL OF THE COURT

Sd/- illegible  
Registrar

SCHEDULE ABOVE REFERRED TO  
SCHEME FOR AMALGAMATION AS APPROVED BY COURT

**SCHEDULE ABOVE REFERRED TO  
SCHEME OF AMALGAMATION  
OF  
AMRIT PROTEIN FOODS LIMITED  
WITH  
AMRIT BANASPATI COMPANY LIMITED**

**1.0 PRELIMINARY**

1.1 In this scheme, unless repugnant to the context:

- (i) “The Transferee Company” means Amrit Banaspati Company Limited, an existing company incorporated under the Indian Companies Act, 1913 and having its Registered Office at G.T. Road, Ghaziabad-201009 (U.P.).
- (ii) “The Transferor Company” means Amrit Protein Foods Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at Amrit Nagar, G.T. Road, Ghaziabad-201009 (U.P.).
- (iii) “The Act” means the Companies Act, 1956 and any amendments thereof or additions thereto.
- (iv) “The Transfer date” means 30th September, 1991 from which date all the moveable, immovable and other properties of whatsoever nature, including all rights, powers, benefits, privileges of every kind, nature and description of the Transferor Company shall be transferred or deemed to be transferred without any further act, deed or thing to the Transferee Company.
- (v) “The Effective Date” means the date on which the transfer and vesting of the undertaking of the Transferor Company shall take effect i.e. the date on which the last of the approvals or sanctions specified in Clause 2.14 of the Scheme shall have been obtained and certified copy of the Order of the Allahabad High Court has been filed with the Registrar of Companies U.P., Kanpur.

1.2 The Authorised Share Capital of the Transferee Company is Rs. 6,50,00,000/- (Rupees Six Crores & Fifty Lacs) divided into 10,00,000-9.5% Redeemable Preference Shares of Rs. 10/- each; 5,00,000-11% Cumulative Preference Shares of Rs. 10/- each and 50,00,000 Equity Shares of Rs. 10/- each.

The issued, subscribed and fully paid up capital of the Transferee Company is Rs, 4,55,35,000/- (Rupees Four Crores Fifty Five Lacs and Thirty Five Thousand) divided into 4,05,000-11% Cumulative Preference Shares of Rs. 10/- each fully paid up and 41,48,500 Equity Shares of Rs. 10/- each.

1.3 The Authorised Share Capital of the Transferor Company is Rs. 10,00,00,000/- (Rupees Ten Crores) divided into 50,000 Redeemable Preference Shares of Rs. 100/- each, 50,000 Cumulative Convertible Preference Shares of Rs. 100/- each and 90,00,000 Equity Shares of Rs. 10/- each.

The issued, subscribed and paid up capital of the Transferor Company is Rs. 6,19,40,000/- (Rupees Six Crores Nineteen Lacs & Forty Thousand) divided into 10-11% Cumulative Convertible Preference Shares of Rs. 100/- each and 62,00,500 equity shares or Rs. 10/- each (less calls in arrears).



## 2.0 THE SCHEME

- 2.1 The undertaking of the Transferor Company shall with effect from the Transfer Date without further act, deed or thing, be transferred to and vested in or deemed to be transferred to and be vested in the Transferee Company pursuant to the provisions of Section 39 of the Act and for all the estate and interest of the Transferor Company but subject nevertheless to all charges, if any then affecting the undertaking of the Transferor Company or any part thereof and on the Transfer Date, the Transferor Company shall be deemed to have been merged/amalgamated with the Transferee Company as aforesaid.
- 2.2 For the purpose of the Scheme, the undertaking of the Transferor Company shall include:
- (i) All the properties moveable or immovable, rights, power, licences, quota rights, trade marks, benefits and privileges of the Transferor Company as on the Transfer Date.
  - (ii) All the liabilities, duties and obligations, including charges, liens and mortgages of the Transferor Company as on the Transfer Date.
- 2.3 Without prejudice to the generality of Clause 2.2 hereof, the undertaking of the Transferor Company shall include all rights, privileges, powers and authorities and all properties, moveable or immovable, real, corporeal or incorporeal, in possession or reversion, present or contingent of whatsoever nature and wheresoever situate, including in particular, all licences and privileges, patents, trademarks, lease and tenancy rights, telephones and all allotments, reservations, quota rights, imports quotas, concessions & exemptions, including exemption from sales tax under U.P. Sales Tax Act held by or applied for by the Transferor Company or which may be obtained by the Transferor Company after the Transfer Date or which the Transferor Company is entitled to and all debts, liabilities, obligations and duties of the Transferor Company and other obligations of whatsoever kind including liability for payment of gratuity, provident fund or compensation in the event of retrenchment of employees.
- PROVIDED always that except as provided herein, the Scheme shall not operate to enlarge the security for any loan, deposit or facility created by or available to the Transferor Company and which shall vest in the Transferee Company shall not be obliged to create any further or additional security after the amalgamation has become effective or otherwise unless specifically provided hereinafter.
- 2.4 If any suit, appeal or other proceedings of whatsoever nature (hereinafter called “the proceedings”) by or against the Transferor Company be pending, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the undertaking of the Transferor Company or of anything contained in this Scheme but the said proceedings may be continued, prosecuted and enforced by or against the Transferee Company as if this scheme has not been made.
- 2.5 Subject to the provisions contained in the Scheme, all contracts, deeds, bonds, agreements, instruments and writings and benefits of whatsoever nature to which the Transferor Company is a part and subject to such changes and variations in the terms, conditions and provision thereof as may be mutually agreed to between the Transferee Company and other parties thereto, subsisting or having affect immediately before the Effecting Date, shall remain in full force and effect in favour of and may be enforced by and/or against Transferee Company as fully and effectively as if the transferee company was party thereto instead of the Transferor Company.
- 2.6 The transfer and vesting of the property and liabilities under Clauses 2. 1 to 2.3 and the continuance of the proceeding by the Transferee Company and / or the contracts etc.

