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FORBES & COMPANY LIMITED

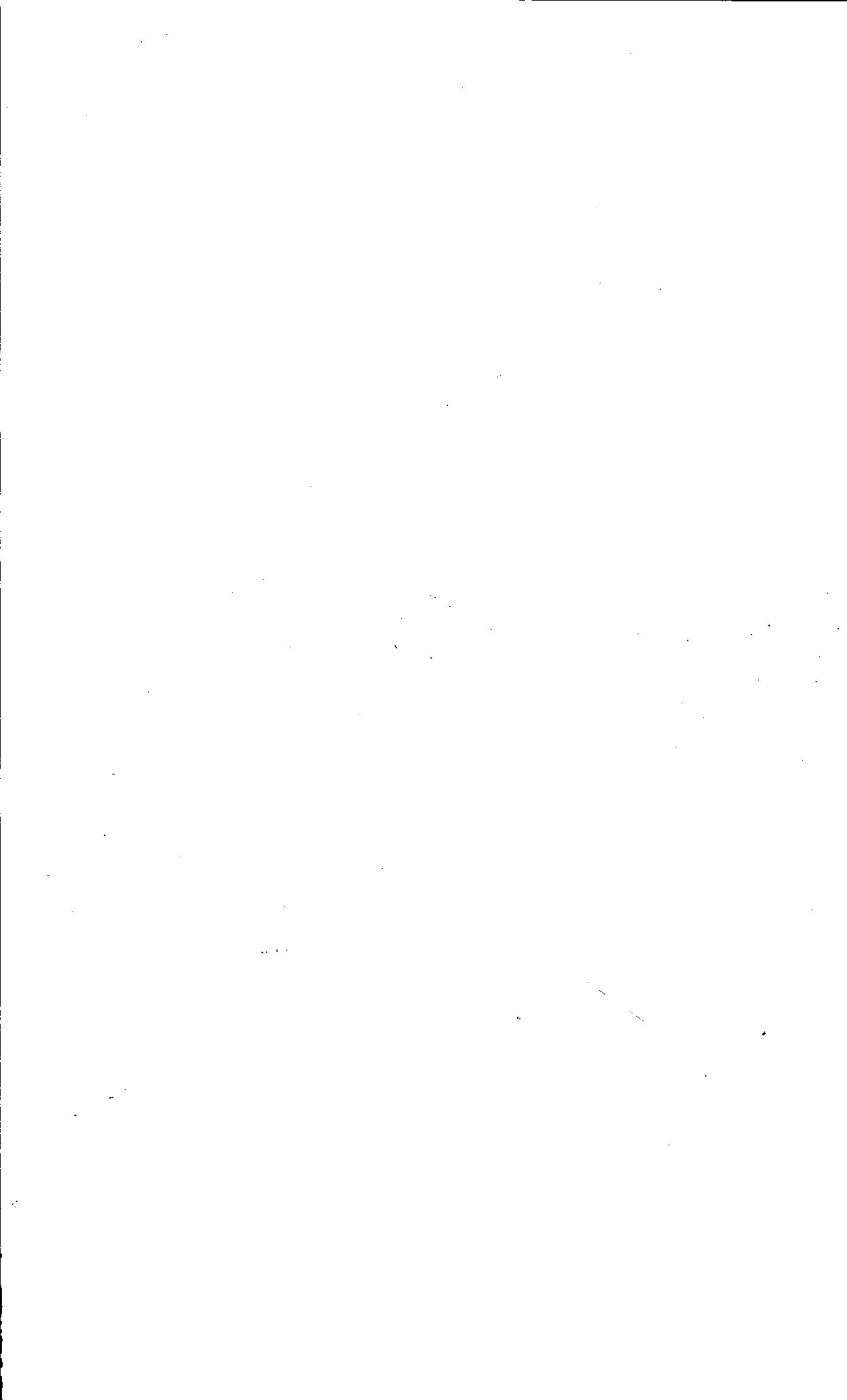
Registered Office: Forbes Building, Charanjit Rai Marg,
Fort, Mumbai-400001

MEMORANDUM OF ASSOCIATION

AND

ARTICLES OF ASSOCIATION

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भारत सरकार-कॉर्पोरेट कार्य मंत्रालय
कम्पनी रजिस्ट्रार कार्यालय, महाराष्ट्र, मुंबई

नाम परिवर्तन के पश्चात नया निगमन प्रमाण-पत्र

कॉर्पोरेट पहचान संख्या : L17110MH1919PLC000628

मैसर्स FORBES GOKAK LIMITED

के मामले में, मैं एतद्वारा सत्यापित करता हूँ कि मैसर्स
FORBES GOKAK LIMITED

जो मूल रूप में दिनांक अठारह नवम्बर उन्नीस सौ उन्नीस को कम्पनी अधिनियम 1956 की धारा 3 के अंतर्गत एक विद्यमान कम्पनी है और
forbes

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 अ (गोप), कम्पनी 24.6.1985 956 की धारा A24200040 केत, भारत सरकार, कम्पनी कार्य
विभाग, नई दिल्ली की अधिसूचना सं. सं. का. नि. 507 अ दिनांक एस्. आर. एन. दिनांक 25/10/2007 के द्वारा
FORBES & COMPANY 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 मुंबई में आज दिनांक पच्चीस अक्टूबर दो हजार सात को जारी किया जाता है।

GOVERNMENT OF INDIA - MINISTRY OF CORPORATE AFFAIRS
Registrar of Companies, Maharashtra, Mumbai

Fresh Certificate of Incorporation Consequent upon Change of Name

Corporate Identity Number : L17110MH1919PLC000628

In the matter of M/s FORBES GOKAK LIMITED

I hereby certify that FORBES GOKAK LIMITED which was originally incorporated on Eighteenth day of November
Nineteen Hundred Nineteen being an existing company as per Section 3 of the Companies Act, 1956 as forbes
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 A24200040 dated 25/10/2007 the name of the said company is this day changed to
FORBES & COMPANY LIMITED and this Certificate is issued pursuant to Section 23(1) of the said Act.

Given up at Mumbai this Twenty Fifth day of October Two Thousand Seven.



(MILIND VITTHALRAO CHAKRANARAYAN)

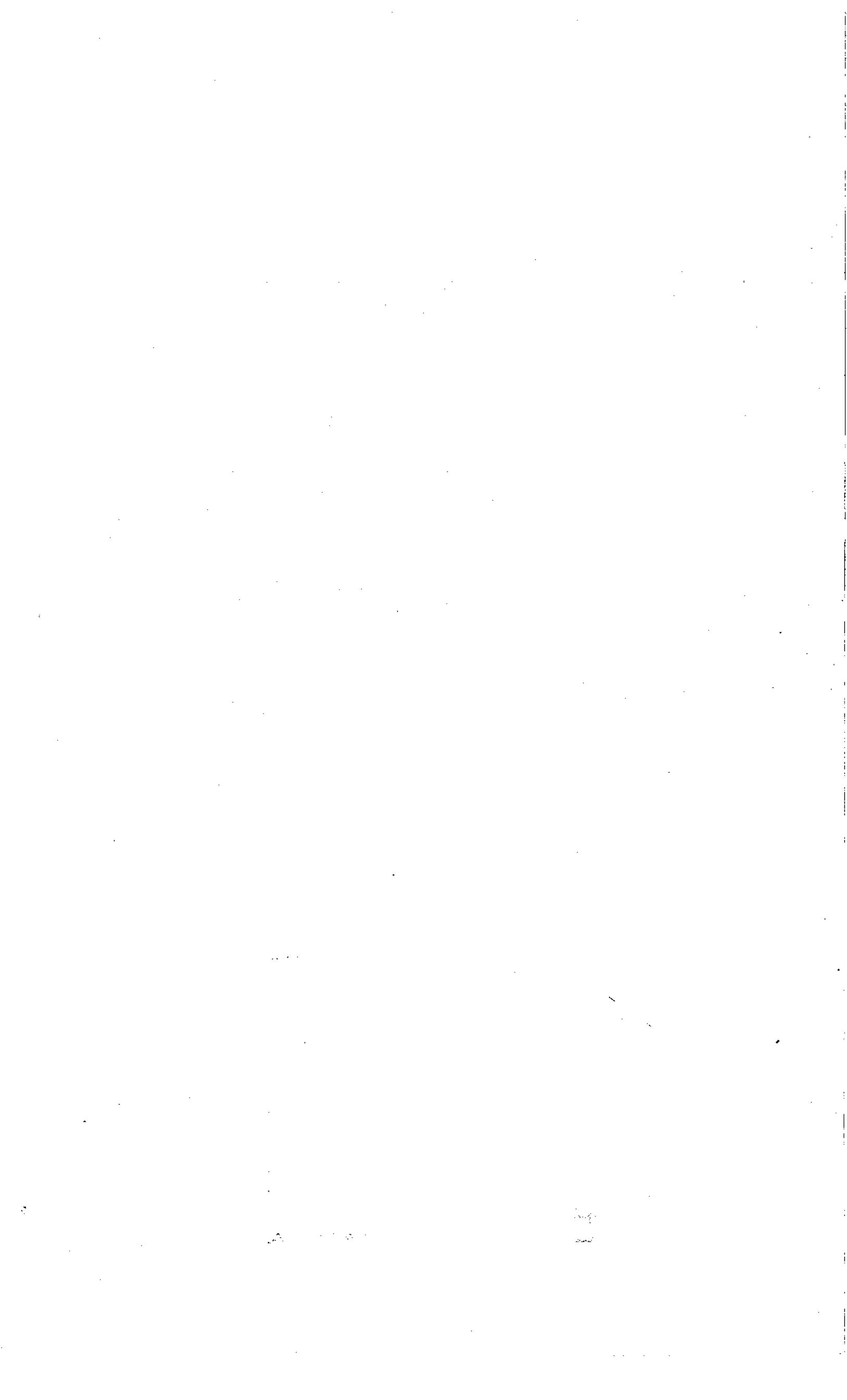
उप कम्पनी रजिस्ट्रार / Deputy Registrar of Companies