under clauses 2.4 & 2.5 hereof shall not affect any transactions or proceeding already concluded by the Transferor Company in the ordinary course of business on and after the transfer to the end and intent that the Transferee Company accepts on behalf of itself all acts, deeds and thing done lawfully and executed by the Transferor Company in the ordinary course of business.

- 2.7 Until the completion of such transfer of the Transferor Company, the Transferor Company shall stand possessed of all its properties so to be transferred to the Transferee Company and shall carry on its business with utmost prudence for and on behalf of and in trust for the Transferee Company and with effect from the Transfer Date, the Transferor Company shall account for the same accordingly. Between the Transfer Date and the Effective Date, the Transferor Company shall not, without the concurrence of the Board of Directors of the Transferee Company alienate, charge, encumber or otherwise deal with the undertaking of the Transferor Company including any of the said assets except in the ordinary course of business.
- 2.8 Any income or profit accruing to the Transferor Company and all costs, charges and expenses incurred and / or accrued losses as also all losses arising or suffered by it upto the Effective Date shall for all purposes be treated as the actual profits or losses, as the case may be, of the Transferee Company.
- 2.9 Upon the Scheme becoming effective, including it being approved by the members of the respective companies and sanctioned by the Hon'ble High Court at Allahabad and the transfer of the undertaking of the Transferor Company pursuant to Clause 2.1 hereof and the amalgamation becoming effective in terms of the Scheme, the consideration in respect of such transfer shall, subject to the provisions of this Scheme, be paid and satisfied by the Transferee Company as follows:
- (a) The Transferee Company shall issue at par and allot to the shareholders of the Transferor Company, other than the Transferee Company, shares in the proportion of 1 equity share of Rs. 10/- each in the Equity Share Capital of the Transferee Company Credited as fully paid-up for every 13 fully paid-up equity shares of Rs. 10/- each in the Equity Share Capital of the Transferee Company and 1 equity share of Rs. 10/- each in the Equity Share Capital of the Transferee Company credited as fully paid up for 1 fully paid up cumulative convertible preference share of Rs. 100/- each (including accumulated dividend in arrears thereon) in the paid up Share Capital of the Transferor Company held by him/her in the Transferee Company on such date after the Effective date as the Board of Directors on the Transferee Company may determine. For the Purpose of such allotment, fraction entitlement shall be consolidated and allotted to a nominee of the Transferee Company upon trust to sell shares representing such fraction and to distribute the sale proceeds (less expenses) to those shareholders of the Transferee Company who are entitled to such fraction in the proportion to which they are so entitled. Any fractional part remaining after such consolidation and disposal shall be ignored.
- (b) The equity shares in the Equity Capital of the Transferee Company to be issued and allotted to the shareholders of the Transferee Company pursuant hereto shall rank pari passu in all respects with the existing equity shares in the Equity Share Capital of the Transferee Company save and except that such equity shares shall carry the rights to receive the proportionate dividend which may be declared by the Transferee Company for the financial year in which the allotment of the shares becomes effective.

- (c) All the members whose names 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 certificates for cancellation thereof to the Transferee Company at its Registered office. Upon the new shares in the Transferee Company being issued and allotted by it to the shareholders of the Transferor Company whose names shall appear in 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 be and stand cancelled.
  - (d) The Transferee Company shall make the allotment of its equity shares pursuant hereto to every shareholder of the Transferee Company without further application and every shareholder of the Transferor Company shall accept the said shares on such allotment. Upon surrender by every shareholder certificates in respect to the shares of the Transferor Company, the share certificates in respect of the number of equity share in the Transferee Company to which he may be entitled under this Scheme shall be issued and every such shareholder of the Transferor Company shall take all steps to obtain from the Transferee Company share certificates for equity shares of the Transferee Company to which he may be entitled to hereunder.
  - (e) The investment of the Transferee Company in the Equity Share Capital of the Transferor Company will cancel against the reduction of share capital of the same amount, being the paid up equity capital of the Transferor Company held by the Transferee Company as a consequence of merger/amalgamation of the Transferor Company with the Transferee Company.
  - (f) The provision of cancellation of the investments of the Transferee Company against the Share Capital of the Transferee Company as a consequence of merger/ amalgamation is in accordance with law and that with effect from the effective date, the share certificates for the amount of investment of the Transferee Company in the Equity Capital of the Transferor Company be cancelled and equity capital of the Transferor Company shall be deemed to be reduced to that extent.
  - (g) The Transferee Company shall cause as Special Resolution to be passed pursuant to Section 81 (1A) of the Act for the offer and the allotment of Equity Shares to the shareholders of the Transferor Company in accordance with and subject to the provisions of this Scheme.
- 2.10 Subject to the Scheme being sanctioned and order being made by the Hon'ble High Court at Allahabad under section 394 of the Act and on this Scheme becoming effective, the Transferor Company shall be dissolved without winding up or such order as may be made by the Hon'ble High Court at Allahabad.
- 2.11 All the employees of the Transferor Company who are in its employment on the Effective Date of this Scheme shall as from such date, become the employees of the Transferee Company on the basis that their services have not been interrupted by the vesting of the undertaking of the Transferor Company in the Transferee Company under this Scheme and that the terms and conditions of services applicable to them immediately before the Effective Date as aforesaid.
- 2.12 The Transferee Company has inspected, examined and seen the Director's Report, Audited Balance Sheet and Profit and Loss Account of the Transferor Company for the year ended 31st March, 1991 and also for the previous years and has satisfied itself about the correctness thereof. The Transferee Company shall also accept the correctness of the Accounts of the Transferor Company upto the Effective Date.

- 2.13 The Board of Directors of the Transferor Company and the Transferee Company acting jointly or any person or persons duly authorised by them respectively may consent on behalf of all concerned to alteration, deletion and/or addition to this Scheme or agree to any condition which the Hon'ble High Court at Allahabad may direct or impose and may do all acts, deed, matters, and thing necessary or usual for carrying this Scheme into effect. After the dissolution of the Transferor Company, the Transferee Company by its Board of Directors be and is hereby authorised to take such steps as may be necessary, the court or any direction or order any other authority or otherwise howsoever arising out of under or by virtue of this scheme in respect of matters connected therewith or to carry the same into effect.
- 2.14 The Scheme is conditional subject to the receipt of the following:
- (a) Approval of the requisite majority of the members of the Transferor Company and the members of the Transferee Company.
  - (b) Sanction by the Hon'ble High court at Allahabad for the both the Transferor Company and the Transferee Company as provided in Sections 391 and 394 of the Companies Act, 1956.
  - (c) Approval to the issue and allotment of equity shares of the Transferee Company to the Transferor Company shareholders in accordance with and subject to the Scheme by special resolution of the Transferee Company pursuant to section 81 (1-A) of the Companies Act, 1956.
  - (d) Consent of the Controller of capital Issues, if applicable, for the purpose of issue of shares.
  - (e) Permission of Reserve Bank of India under the foreign Exchange Regulation Act, 1973 to the issue by the Transferee Company of equity shares and/or payment by it in respect of fractional entitlement of such members of the Transferor Company who may be resident outside India.
  - (f) Approval for alteration of Memorandum of Association of the Company as required for the purpose of carrying on the business activities of the Transferor Company.
  - (g) The grant of requisite approval, sanction or declaration of the Central Government under Section 72A of the Income – tax Act, 1961.
  - (h) Any requisite consent, approval or permission of the central government or any other authority, which by law or otherwise may be necessary for the implementation of this Scheme.
- 2.15 For the purpose of giving effect to the Scheme of Amalgamation or any modification, alterations and amendment thereto, the Directors of the Transferee Company may give and are authorised to give such directions, including directions for settling any question in doubt or dispute or difficulty that may arise in regard to the cancellation of the investment of the Transferee Company against the reduction of Share Capital of the Transferor Company in terms of this Scheme of Amalgamation.
- 2.16 This Scheme of Merger/Amalgamation shall not in any manner affect the rights and interests of the creditors of the Transferor Company which may be deemed to be prejudicial to their interests and in particular the secured and statutory creditors of the Transferor Company shall continue to enjoy and hold charge upon their respective securities and properties.
- 2.17 The Scheme shall be subject to such modifications as the Hon'ble High Court at Allahabad while sanctioning such Amalgamation to the Transferee Company with the

Transferor Company may direct and which the Board of Directors of the Transferor Company and the Transferee Company consent and agree to.