महाराष्ट्र, मुंबई
Maharashtra, Mumbai

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता :

Mailing Address as per record available in Registrar of Companies office:

FORBES & COMPANY LIMITED
FORBES BUILDING, CHARANJIT RAI MARG., FORT,
MUMBAI - 400001,
Maharashtra, INDIA



NO. 628

with
2/5/91
S.P-5
B
15/9/93

FRESH CERTIFICATE OF INCORPORATION
CONSEQUENT ON CHANGE OF NAME.

IN THE OFFICE OF THE REGISTRAR OF COMPANIES, MAHARASHTRA, BOMBAY.

In the matter of* GOKAK PATEL VOLKART LIMITED

I hereby approve and signify in writing under section 21 of the Companies Act, 1956 (Act I of 1956) read with the Govt. of India, Dept. of Company Affairs, Notification No.GSR 507E dated the 24th June, 1985 the change of name of the company:-

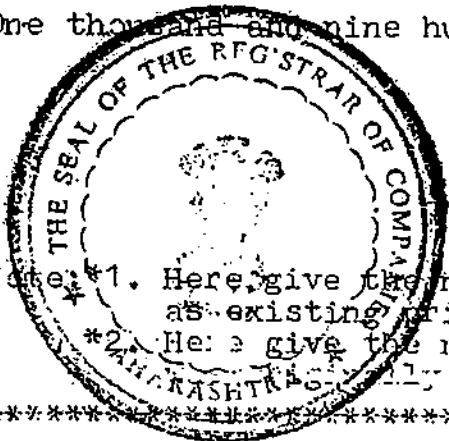
FROM GOKAK PATEL VOLKART LIMITED

To FORBES GOKAK LIMITED

AND I hereby certify that GOKAK PATEL VOLKART LIMITED which was originally incorporated on EIGHTEENTH day of NOVEMBER 19 19 under the INDIAN COMPANIES Act, 1913 and under the name: THE GOKAK MILLS LIMITED having duly passed the necessary resolution in terms of section 21/~~21(1)(a)~~ of the Companies Act, 1956 the name of the said company is this day changed to: FORBES GOKAK LIMITED

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

GIVEN UNDER MY HAND AT BOMBAY THIS TWENTY EIGHTH DAY OF SEPTEMBER 1992.
(One thousand and nine hundred ninety-two.)



(Signature)
(G.C.GUPTA)
Addl. REGISTRAR OF COMPANIES,
MAHARASHTRA, BOMBAY

Note: *1. Here give the name of the company as existing prior to change.
*2. Here give the name of the Act(s) under which company is registered and incorporated.

FRESH CERTIFICATE OF INCORPORATION CONSEQUENT
ON CHANGE OF NAME

In the office of the Registrar of Companies, Maharashtra
[under the Companies Act, 1956 (1 of 1956)]

In the matter of ****THE GOKAK MILLS LIMITED**

I hereby certify that **THE GOKAK MILLS LIMITED**, which was originally incorporated on **EIGHTEENTH** day of **NOVEMBER** 1919 under the **@ INDIAN COMPANIES** Act, 1913 and under the name **THE GOKAK MILLS 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 in the Regional Director, Company Law Board, Western Region, Bombay letter No. **RD: 55(21) 12/73** dated **THIRTY FIRST DECEMBER 1973**, the name of the said Company is this day changed to **GOKAK PATEL VOLKART LIMITED** and this certificate is issued pursuant to Section **23(1)** of the said Act.

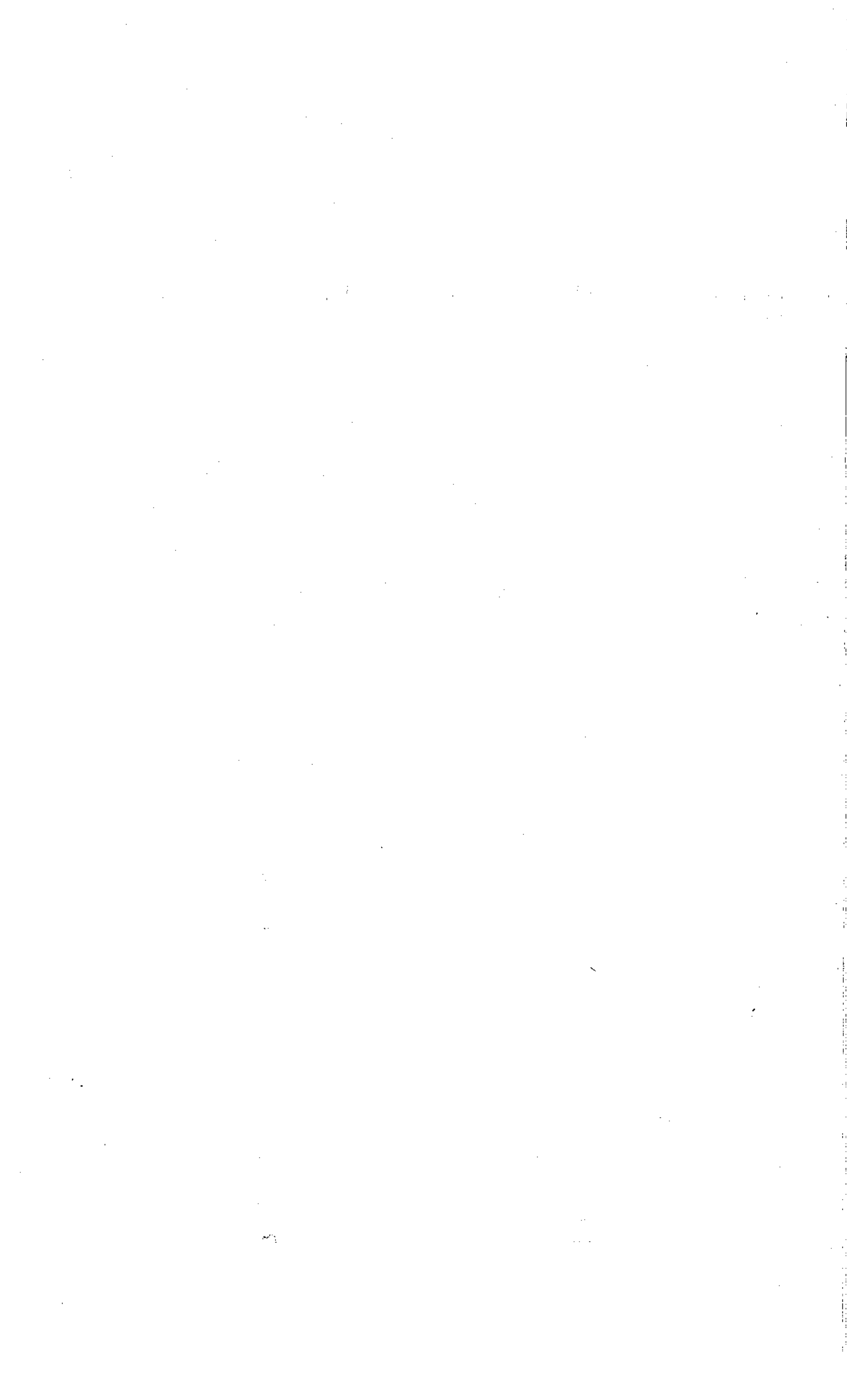
Given under my hand at **BOMBAY** this 31st day of **DECEMBER 1973** (One thousand nine hundred and seventythree)



Sd/-
(**V. M. GODBOLE**)
Asst. Registrar of Companies
Maharashtra, Bombay.

NOTES:

1. ******Here give the name of the Company as existing prior to the change.
2. **@**Here give the name of the Act(s) under which the Company was originally registered and incorporated.



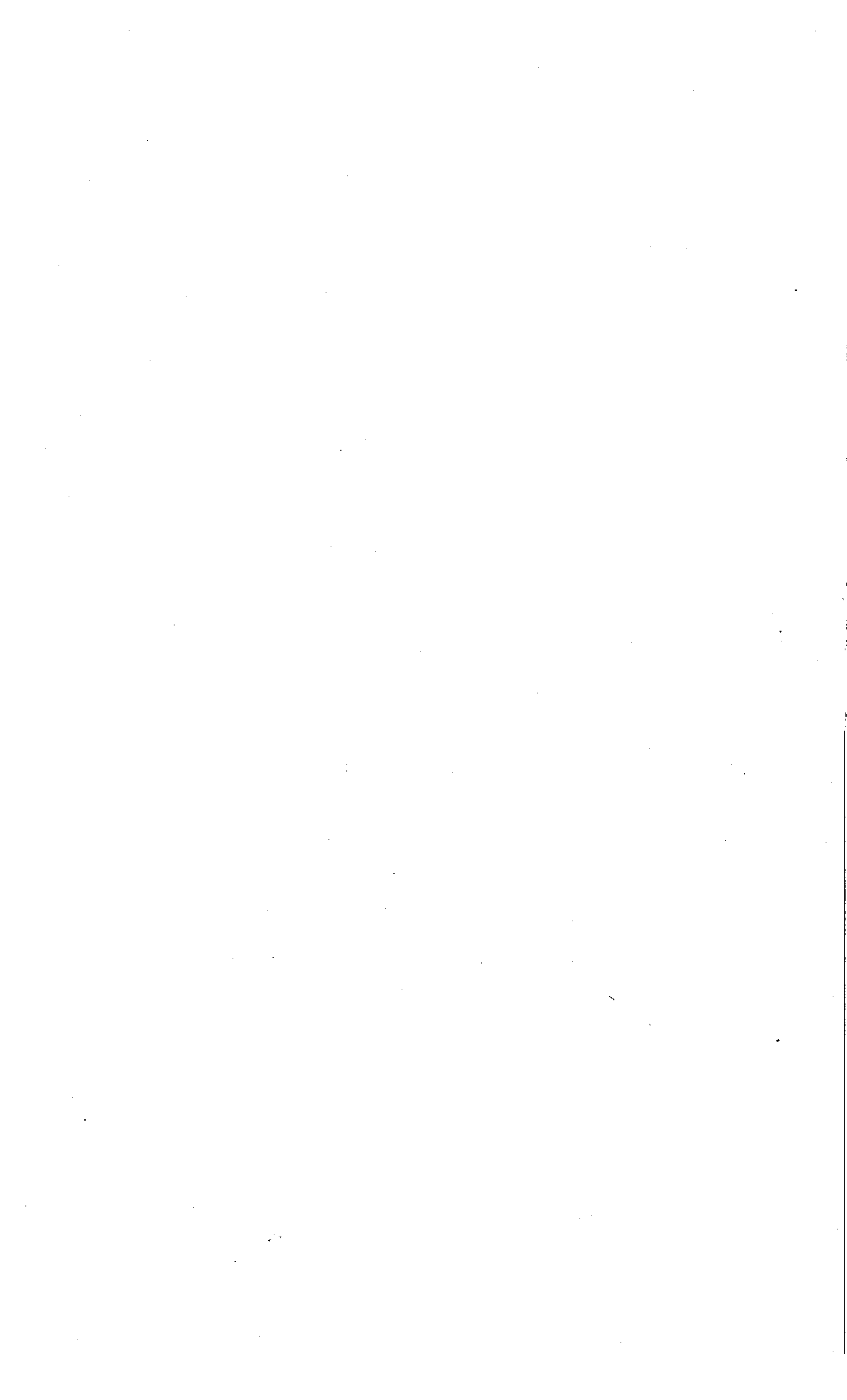
CERTIFICATE OF INCORPORATION

I HEREBY CERTIFY that THE GOKAK MILLS LIMITED, is this day incorporated under the Indian Companies Act, VII of 1913; and that the Company is Limited.

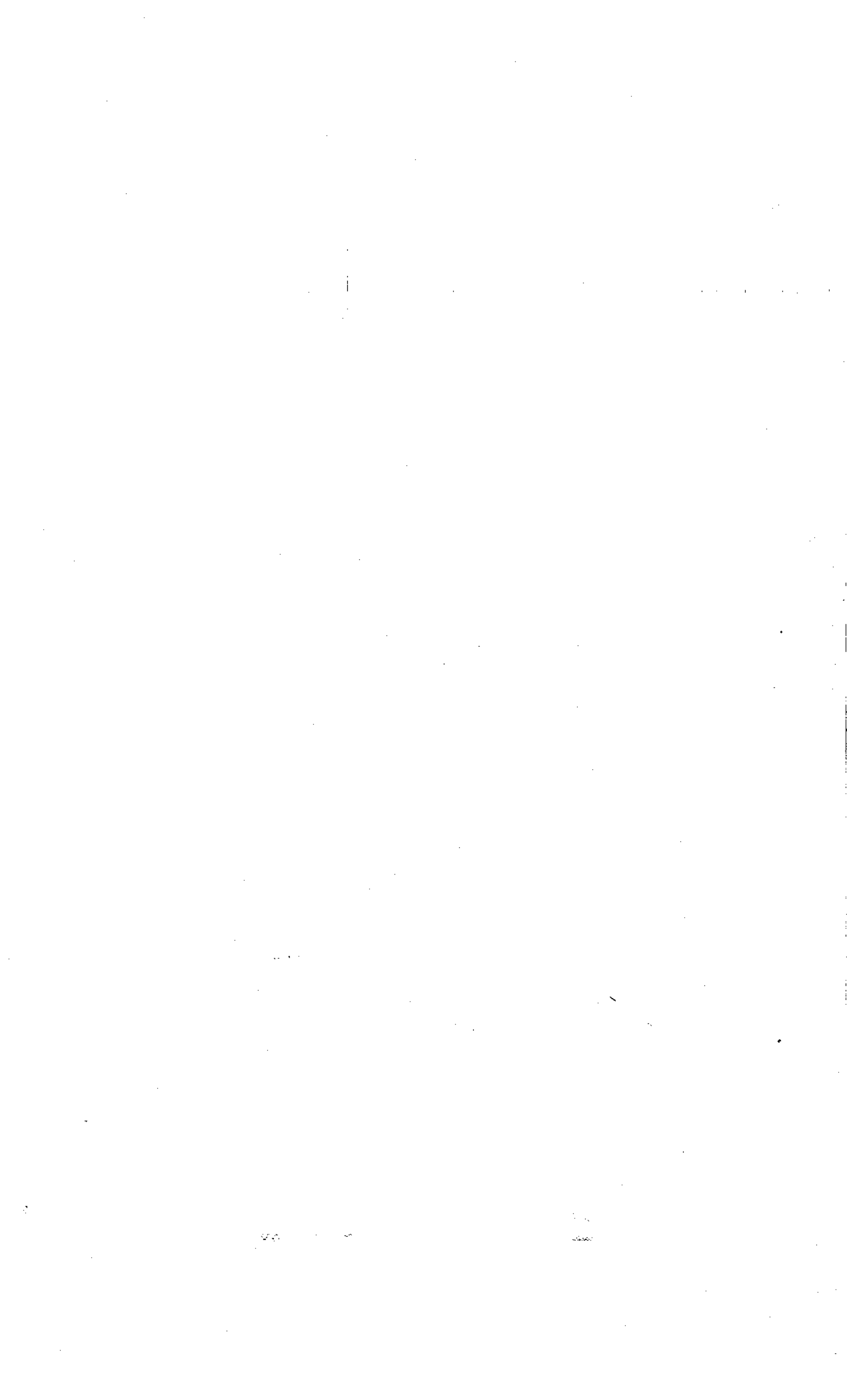
Given under my hand at Bombay this Eighteenth day of November One Thousand Nine Hundred and Nineteen.