- 2.18 All costs, changes and expenses of the Transferor Company and the Transferee Company in relation to or in connection with negotiations leading up to the Scheme and of carrying out and completing the terms and provision of the Scheme and/or incidental to the completion of amalgamation and merger of the Transferor Company in pursuance of this Scheme shall be borne and paid by the Transferee Company.
- 2.19 Notwithstanding anything contained hereinabove, the Scheme shall also become effective in terms of and upon the fulfilment of requirements of any other law that may be brought into force in this behalf before the Scheme otherwise becomes effective as hereinbefore provided.
- 2.20 In case the Scheme is not sanctioned by the Hon'ble High court at Allahabad for any reasons whatsoever or for any other reasons the Scheme cannot be implemented, this Scheme will become null and void and of no effect, and in that event no rights and/no liabilities shall bear and pay their respective costs and expenses incurred in connection with or relating to the Scheme or pursuant thereto.

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SEAL OF THE COURT

**(THE COMPANIES ACT, 2013)**  
**(COMPANY LIMITED BY SHARES)**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**AMRIT CORP. LIMITED**

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**PRELIMINARY**

The regulations contained in these Articles of Association shall apply except in case of any inconsistency with the regulations contained in “Table F” in Schedule I to the Companies Act, 2013 (hereinafter referred to as “Table F”). In case these Articles are silent on any matter then the applicable regulations of Table F shall apply. The provisions of these Articles shall apply so far as they do not contradict or conflict with any legislation including the Companies Act, 2013, the Foreign Exchange Management Act, 1999 or with any other provisions/legislation framed by the Reserve Bank of India or any other regulatory authority, as may be amended and to the extent applicable to the Company from time to time.

**DEFINITIONS AND INTERPRETATION**

1. In these regulations—

- (a) **“The Act”** means the Companies Act, 2013 and any previous company law (so far as may be applicable), and all rules and regulations thereunder, including any statutory modification, amendment or re-enactment thereof for the time being in force.
- (b) **“Annual General Meeting”** means a general meeting of the members held in accordance with the provisions of the Act and any adjournment thereof;
- (c) **“Articles” or “these Presents” or “These Regulations”** means these Articles of Association of the Company and **“Memorandum and Articles”** means the Memorandum and Articles of the Company, as originally framed or altered from time to time;
- (d) **“Auditors”** means and includes those persons (both individual and firm) appointed as the auditors of the Company for the time being by the Company;
- (e) **“Beneficial Owner”** means the beneficial Owner as defined in Section 2(1)(a) of the Depositories Act, 1996;
- (f) **“Board of Directors” or “Board”** means the board of directors of the Company as constituted from time to time in accordance with these Articles;
- (g) **“Capital”** means the share capital for the time being raised or authorised to be raised, for the purposes of the Company;
- (h) **“Chairperson”** shall mean the Chairperson of the Company, nominated and appointed as the Chairperson by Board of Directors/Shareholders, as the case may be, from time to time, in accordance with the provisions of these Articles;
- (i) **“Company” or “this Company”** means **“AMRIT CORP. LIMITED”**;

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**NOTES:**

- 1. In the Annual General Meeting held on 14.09.2018, the Company by passing a Special Resolution had adopted a comprehensive new set of AOA of the Company in accordance with Companies Act, 2013, in substitution of and to the exclusion of the existing AOA.

- (j) **“Company Secretary” or “Secretary”** means a company secretary who is appointed by Company to perform any of the functions of a company secretary pursuant to the provisions of the Act;
- (k) **“Depositories”** means a depository as defined under section 2(1)(e) of the Depositories Act, 1996;
- (l) **“Directors”** means a Director appointed to the Board of a Company for the time being and shall include alternate Directors;
- (m) **“Dividend”** include Bonus Issue of Shares to the shareholders and also include Interim Dividend;
- (n) **“Extra-Ordinary General Meeting”** means any general meeting of the members, other than the annual general meeting, duly called and constituted including any adjournment thereof;
- (o) **“General Meeting”** means the Annual General Meeting and Extraordinary General Meeting of the Company, as the case may be, as defined by the relevant provisions of the Act;
- (p) **“In Writing” and “Written”** shall include printing and lithography and any other mode or modes of representing or reproducing words in a visible form;
- (q) **“LODR”** means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as may be amended from time to time.
- (r) **“Members”** shall have the same meaning as specified under section 2(55) of the Act;
- (s) **“Month”** means an English calendar month;
- (t) **“Office”** means the registered office for time being of the Company;
- (u) **“Ordinary and Special Resolution”** shall have the meanings assigned thereto by the Act;
- (v) **“Person”** includes any legal or natural person, an individual, corporation, partnership, limited liability company, company with unlimited liability, association, trust or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof;
- (w) **“Proxy”** means any person who is appointed by an instrument to vote for a member at a general meeting on a poll;
- (x) **“Seal”** means the common seal of the Company;
- (y) **“SEBI”** means Securities and Exchange Board of India.
- (z) **“Shareholder”** means any person(s) who is a holder of any class of Shares;
- (aa) **“Shares”** means a share in the Share Capital of the Company and includes stock;
- (bb) **“Share Capital”** means the issued, subscribed and paid up share capital of the Company, as varied from time to time;
- (cc) **“The Registrar”** means the Registrar of Companies of the State in which the registered office of the Company is for the time being situated;
- (dd) **“Vice-Chairperson”** shall mean the Vice-Chairperson of the Company, nominated and appointed as the Vice-Chairperson by Board of Directors/Shareholders, as the case may be, from time to time, in accordance with the provisions of these Articles;