H. C. B. MITCHELL,
Registrar of Companies.



MEMORANDUM OF ASSOCIATION
OF
FORBES & COMPANY LIMITED
WITH
ARTICLES OF ASSOCIATION
ANNEXED



Company Limited by Shares

(Incorporated under The Indian Companies Act, 1913)

MEMORANDUM OF ASSOCIATION

OF

FORBES & COMPANY LIMITED

1. The name of the Company is Forbes & Company Limited.
2. The Registered Office of the Company will be situate in the Province of Bombay.
3. The objects for which the Company is established are:-
 - (1) To acquire and take over as a going concern the undertaking and all or any of the assets and liabilities of "The Gokak Water Power and Manufacturing Company Limited", incorporated in the United Kingdom in 1885 and with a view thereto to enter into and carry into effect, with or without modification, the Agreement referred to in Clause 4 of the accompanying Articles of Association made between Gokak Cotton Mills Limited, of the one part and the Company of the other part, in the terms of the draft, a copy of which has, for the purpose of identification, been endorsed by one of the subscribers hereto.
 - (2) To enter into, modify and carry into effect any supplemental or additional agreement or agreements with the Secretary of State for India in Council, or with any other corporation or person in relation to or in connection with any of the matters the subject of the agreement specified in the preceding sub-clause, or of the indenture of lease of the 28th day of May, 1884, in that agreement referred to.
 - (3) To make with the said Secretary of State, or with any other corporation or person, and to modify and carry into effect any contract with reference to any land, water, water-rights, or supply or use of water-power in India, or the construction, maintenance, management, improvement, use of working of any weir, sluice, dam, embankment, water-course, water channel, mill-race, railway, tramway, road, bridge, ferry, building, erection or works in India, or the providing, working or use of any boats or vehicles for any of the purposes of the Company.
 - (4) To construct, maintain, alter, improve, manage, use, and work any weirs, sluices, dams, embankments, drains, water-channels, water-courses, mill-races, warehouses, cotton spinning mills and other mills, factories, workshops and other buildings, and erections, gins, engines, pumps, machinery, plant, and works, with any necessary or convenient adjuncts and appliances.

- (5) To carry on the business of cotton spinners, millers, warehousemen, weavers, dyers, cultivators of cotton, wheat, oilseeds, sugar, tobacco, jute, and other products of the soil of India, manufacturers of, and dealers in, any such products, lime burners, quarry-owners, stone-cutters, masons, builders, and ferrymen, and any other business which may seem to the Company capable of being conveniently carried on in connection with any of the foregoing business, or with any of the operations of the Company, or calculated directly or indirectly to enhance the value of, or render profitable, any of the Company's property or rights.
- (i) To carry on all or any of the business of metal founders, workers, converters and merchants, miners, smelters, metallurgists, mechanical, electrical and general engineers, planters, farmers, graziers, stockmen, dairymen, ship and other vessel owners, charterers and builders, ship-brokers, managers of shipping property, shippers, bargemen, lightermen, carriers by sea and land, railway and forwarding agents, bonded and common carmen, freight contractors, insurance brokers, provision merchants and preservers, ice merchants, refrigerating storekeepers, warehousemen, wharfingers, dock owners and commission merchants, and any other trade or business whatsoever which can, in the opinion of the Company, be advantageously or conveniently carried on by the Company by way of extension of or in connection with any such business as aforesaid, or is calculated directly or indirectly to develop any branch of the Company's business or to increase the value of or turn to account any of the Company's assets, property or rights.
- (ii) To carry on business as manufacturers of, and dealers in, chemical, biochemical, industrial and other preparations and articles, dyes, chemicals, acids, alkalies, colours, glues, gums, pasters, paints, pigments, varnishes, enamels, lacquers, organic or mineral intermediates, compositions, brushes, paint and colour grinders, preparatory articles of all kinds, laboratory reagents, and to carry on the business of chemists and oil and colourmen.
- (iii) To carry on business as manufacturers, producers, refiners, importers and exporters of, and dealers in, copra, cotton seed, linseed, castor seed, groundnuts and seeds of all kinds and oil bearing substances whatsoever and oils and oil cakes manufactured therefrom, and to carry on business as oil brokers, oil blenders, boilers, refiners, distillers, separators, waste oil dealers and as dry salters, tallow merchants and soap and candle makers.
- (iv) To carry on business as manufacturers of, and dealers in, engineering and electrical goods including taps, dies, filtering materials, apparatus or works for use in or in connection with the treatment, filtration, purification or disposal of, water and sewage and spark plugs and all appliances, apparatus, tools, implements, utensils, receptacles, substances, articles and things connected or related thereto.

- (v) To carry on business as financial, monetary and commercial agents and advisers and to undertake, carry on and execute all kinds of financial, commercial, trading and other operations which are incidental to the main objects of the Company and to carry on and transact every kind of guarantee and indemnity business, and to undertake obligations of every kind and description, and also to undertake and execute trusts of all kinds and is promote, finance or otherwise assist any company or other person as the Directors may think fit.
- (vi) To manufacture, prepare for market, revise, clean, restore, recondition, treat and otherwise manipulate and deal in and turn to account by any process or means whatsoever all by-products, refuse, waste and other products capable of being manufactured or produced out of or with the use of all or any raw materials ingredients, substances or commodities used in the manufacture of all or any of the products which the Company is entitled to manufacture or deal in and to make such other use of the same as may be thought fit.
- (vii) To manufacture and deal in, all types of containers, receptacles, boxes, cartons, cages, bins, tubes, crates, packing cases, cans, ball straping systems and bags and fittings, therefore, of every kind for holding, keeping, storing, shipping and handling the products which the Company is entitled to manufacture or deal in or any of them.
- (5A) To carry on business as brewers, distillers, maltsters, manufacturers, compounders, rectifiers, bottlers of and of merchants, traders and dealers in, beer, ale, porter, stout, wines, spirits, alcohols and liquors of every description, whether intoxicating or not, mineral, as also and medicated waters and general temperance drinks, beverages, cordials and other liquids of every description, and of casks, bottles, jars, cant, vessels, cartons, boxes, cages, containers and other receptacles of every description for the same and of malt, hops, barley, grain, yeast, sugar, grapes, apples and all other materials, substances and things capable of being used or necessary or desirable for use in connection with any such manufacturers or businesses.
- (6) To carry on in any part of the world the business of steel manufacturers, iron and steel merchants, dealers in iron and steel, iron and steel founders, casters, forgers, tillers, rollers, converters and melters of iron, steel and other metals, iron masters, coal masters, metal workers, mechanical engineers, shipbuilders, wire drawers and manufactures, and tool machines makers in all their branches and also to carry on the business of Tramway and Railway Track Manufactures, including the manufacture laying, alteration and maintenance of Permanent Ways, Points and Crossings. Switches and Rails, and materials used in connection with works of a similar nature.

To carry on either in connection with the said business or as distinct and separate business all or any of the following businesses, namely :- manufactures of all description of spring, buffers, couplings, 'rail-fastening, drawgears, and of all apparatus , appliances, accessories, materials and things used, or capable of being used in connection with Railways, or traction of any description, or in connection with any other use of steam or other power; manufacturers of all kinds of machinery, rolling stock, permanent way materials, power hammers, files saws tools and anvils , and of all articles or things whatsoever (however dissimilar to the articles and things before mentioned), made wholly or in part of any metal: mechanical and general engineers, metal workers, metallurgists, machinists, smiths fitters, woodworkers, galvanisers, japanners, annealers and enamellers, and also general merchants and dealers in all or any of the things aforesaid or in articles or things which the Company has power to manufacture. To build, construct, equip improve maintain develop work manage carry out or control any tramways railway branches or sidings roads ways bridges reservoirs watercourses wharves manufactories warehouse electric works shops stores machinery plants and other works or conveniences of whatever description and to contribute to subsidise or otherwise assist or take part in the building construction equipment, improvement maintenance development, working management carrying out or control thereof.

- (7) To carry on the business of importers, exporters, manufacturers of and dealer in all kinds of electrical and non-electrical appliances, electro mechanical devices for domestic, commercial, industrial, hospital uses, and apparatus etc. and all packaging materials components, parts, accessories, articles and fittings required for those purposes.
- (8) To manufacture, buy, sell, exchange, alter, improve, market, distribute, import or export or otherwise deal in all kinds of water filters, water purifiers or other water purification systems of all types and kinds, and allied products to suit the needs of all sectors of the society such as domestic, industries, Government, public, private, including manufacturing and processing of home reverse osmosis membrane elements and other related water treatment products.
- (9) To supply, undertake and execute any works involving or relating to water purifiers, water filters, other products for purification of water or other liquids or material of all kinds.
- (10) To purchase, take on lease, or otherwise acquire or accept permission to use, any land or easement that may be or be deemed by the Company necessary or convenient for any of the purposes of the Company.

- (11) For any of the purposes of the Company to purchase or otherwise acquire, take on lease, alter, maintain and carry on, any necessary or convenient mills, manufacturers, furnaces, forges, or other works, buildings or erections, and to acquire by purchase or otherwise, hire, improve, alter and maintain any necessary or convenient machinery, plant, implements, tools and appliances.
- (12) To make grants of land, and of rights, liberties and licences to use water, power and any ancillary rights, liberties or licences.
- (13) To carry for hire as common carriers or otherwise, passengers, cattle and goods on or over any railway, tramway, road, bridge, lorry, river or canal in India.
- (14) To construct, purchase, hire, maintain and repair locomotive and other engines, carriages and rolling stock, and boats or other vessels and carts or other vehicles, and to acquire by purchase or otherwise and use for, or in connection with any of the purposes of the Company any horses or other livestock.
- (15) To sell, improve, manage, develop, exchange, lease, mortgage, dispose of, turn to account or otherwise deal with, all or any part of the land, property and right of the Company.
- (16) To borrow or raise or secure the payment of money in such other manner as the Company shall think fit and in particular by the issue of debentures or debenture stock, perpetual or otherwise charged upon all or any of the Company's property (both present and future) including its uncalled capital.
- (17) To establish or appoint agencies for, or in connection with, any of the objects of the Company.
- (18) To subscribe for purchase, acquire, hold and sell the bonds, debentures, shares, stock or other securities of any other Company with limited liability wherever established, and to invest the moneys of the Company upon such investments as may from time to time be determined.
- (19) To invest and deal with any of the moneys of the Company not immediately required for the purposes thereof, upon such securities (not being shares in the Company) and in such manner as the Company may think fit, and from time to time to vary or realise such investments.
- (20) To draw, accept, endorse, discount, execute and issue cheques, drafts, bills of exchange, promissory notes, debentures, bills of lading and other negotiable and transferable instruments or securities and to purchase, sell, endorse and surrender for renewal any Government promissory notes and Government War Loan Bonds or other securities of the Government of India.
- (21) To let, sell, exchange, assign or otherwise 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.

- (22) To distribute, any of the property or assets of the Company or the proceeds of the sale, lease or other disposal thereof, among the members, in specie or in kind.
- (23) To receive money on deposit or loan upon such terms as the Company may approve and to guarantee the debts and the contracts of customers or others.
- (24) To provide for the welfare of persons in the employment of the Company, or formerly engaged in any business acquired by the Company, and the wives, widows and families of such persons by grants of money, pension or other payments.
- (25) To provide for the welfare of any employee or ex-employee of the Company, or his widow or children, or other relative or relatives dependent upon him by building or contributing to the building of houses, dwelling or chawls, or by creating and from time to time subscribing or contributing to associations, institutions, funds or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospital, and dispensaries, medical and other attendance and assistance, and to subscribe or contribute or otherwise to assist, or to guarantee money to charitable, benevolent, religious or other institutions or objects, which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, of the public and general utility or otherwise.
- (26) To enter into any arrangements with any authorities, railway, municipal or otherwise, that may seem conducive to the Company's objects or any of them, and to obtain from any such authority any rights, privileges and concessions which the Company may think it desirable to obtain, and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions.
- (27) To promote any company or companies for the purpose of acquiring all or any part of the property, rights and liabilities of this Company or for any other purpose which may seem, directly or indirectly calculated to benefit this Company.
- (28) To enter into partnership or into any arrangement whether perpetual or terminable for sharing profits, union of interest, reciprocal concession or co-operation with any employees of the Company or with any person, firm, association or company carrying on or engaged in or about to carry on or be engaged in any business or transaction which the Company is authorized to carry on or engage in or any business or transaction or course of action capable of being conducted so as directly or indirectly to benefit the Company, to guarantee the contracts of any person or company carrying on such business and to take or otherwise acquire and hold shares. (fully or partly paid) or stock in or securities of and to lend money to, subsidise or otherwise assist any such company, and to sell, hold or re-issue with or without

guarantee, or otherwise deal with such shares, stock or securities.

- (i) To amalgamate with any other company or companies.
- (29) Generally to purchase, take on lease or in exchange, hire or otherwise acquire any real or personal property, and any rights and privileges which the Company may think necessary or convenient for the purpose of its business.
- (30) To procure the Company or its representatives or nominees to be constituted, incorporated, or recognised as a corporation or societe anonyme in any country whatever, and generally to do all acts necessary or expedient for carrying on, in any foreign country or colony, any business of the Company secretary or expedient to be there carried on, or which may in any other respect or for any other purpose seem necessary or convenient for the transaction of any business of the Company.
- (31) To manufacture, import, export, buy, sell, service, recondition, trade or market or otherwise deal in hybrid manufactured products used in product portfolio with hybrid processes of manufacturing in any business segment of industry for tools, consumables, spares, devices etc. manufactured using additive and/or subtracting technologies and to undertake all the allied activities or any other trade or business whatsoever which can be advantageously or conveniently carried on by the Company with any of the existing businesses of the Company.
- (32) To carry on business of information technology, systems, computer programming, information processing, data processing, data storage, data retrieval, data analysis, e-commerce, e-business, m-business, m-commerce, internet dealing, manufacturing and developing computer software & hardware, construction and designing of web sites, software development, portal design, portal development, providing, web-based and computer-based solutions, website hosting, web-page designing, internet services, e-mail services, knowledge management services, consultancy in computer based information systems and of business process outsourcing and call centres, to act as advisers and consultants for e-business strategy development, e-commerce consulting, internet marketing and strategy, implementation of software packages, computer related communication systems, on line portals, shopping malls and services and start-up companies and carrying on other related activities either as principals, agents, contractors, sub-contractors or executing the same to turnkey basis either independently or in joint venture / collaboration with other, to carry on the business of marketing, development, designing, planning and outsourcing of internet products and solutions, computer software products and solutions, computer hardware products and solutions, website, exists, value, internet, extranets, messaging products and solutions computer and data security products and solutions, kiosks, cyber cafes, payment gateways, e-business m-business, e-commerce, m-commerce, internet hosting. IT centres, data processing

centres, call centres, software development centres, internet shopping malls, information technology and internet start-ups, e-school, e-school, computer education centres, medical transcriptions, human resources training recruitment, body shopping, internet advertisement and other business and service related to computer hardware and software and networks.

(33) To do all such other things as may be deemed incidental or conducive to the attainment of the above objects or any of them.

4. The liability of the members is limited.
5. The Authorised Share Capital of the Company is INR 43,05,00,000 (Rupees Forty-Three Crores Five Lakhs only) divided into 4,30,50,000 Equity Shares of INR 10/- each

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

Name, Addresses and Descriptions of Subscribers	Number of shares taken by each Subscriber
M.N. Hogg, Forbes Building, Bombay, Manager, Forbes, Forbes Campbell & Co. Ltd.	Twenty
M. Foz, Forbes Building, Bombay, Asst. Manager, Forbes, Forbes Campbell & Co. Ltd.	One
Y.A Grantham Forbes Building, Bombay, Asst. Manager, Forbes Forbes, Campbell & Co. Ltd.	Twenty
W.R. Botterill, Forbes Building, Bombay, Assistant Forbes Forbes, Campbell & Co. Ltd.	One
R.W. Bullock, Forbes Building, Bombay, Assistant, Forbes Forbes, Campbell & Co. Ltd.	One
Jehngir N. Gamadia, 56 Homji Street, Fort, Bombay, Twenty Merchant and Factory Owner	Twenty
H.J. Bunbury, Forbes Building, Bombay, Asst. Manager, Twenty Forbes Forbes, Campbell & Co. Ltd.	Twenty

Dated the Eighteenth day of November 1919.