- (ee) “**Year**” or “**Financial Year**” means a period commencing on 1st April and ending on the succeeding 31st March.
2. Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.

#### **GENERAL AUTHORITY**

3. Wherever in the Act or other applicable laws, it has been provided that a company shall have any right, privilege or authority or that a company could carry out any transaction(s) only if such company is so authorized by its articles, then in that case, by virtue of this Article, the Company is hereby specifically authorized, empowered and entitled to have such right, privilege or authority, to carry out such transaction(s) as have been permitted by the Act (or other applicable law) without there being any separate / specific article in that behalf herein provided.

#### **SHARE CAPITAL AND VARIATION OF RIGHTS**

4. (a) The Authorised Share Capital of the Company shall be such amounts and be divided into such shares as may, from time to time, be provided in Clause V of the Memorandum of Association with power to increase, reduce, sub-divide or repay the capital in accordance with the Company’s regulations and legislative provisions for the time being in force in that behalf with the powers to divide the share capital, whether original, increased or decreased into several classes and attach thereto respectively such ordinary, preferential or special rights and conditions in such a manner as may for the time being be provided by the Regulations of the Company and allowed by law.
- (b) Subject to the provisions of Section 55 of the Act, the existing preference shares in the share capital of the Company shall be issued on such terms and in such manner as the Company before issuing of such preference shares may, by special resolution determine.
- (c) Subject to the provisions of the Act, these articles and LODR, the Company, may issue Equity Share Capital with voting rights and/or with differential rights as to dividend, voting or otherwise and the preference share capital to such person or persons who, on the date of offer, are holders of equity shares or preference shares or employees under any scheme/ plan of employees stock option or any other person, in any manner whatsoever as the Board may determine including by way of rights issue, preferential offer or private placement or any other mode.
5. Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.
6. The Company in general meeting may decide to issue fully paid up bonus share to the member if so recommended by the Board of Directors.
7. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,—
- (a) one certificate for all his shares without payment of any charges; or
- (b) several certificates, each for one or more of his shares, upon payment of such charge not exceeding twenty rupees for each certificate after the first; or



- (c) hold the shares in a de-materialised form with a Depository who shall enter in its records the name such person as the beneficial owner.
  - (ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
  - (iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
- 8.** (a) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of such charges not exceeding twenty rupees for each certificate.
- (b) The provisions of Articles (7) and (8) shall mutatis mutandis apply to debentures, if any, of the company.
- 9.** Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its existing shares, debentures and other securities, re-materialise its existing shares, debentures and other securities held in a Depository and/or offer further shares, debentures and other securities in dematerialized form pursuant to Depositories Act, 1996 and Rules framed there under. Notwithstanding anything contained elsewhere in these Articles, where any shares/other securities of the Company are either issued or held in dematerialised form, the rights and obligations of all parties concerned and all matters connected therewith or incidental thereto, shall be governed by the provisions of the Depositories Act, 1996 and/or by the provisions of any other applicable law in force from time to time.
- 10.** Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
- 11.** (a) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.
- (b) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.
- (c) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
- 12.** (a) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

- (b) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, and the necessary quorum shall be as per the provisions of the Act.
13. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.
14. The Company is authorized in accordance with the applicable provisions of Act or such re-enacted/replaced act and rules made thereunder to issue and allot shares or other securities on preferential basis which shall also include a right to issue necessary offer letters and take other necessary steps for exercising this authorization.
15. Whenever the company proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered either to its existing share holders or employees under ESOP scheme or to any other person subject to the provisions of Section 62 of the Companies Act, 2013. Such existing Shareholders shall have right to renounce the shares offered to him in favour of any other person.

#### **LIEN**

16. (a) The company shall have a first and paramount lien—
- (i) 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
  - (ii) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:
- Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.
- (b) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.
17. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:
- Provided that no sale shall be made—
- (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 the person entitled thereto by reason of his death or insolvency.
18. (a) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.
- (b) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
  - (c) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
19. (a) 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.

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

### **CALLS ON SHARES**

- 20. (a) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times: Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.
  - (b) 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.
  - (c) A call may be revoked or postponed at the discretion of the Board.
- 21. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.
- 22. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
- 23. (a) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.
  - (b) The Board shall be at liberty to waive payment of any such interest wholly or in part.
- 24. (a) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
  - (b) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
- 25. The Board—
  - (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
  - (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the member paying the sum in advance.

### **TRANSFER OF SHARES**

- 26. (a) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.
  - (b) 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.

- 27.** The Board may, subject to the right of appeal conferred by section 58 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.
- 28.** The Board may decline to recognise any instrument of transfer unless—
- (a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;
  - (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.
- 29.** On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine: Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

#### **TRANSMISSION OF SHARES**

- 30.** (a) 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.
- (b) Nothing in clause (a) 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.
- 31.** (a) 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—
- (i) to be registered himself as holder of the share; or
  - (ii) to make such transfer of the share as the deceased or insolvent member could have made.
- (b) 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.
- 32.** (a) 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.
- (b) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- (c) 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.

- 33.** A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

### **FORFEITURE OF SHARES**

- 34.** If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.
- 35.** 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.
- 36.** 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.
- 37.** (a) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
- (b) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
- 38.** (a) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.
- (b) 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.
- 39.** (a) 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;
- (b) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
- (c) The transferee shall thereupon be registered as the holder of the share; and

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

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

#### **ALTERATION OF CAPITAL**

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

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

- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
- (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

**43.** Where shares are converted into stock—

- (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

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

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

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

### **CAPITALISATION OF PROFITS**

45. (a) The company in general meeting may, upon the recommendation of the Board, resolve—
- (i) 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
  - (ii) that such sum be accordingly set free for distribution in the manner specified in clause (b) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (b) The sum aforesaid shall not be paid in cash but shall be applied, either in or towards—
- (i) paying up any amounts for the time being unpaid on any shares held by such members respectively;
  - (ii) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
  - (iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii);
  - (iv) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;
  - (v) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.
46. (a) Whenever such a resolution as aforesaid shall have been passed, the Board shall—
- (i) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and
  - (ii) generally do all acts and things required to give effect thereto.
- (b) The Board shall have power—
- (i) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
  - (ii) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;
- (c) Any agreement made under such authority shall be effective and binding on such members.

### **BUY-BACK OF SHARES**

47. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act, LODR or any other law for the time being in force, the company may purchase its own shares or other specified securities.

### **GENERAL MEETINGS**

48. All general meetings other than annual general meeting shall be called extraordinary general meeting.
49. (a) The Board may, whenever it thinks fit, call an extraordinary general meeting.
- (b) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

### **PROCEEDINGS AT GENERAL MEETINGS**

50. (a) 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.
- (b) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103. A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with the applicable provisions of the Act.
51. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
52. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the Vice-Chairman shall be entitled to take the chair at such meeting.
53. If there is no Chairperson or Vice-Chairperson, the directors present shall elect one of their members to be Chairperson of the meeting.
54. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

### **ADJOURNMENT OF MEETING**

55. (a) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
- (b) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (c) 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.
- (d) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

### **VOTING RIGHTS**

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



57. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
58. (a) 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.
- (b) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
59. 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.
60. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
61. 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.
62. (a) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
- (b) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

#### **PROXY**

63. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
64. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
65. 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**

66. (a) The number of the directors shall not be less than three and unless otherwise determined by a Special Resolution, be more than fifteen.
- (b) The names of first directors were determined in writing by the shareholders of MOA. On the date of adoption of these Articles by the Company in General Meeting, the Directors of the Company are:
- 1) Shri Naresh Kumar Bajaj
  - 2) Shri Girish Narain Mehra
  - 3) Shri K. R. Ramamoorthy

- 4) Shri Mohit Satyanand
  - 5) Shri Sujal Anil Shah
  - 6) Shri Sundeep Aggarwal
  - 7) Smt. Ketaki Sood
  - 8) Shri Ashwini Kumar Bajaj
  - 9) Shri Vikram Kumar Bajaj
- (c) The directors shall not be required to hold any qualification shares.
- (d) The directors shall be liable to retire by rotation as per the provisions of the Act.
- 67.** (a) Unless otherwise determined by the Company in General Meeting, each Director other than the managing director or whole time director shall be paid remuneration by way of sitting fee for each meeting of the Board or Committee thereof attended by any such director, as may be determined by the Board and the amount of such fee shall not exceed the ceiling prescribed under section 197 of the Act.
- (b) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.
- (c) 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—
- (i) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or
  - (ii) in connection with the business of the company.
- 68.** The Board may pay all expenses incurred in getting up and registering the company.
- 69.** The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.
- 70.** 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.
- 71.** Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
- 72.** Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint any qualified person to fill up a casual vacancy in the Board. Any person so appointed shall hold office only up to the date up to which the director in whose place he is appointed would have held office.
- 73.** The Board of Directors may appoint a person, not being a person holding any alternate directorship for any other Director in the Company, to act as an alternate director for a Director during his absence for a period of not less than three months from India and 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.