Witness to the above Signatures

I. H. MOSLEY

Solicitor

Assist. Messrs. Crawford Bayley & Co.

BOMBAY.

Notes:

- (1) The Capital of the Company in Clause 5 of the Memorandum of Association was increased to Rs. 2,00,00,000/- pursuant to an Ordinary Resolution passed at the 48th Annual General Meeting of the Company held on June 8, 1967. The Capital of the Company was further increased to Rs. 3,00,00,000/- pursuant to an Ordinary Resolution passed at the 53rd Annual General Meeting of the Company held on May 5, 1972.
- (2) Paragraphs (i) to (vii) of sub-clause (5) of Clause 3 and paragraph (1) of sub-clause (24) of Clause 3 were inserted in the Memorandum of Association pursuant to the Special Resolution passed at the 53rd Annual General Meeting of the Company held on May 5, 1972 and confirmed by the Bombay High Court by its order dated August 7, 1972 under section 17 of the Companies Act, 1956.

- (3) Clause 3 of the Memorandum of Association was altered by insertion of new sub-clause (5A) immediately before paragraph (6) by a Special Resolution passed at the 55th Annual General Meeting of the Company held on June 29, 1974 and confirmed by the Bombay High Court by its order dated September 20, 1974 under section 17 of the Companies Act, 1956.
- (4) The Capital of the Company as mentioned in Clause 5 of the Memorandum of Association was increased to Rs. 4,00,00,000/- pursuant to an Ordinary Resolution passed at the 58th Annual General Meeting of the Company held on June 14, 1977.
- (5) The Capital of the Company as mentioned in Clause 5 of the Memorandum of Association was increased to Rs. 7,00,00,000/- pursuant to an Ordinary Resolution passed at the 68th Annual General Meeting of the Company held on October 30, 1987.
- (6) The Capital of the Company as mentioned in Clause 5 of the Memorandum of Association was increased to Rs. 10,00,00,000/- pursuant to an Ordinary Resolution passed at the Extra-Ordinary General Meeting of the Company held on January 23, 1992.
- (7) The Capital of the Company as mentioned in Clause 5 of the Memorandum of Association was increased to Rs. 15,00,00,000/- pursuant to an Ordinary Resolution passed at the Annual General Meeting of the Company held on November 27, 1992.
- (8) Clause 3 of the Memorandum of Association was altered by insertion of new sub-clause (28) immediately after sub-clause (27) vide Special Resolution passed by Members through postal ballot, the results of which were declared at the Annual General Meeting held on September 2, 2004.
- (9) Clause 3 of the Memorandum of Association was altered by insertion of new sub-clause (26A) immediately after sub-clause (26) vide Special Resolution passed by Members through postal ballot on December 23, 2019.
- (10) Clause 3 of the Memorandum of Association was altered by insertion of new sub-clauses 6 to 9 immediately after sub-clause (5A) and revision in numbering of the clauses was carried out pursuant to Order dated January 25, 2022 passed by the Hon'ble National Company Law Tribunal, Mumbai Bench in the Company Scheme Petition No. C.P (CAA)/209/MB-IV/2021 in Company Scheme Application No. C.A.(CAA)/55/MB-IV/2021.
- (11) The Capital of the Company as mentioned in Clause 5 of the Memorandum of Association was increased to INR 43,05,00,000 (Rupees Forty-Three Crores Five Lakhs only) divided into 4,30,50,000 Equity Shares of INR 10/- each pursuant to Order dated January 25, 2022 passed by the Hon'ble National Company Law Tribunal, Mumbai Bench in the Company Scheme Petition No. C.P (CAA)/209/MB-IV/2021 in Company Scheme Application No. C.A.(CAA)/55/MB-IV/2021.

THE COMPANIES ACT, 2013
COMPANY LIMITED BY SHARES
(Incorporated under the Companies Act, 1913)
ARTICLES OF ASSOCIATION OF
FORBES & COMPANY LIMITED

The following regulations comprised in these Articles of Association were adopted pursuant to special resolution passed by the Members at the 96th Annual General Meeting of the Company held on September 1, 2015, in substitution for, and to the entire exclusion of, the earlier regulations comprised in the extant Articles of Association of the Company.

TABLE 'F' EXCLUDED

- Table 'F' not to apply
- 1 (i) The regulations contained in the Table 'F' in Schedule I to the Companies Act, 2013 shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the Companies Act, 2013.
- (ii) The regulations for the management of the Company and for the observance by the members thereto and their representatives, shall be such as are contained in these Articles.

Definitions & Interpretation

- Definitions
- 2 (i) In the interpretation of these Articles words and expression shall have the following meaning, unless repugnant to the subject or context:
- (a) "Act" means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof and the relevant Rules framed thereunder, which are relatable to the relevant Article in which the said term appears in these Articles.
- (b) "Articles" means these articles of association of the Company or as altered from time to time.
- (c) "Board of Directors" or "Board", means the collective body of the directors of the Company.
- (d) "Company" means Forbes & Company Limited.
- (e) "Debenture" includes Debenture stock, bonds or any other instrument of a Company evidencing a debt, whether constituting a charge on the assets of the company or not.
- (f) "Ordinary Business" means business to be transacted at an Annual General Meeting relating to (i) the consideration of financial statements, consolidated financial statements, if any, and the reports of the Board of Directors and Auditors; (ii) the declaration of any dividend; (iii) the appointment of Directors in the place of those retiring; and (iv) the appointment or ratification thereof and fixing of remuneration of the Auditors.
- (g) "Special Business" means business other than the Ordinary Business to be transacted at an Annual General Meeting and all business to be transacted at any other General Meeting.
- (h) "Rules" means the applicable rules for the time being in force as prescribed under relevant sections of the Act.

- Interpretation
- (i) "Seal" means the common seal of the Company.
 - (ii) Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine gender.
 - (iii) Words importing persons shall, where the context requires, include bodies corporate and companies as well as individuals.
 - (iv) Marginal Notes and headings in the Articles shall not affect construction hereof.
 - (v) Subject as aforesaid, any words and expressions defined in the said Act as modified up to the date on which these Articles become binding on the Company shall, except where the subject or context otherwise requires, bear the same meanings in these Articles.

Share Capital and Variation of Right

- Capital and Shares
- 3
- (i) The Authorised Share Capital of the Company shall be such amount and be divided into such shares as may from time to time, be provided in clause V of Memorandum of Association with power to Board of Directors to reclassify, subdivide, consolidate and increase and with power from time to time, to issue any shares of the original capital or any new capital with and subject to any preferential, qualified or special rights, privileges, or conditions may be, thought fit and upon the sub-division of shares to apportion the right to participate in profits, in any manner as between the shares resulting from sub-division.
 - (ii) If and whenever the capital of the Company is divided into shares of different classes, the rights of any such class may be varied, modified, affected, extended, abrogated or surrendered as provided by the said Act or by Articles of Association or by the terms of issue, but not further or otherwise.
 - (iii) Subject to the provisions of the Act and these Articles, the capital of the Company shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit. The Securities Premium account may be applied by the Company for the purpose permissible under the Act.

Kinds of Share Capital 4 The Company may issue the following kinds of shares in accordance with these Articles, the Act and other applicable laws:

(a) Equity Share Capital:

- (i) with voting rights; and/or
- (ii) with differential rights as to dividend, voting or otherwise in accordance with the Act; and

(b) Redeemable Preference Share Capital.

- Share Certificates 5
- (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month from the date of receipt by the Company of the application for the registration of transfer or transmission or within such other period as the conditions of issue shall provide:

- (a) one certificate for all his shares without payment of any charges; or
 - (b) several certificates, each for one or more of his shares, upon payment of such charges as may be fixed by the Board for each certificate after the first.
- (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.
 - (iv) A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialised state with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.
 - (v) 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 Board deems adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of fees for each certificate as may be fixed by the Board.
- Issue of shares otherwise than for cash 6 Subject to the provisions of the Act and these Articles, the Board may issue and allot shares on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be.
- Further Issue of Shares 7 (i) 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.
- (ii) The Board or the Company, as the case may be, may, in accordance with the Act, issue further shares to:
 - (a) persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or
 - (b) employees under any scheme of employees' stock option; or
 - (c) any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above.
 - (iii) A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act.