Such alternate director shall not hold office for a period longer than the original Director and shall vacate the office if and when the Director in whose place he has been appointed returns to India.

If the term of office of the original Director is determined before he so returns to India, any provision for the automatic re-appointment of retiring Directors in default of another appointment shall apply to the original, and not to the alternate director

74. Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint a person to be an additional director, provided that the total number of directors shall not at any time exceed the maximum fixed under these Articles. Any such additional director shall hold office only up to the date of the next Annual General Meeting, but shall be eligible for appointment by the Company as a director at that meeting, subject to the provisions of the Act and the Rules.
75. The Board may appoint any person as a director nominated by any institution, in pursuance of the provisions of any law for the time being in force or of any agreement to which the Company is a party or by the Central Government or the State Government(s) by virtue of its shareholding in the Company.
76. The Director may delegate all or any of their powers to such other Directors, Managers or other persons as they think fit and shall have power to grant to any such person such power of attorney, as they deem expedient and such powers at pleasure to revoke, subject to Section 179 and 166 of the Companies Act, 2013.
77. The Board of Directors may participate in board meeting by telephone or video conferencing or any other means of contemporaneous communication.

#### **MANAGING DIRECTOR**

78. Subject to the provisions of the Act and of these Articles, the Board of Directors may from time to time appoint one or more person/s to be Managing Director or Managing Directors (in which expression shall be included a Additional Managing Director or Joint Managing Director or Deputy Managing Director) or Whole-time Director or Whole-time Directors of the Company for such term not exceeding five years at a time as they may think fit and upon such terms and conditions as the Board may think fit and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places. Subject to the provisions of the Act and the approval of the Company in General Meeting, if required by the Act, the remuneration of a Managing Director or Whole-time Director shall from time to time be fixed by the Board of Directors and may be by way of fixed salary, perquisites, benefits or commission on profits of the Company, or by participation in any such profit or by any or all of these modes or any other mode not expressly prohibited by the Act..
79. Subject to the superintendence, control and direction of the Board of Directors, the day to day management of the Company may be entrusted to the Director or Directors with power to the Board to distribute such day to day functions among such Directors, if more than one, in any manner as directed by the Board, or to delegate such power of distribution to any one of them. The Board of Directors may from time to time entrust to and confer upon a Managing Director or Whole-time Director for the time being, save as prohibited in the Act, such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they think expedient and they may subject to the provisions of the Act and these Articles confer upon such powers either collaterally with or to the exclusion of or in substitution for all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

## **PROCEEDINGS OF THE BOARD**

- 80.** (a) Subject to the provisions of the Act, the Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
- (b) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
- 81.** (a) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
- (b) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
- 82.** 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.
- 83.** (a) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
- (b) The Board may also elect Vice-Chairperson and determine the period for which he is to hold office.
- (c) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the Vice-Chairperson shall be entitled to take the chair at such meeting. If there is no such Chairperson or Vice-Chairperson, the directors present may choose one among them to be the Chairperson of such meeting.
- 84.** (a) 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.
- (b) 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.
- 85.** (a) A committee may elect a Chairperson of its meetings.
- (b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
- 86.** (a) A committee may meet and adjourn as it thinks fit.
- (b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
- 87.** All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
- 88.** Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of

a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

89. A written Resolution circulated to all the Director, whether in India or overseas and signed by majority of them as approved, shall (subject to the provisions of section 175 of the Companies Act, 2013) be as valid and effective as a resolution duly passed at the meeting of the Board.

#### **POWERS AND DUTIES OF THE BOARD**

90. The business of the Company shall be managed by the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by these Articles or otherwise authorized to exercise 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 and these Articles and to any regulations, not being inconsistent with the Memorandum 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.
91. Without derogating the powers vested with the Board under these Articles, the Board shall exercise the powers stated in Section 179 of the Act and the Rules referred therein only by means of resolutions passed at the meeting of the Board.

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

92. The Board of Directors shall not except with the consent of the Company at a General meeting exercise the powers specified in Section 180(1) of the Act.
93. Subject to the provisions of Section 179 of the Act, the Board/Committee may appoint at any time and from time to time by a power-of-attorney under the Company's Seal any person to be the attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board in these Articles) and for such period and subject to such conditions as the Board may from time to time think fit, and any such appointment may (if the Board think fit) be made in favour of the members, or any of the members of any firm or Company, or the members, Directors, nominees or Managers of any firm or Company or otherwise in favour of anybody or persons, whether nominated directly or indirectly by the Board and any such power-of-attorney may contain such provision for the protection or convenience of persons dealing with such attorney as the Board may think fit.
94. The Board may authorize any such delegate or attorney as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.