Provisions as to issue of certificates to apply mutatis mutandis to other securities	8	The provisions of the Articles relating to issue of certificates shall mutatis mutandis apply to issue of certificates for any other securities including Debentures (except where the Act otherwise specifically provides) of the Company.
Commission on securities	9	<p>(i) The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to any of its securities, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall not exceed the rate or amount prescribed in the Act.</p> <p>(ii) 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.</p> <p>(iii) Nothing in this Article shall affect the Power of the Company to pay such brokerage as it may consider reasonable.</p>
Variation of members' rights	10	If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing, of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act.
Issue of Redeemable preference shares	11	Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.
Lien on shares	12	<p>(i) The Company shall have a first and paramount lien:</p> <p style="padding-left: 40px;">(a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and</p> <p style="padding-left: 40px;">(b) on all shares (not being fully paid shares) standing registered in the name of a member, for all monies presently payable by him or his estate to the Company:</p> <p style="padding-left: 40px;">Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this clause.</p> <p>(ii) The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares for any money owing to the Company.</p> <p>(iii) Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company's lien.</p> <p>(iv) The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:</p> <p style="padding-left: 40px;">Provided that no sale shall be made:</p> <p style="padding-left: 80px;">(a) unless a sum in respect of which the lien exists is presently payable; or</p>

- (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled thereto by reason of his death or insolvency or otherwise.
- (v) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof. The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share.
- (vi) 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.
- (vii) 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.
- (viii) In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.
- Provisions relating to lien to apply mutatis mutandis to other securities 13 The provisions of these Articles relating to lien shall mutatis mutandis apply to any other securities including debentures of the Company.
- Call on Shares 14 (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.
- (ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.
- (iii) The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.
- (iv) A call may be revoked or postponed at the discretion of the Board.
- (v) 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.
- (vi) The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

- (vii) 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.
- (viii) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof (the "due date"), the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment at such rate as may be fixed by the Board. The Board shall be at liberty to waive payment of any such interest wholly or in part.
- (ix) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
- (x) In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
- (xi) 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 as may be fixed by the Board. Nothing contained in this clause shall confer on the member (a) any right to participate in profits or dividends or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him.
- (xii) If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by instalments, then every such instalment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder
- (xiii) All calls shall be made on a uniform basis on all shares falling under the same class.
 Explanation: Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.
- (xiv) Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.

Provisions relating to calls to apply

- 15 The provisions of these Articles relating to calls shall mutatis mutandis apply to any other securities including Debentures of the Company.

mutatis
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Transfer of shares

- Instrument of transfer to be executed by transferor and transferee
- 16 (i) The instrument of transfer of any share in the Company shall be duly executed by or on behalf of both the transferor and transferee.
- (ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
- Board may refuse to register transfer
- 17 The Board may, subject to the right of appeal conferred by the Act decline to register:
- (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
- (b) any transfer of shares on which the Company has a lien.
- Transfer of shares when suspended
- 18 (i) In case of shares held in physical form, the Board may decline to recognise any instrument of transfer unless:
- (a) the instrument of transfer is duly executed and is in the form as prescribed the Act;
- (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- (c) the instrument of transfer is in respect of only one class of shares.
- (ii) On giving of previous notice of at least seven days or such lesser period in accordance with the Act 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.
- Provisions as to transfer of shares to apply mutatis mutandis to other securities
- 19 The provisions of these Articles relating to transfer of shares shall mutatis mutandis apply to any other securities including Debentures of the Company.

Transmission of shares

- Title to shares on death of a member
- 20 (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares. Nothing in this Article 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.
- (ii) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect,

either:

- (a) to be registered himself as holder of the share; or
 - (b) to make such transfer of the share as the deceased or insolvent member could have made.
- (iii) 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.
 - (iv) The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.
 - (v) If the person so 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. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
 - (vi) 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.
 - (vii) 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.

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| Provisions as to transmission to apply mutatis mutandis to securities | 21 | The provisions of these Articles relating to transmission shall mutatis mutandis apply to any other securities including Debentures of the Company. |
| Forfeiture of shares | 22 | <ul style="list-style-type: none">(i) If a member fails to pay any call, or instalment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or instalment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.(ii) The notice aforesaid shall:<ul style="list-style-type: none">(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.
- (iii) 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.
- (iv) Neither the receipt by the Company for a portion of any money which may from time to time be due from any member in respect of his shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.
- (v) When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.
- (vi) The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.
- (vii) A forfeited share shall be deemed to be the property of the Company and may be sold or re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board thinks fit.
- (viii) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay, and shall pay, to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.
- (ix) All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realisation. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part.
- (x) 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.
- (xi) 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.

- (xii) The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.
- (xiii) Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.
- (xiv) Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.
- (xv) The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.
- (xvi) The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

Provisions as to forfeiture of shares to apply mutatis mutandis to other securities. 23 The provisions of these Articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including Debentures of the Company.

Alteration of capital

Power to alter share capital 24 Subject to the provisions of the Act, the Company may, by ordinary resolution:

- (a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;
- (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares:
Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act;
- (c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- (d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
- (e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

Rights of stockholders 25 Where shares are converted into stock:

- (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose

might before the conversion have been transferred, or as near thereto as circumstances admit:

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

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

Reduction
of capital

- 26 The Company may, by resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act:
- (a) its share capital; and/or
 - (b) any capital redemption reserve account; and/or
 - (c) any securities premium account; and/or
 - (d) any other reserve in the nature of share capital.

Joint-holders

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

- (ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint-holders.
- (f) The provisions of these Articles relating to joint holders of shares shall mutatis mutandis apply to any other securities including Debentures of the Company registered in joint names.
- Capitalisation of Profits 28 (i) The Company by ordinary resolution in general meeting may, upon the recommendation of the Board, resolve:
- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
 - (b) that such sum be accordingly set free for distribution in the manner specified in these Articles amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in this Article, either in or towards:
- (a) paying up any amounts for the time being unpaid on any shares held by such members respectively;
 - (b) paying up in full, unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
 - (c) partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b).
- (iii) A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;
- The Board shall give effect to the resolution passed by the Company in pursuance of this Article.
- (iv) Whenever such a resolution as aforesaid shall have been passed, the Board shall:
- (a) make all appropriations and applications of the amounts resolved to be capitalised thereby, and all allotments and issues of fully paid shares or other securities, if any; and
 - (b) generally do all acts and things required to give effect thereto.
- (v) The Board shall have power:
- (a) to make such provisions, by the issue of fractional certificates/coupons or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions; and
 - (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or other securities to which they may be entitled

upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts

- Buyback of shares 29 Notwithstanding anything contained in these Articles, but subject to all applicable provisions of the Act or any other law for the time being in force, the Company shall have power to purchase its own shares or other specified securities. If and to the extent permitted by law, the Company shall have power to re-issue the shares or other specified securities so bought back.