#### **BORROWING POWERS**

95. Subject to section 73 and 179 of the Companies Act. 2013, and Regulations made there under and Directions issued by the RBI the directors may, from time to time, raise or borrow any sums of money for and on behalf of the Company from the member or other persons, companies or banks or they may themselves advance money to the company on such interest as may be approved by the Directors.

96. The Directors may, from time to time, secure the payment of such money in such manner and upon such terms and conditions in all respects as they deem fit and in particular by the issue of bonds or debentures or by pledge, mortgage, charge or any other security on all or any properties of the Company (both present and future) including its uncalled capital for the time being.

#### **OPERATION OF BANK ACCOUNTS**

97. The Directors shall have the power to open bank accounts to sign cheques on behalf of the Company and to operate all banking accounts of the Company and to receive payments, make endorsements, draw and accept negotiable instruments, hundies and bills or may authorise any other person or persons to exercise such powers.

#### **CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER**

98. Subject to the provisions of the Act,—

- (i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
- (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

99. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

#### **THE SEAL**

100. (a) The Company may, at its own discretion, and shall, if so required by the provisions of the Act or any rules, regulations, etc. issued thereunder, have a common seal. The Board shall provide for the safe custody of the seal.

- (b) If the Company has a common seal, 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 directors and the director aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

#### **DIVIDENDS AND RESERVE**

101. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

102. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.

103. (a) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for 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.

- (b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
- 104.** (a) 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.
- (b) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
  - (c) 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.
- 105.** 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.
- 106.** (a) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
- (b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
- 107.** Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
- 108.** Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
- 109.** No dividend shall bear interest against the company.

#### **ACCOUNTS**

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

### **AUDIT**

- 111.** (a) The first Auditor of the Company shall be appointed by the Board of Directors within one month from the date of registration of the Company and the Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting.
- (b) At the first Annual General Meeting, the Company shall appoint an Auditor to hold office from the conclusion of the Meeting till the conclusion of its sixth Annual General Meeting and thereafter till the conclusion of every sixth meeting.
- (c) The remuneration of the Auditor shall be fixed by the Company in the Annual General Meeting or in such manner as the Company in the Annual General Meeting may determine. In case of an Auditor appointed by the Board his remuneration shall be fixed by the Board.

### **WINDING UP**

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

### **SECRECY**

- 113.** Subject to the provisions of law of land and the act, every manager, auditor, trustee, member of a committee, officer, servant, agent, accountant or other persons employed in the business of the company shall, if so required by the Board of Directors before entering upon his duties, sign, declaration, pledging himself to observe strict secrecy respecting all transactions of the Company with its customers and the state of account with individuals and in matters relating thereto and shall by such declaration pledge himself, not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the directors or by any court of law and except so far as may be necessary in order to comply with any of the provisions in these presents.

### **INDEMNITY**

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



We, the subscribers to the Memorandum of Association of Amrit Banaspati Company Limited do hereby subscribe to these presence of even date with the said Memorandum as the Articles of Association of the Company.

Names, description and addresses of subscribers	No. of shares taken by each subscriber	Signature of witness
1 DURGA PRASAD KHAITAN, Solicitor 43, Zakaria Street, Kolkata	500 - Ordinary (Five hundred)	S.G. Verma Service 24A, Mohini Mohan Road, Kolkata
2 DEBI PRASAD KHAITAN, Merchant 8, Royal Exchange Place, Kolkata	500 - Ordinary (Five hundred)	S.G. Verma Service 24A, Mohini Mohan Road, Kolkata
3 L.N. GADODIA, Merchant Kucha Natwan, Delhi	500 - Ordinary (Five hundred)	R.G. Gadodia, Merchant Kucha Natwan, Delhi
4 HARI RAM, Merchant Khari Baoll, Delhi	500 - Ordinary (Five hundred)	Manohar Lal Merchant Khari Baoli, Delhi
5 LEKHRAJ GUPTA, Merchant Civil Lines, Saharanpur.	500 - Ordinary (Five hundred)	Narayan Das, Merchant Dalmandi, Cawnpore
6 GIRDHARI LAL BAJAJ, Merchant Generalganj, Cawnpore	500 - Ordinary (Five hundred)	Sihdi Nath Dikhsit, Service 61-29, Sitaram Mohal, Cawnpore.
7 KESHAVA PRASAD KAPURIA, Merchant CK. 8/90 Garhwasitola, Benares	500 - Ordinary (Five hundred)	Durga Prasad Mishra Saudagar Brahnanala, Benares

**Dated this Ninth day of February, 1940.**