General Meetings

- Extraordinary general meeting 30 (i) All general meetings other than annual general meeting shall be called extraordinary general meeting.
(ii) Subject to provisions of the Act, the Company may transact any special business through Postal Ballot.
- Powers of Board to call extraordinary general meeting 31 The Board may, whenever it thinks fit, call an extraordinary general meeting.
- Quorum 32 (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
(ii) No business shall be discussed or transacted at any general meeting except election of Chairperson whilst the chair is vacant.
(iii) The quorum for a general meeting shall be as provided in the Act.
- Chairperson of the meetings 33 (i) The Chairperson of the Company shall preside as Chairperson at every general meeting of the Company.
(ii) If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
(iii) If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall, by poll or electronically, choose one of their members to be Chairperson of the meeting.
- Casting vote of Chairperson at general meeting 34 On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.
- Minutes of proceedings of meetings and resolutions passed by postal ballot 35 (i) The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Act and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered.
(ii) There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting:

- (a) is, or could reasonably be regarded, as defamatory of any person; or
 - (b) is irrelevant or immaterial to the proceedings; or
 - (c) is detrimental to the interests of the Company.
- (iii) The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.
- (iv) The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.
- Inspection of minute books of general meeting** 36 The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall:
- (a) be kept at the registered office of the Company; and
 - (b) be open to inspection of any member without charge, during 11.00 a.m. to 1.00 p.m. on all working days (Monday to Friday).
- Members may obtain copy of minutes** 37 Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes of general meetings referred to in Articles as above.
- Powers to arrange security at meetings** 38 The Board, and also any person(s) authorised by it, may take any action before the commencement of any general meeting, or any meeting of a class of members in the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting, and the future orderly conduct of the meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision.
- Adjournment of meeting** 39 (i) The Chairperson may, suo motu, adjourn the meeting from time to time and from place to place.
- (ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- (iv) Save as aforesaid, and save as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- Entitlement to vote on show of hands and on poll** 40 Subject to any rights or restrictions for the time being attached to any class or classes of shares:
- (a) on a show of hands, every member present in person shall have one vote; and
 - b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
- Voting through electronic means** 41 A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.
- Vote of joint-holders** 42 (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
- (ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

- How members non compos mentis and minor may vote 43 A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians.
- Votes in respect of shares of deceased or insolvent members, etc. 44 Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the Transmission Clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.
- Business may proceed pending poll 45 Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
- Restriction on voting rights 46 No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of lien.
- Restriction on exercise of voting rights in other cases to be void 47 A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in the preceding Article.
- Equal rights of members 48 Any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.
- Proxy 49 (i) Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.
- (ii) The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
- (iii) An instrument appointing a proxy shall be in the form as prescribed in the Act.
- (iv) 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**
- Board of Directors 50 Unless otherwise determined by the Company in general meeting, the number of directors shall not be less than 3 (three) and shall not be more than 15 (fifteen).

- Same individual may be Chairperson and Managing Director/Chief Executive Officer 51 The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company.
- Remuneration of directors 52 (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.
- (ii) Subject to provisions of the Act, the Non-Executive directors shall be paid sitting fees as determined by Board from time to time.
- (iii) The remuneration payable to the directors, including any managing or whole-time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act by a resolution passed by the Company in general meeting.
- (iv) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid/reimbursed all travelling, hotel and other expenses properly incurred by them:
- (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or
- (b) in connection with the business of the Company.
- Execution of negotiable instruments 53 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.
- Appointment of additional directors 54 (i) Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.
- (ii) Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.
- Appointment of alternate director 55 (i) The Board may appoint an alternate director to act for a director (hereinafter in this Article called "the Original Director") during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.
- (ii) An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.
- (iii) If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.

- Appointment of director to fill a casual vacancy 56 (i) If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board.
- (ii) The director so appointed shall hold office only upto the date upto which the director in whose place he is appointed would have held office if it had not been vacated.
- General powers of the Company vested in Board 57 The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.
- Proceedings of Board 58 (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
- (ii) The Chairperson or any one Director with the previous consent of the Chairperson may, or the company secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board.
- (iii) The quorum for a Board meeting shall be as provided in the Act.
- (iv) The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Act or permitted under law.
- Questions at Board meeting how decided 59 (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
- (ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
- Directors not to act when number falls below minimum 60 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.
- Who to preside at meetings of the Board 61 (i) The Board may from time to time appoint any of its Directors to be the Chairperson of the Board of Directors of the Company and upon such terms and conditions as the Board may think fit. The Chairperson of the Company shall be the Chairperson at meetings of the Board.
- (ii) The Board may from time to time appoint any of its Directors as the Vice-Chairman of the Board.
- If no Chairperson is appointed by the Board as aforesaid, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the Vice-Chairman, if any, shall be entitled to take the Chair. If the Vice-Chairman is not present or is unwilling to take the Chair, the Managing Director, if any, shall be

entitled to take the Chair. If the Managing Director is not present or is unwilling to take the Chair, the Directors present may choose one of their number to be the Chairman of the meeting.

- Committees of the Board 62 (i) The Board may, subject to the provisions of the Act, delegate any of its powers to Committees consisting of such member or members of its body as it thinks fit.
- (ii) Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
- (iii) The Quorum for Meetings of the Committee shall be as per the Act or as may be prescribed by the Board, whichever is higher.
- (iv) The participation of directors in a meeting of the Committee may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Act or permitted under law.
- (v) A Committee may elect a Chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee.
- (vi) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
- (vii) A Committee may meet and adjourn as it thinks fit. Questions arising at any meeting of a Committee shall be determined by a majority of votes of the members present. In case of an equality of votes, the Chairperson of the Committee shall have a second or casting vote.
- Acts of Board or Committee valid notwithstanding defect of appointment 63 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 or that his or their appointment had terminated, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
- Passing of resolution by circulation 64 Save as otherwise expressly provided in the Act, a resolution in writing, signed, whether manually or electronic mode, by a majority of the members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held.
- Chief Executive Officer, etc. 65 (i) Subject to the provisions of the Act, A chief executive officer, manager, company secretary and chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary and chief financial officer so appointed may be removed by means of a resolution of the Board; the Board may appoint one or more chief executive officers for its multiple businesses.
- (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
- Statutory registers and records & 66 (i) The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other

- copies thereof.
- security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Act.
- (ii) The Company shall on being so required by a Member, send to him within 7 days of the request and subject to payment of Rs. 100/- or such other fees as may be specified by the Act for each copy of the documents as referred to in Section 17 of the Act.
- Foreign register 67 (i) The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register.
- (ii) The foreign register shall be open for inspection and may be closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, mutatis mutandis, as is applicable to the register of members.
- Common Seal 68 (i) The Board may provide for a Common Seal for the purposes of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall, if required, be affixed in the presence of any one Director or Company Secretary or Chief Financial Officer or such other Officers as may be authorised by any resolution of the Board of Directors or any Committee of the Board of Directors.
- Dividend 69 (i) The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board but the Company in general meeting may declare a lesser dividend.
- (ii) Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit.
- (iii) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.
- (iv) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
- (v) 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.

- (vi) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.
- (vii) 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.
- (viii) 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.
- (ix) The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.
- (x) Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
- (xi) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
- (xii) Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to have made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.
- (xiii) 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.
- (xiv) No dividend shall bear interest against the Company.
- (xv) The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.

Inspection of
Accounts

- 70 (i) The books of account and books and papers of the Company, or any of them, shall be open to the inspection of directors in accordance with the applicable provisions of the Act.
- (ii) No member (not being a director) shall have any right of inspecting any books of account or books and papers or document of the Company except as conferred by law or authorised by the Board.

- Winding up of Company 71 Subject to the applicable provisions of the Act:
- (a) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.
 - (b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
 - (c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.
- Indemnity & Insurance 72 (i) Subject to the provisions of the Act, every director, managing director, whole-time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such director, manager, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses.
- Subject as aforesaid, every director, managing director, manager, company secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.
- (ii) The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.
- General Power 73 Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry out such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.
- Authority to Board 74 The Board of Directors of the Company are authorised to do all acts, deeds and things as it may in its absolute discretion deem necessary, expedient proper or desirable and to settle all questions, difficulties or doubts that may arise in regards to these Articles at any stage without requiring the Board to secure further consent or approval of the Members of the Company.

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

Sr. No.	Name, Addresses and Description of Subscribers
1.	M.N. Hogg, Forbes Building, Bombay, Manager, Forbes Forbes Campbell & Co. Ltd
2.	M. Fox, Forbes Building, Bombay, Asst. Manager, Forbes Forbes Campbell & Co. Ltd
3.	Y.A. Grantham, Forbes Building, Bombay, Asst. Manager, Forbes Forbes Campbell & Co. Ltd
4.	Y.A. Grantham, Forbes Building, Bombay, Asst. Manager, Forbes Forbes Campbell & Co. Ltd
5.	W.R. Botterill, Forbes Building, Bombay, Assistant, Forbes Forbes Campbell & Co. Ltd
6.	R.W. Bullock, Forbes Building, Bombay, Assistant, Forbes Forbes Campbell & Co. Ltd
7.	Jehangir N. Gamadia, 56, Homji Street, Fort, Bombay, Merchant and Factory Owner

Dated the Eighteenth day of November 1919.

Witness to the above Signatures

I.H. Mosley

Assist. Messrs Crawford Bayley & Co.

Bombay

COURT FEE STAMPS
OF Rs. 54/-

Crawford, Bayley & Co.
48.00
6.00
Rs. 54.00

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY PETITION NO. 179 OF 1973

connected with

COMPANY APPLICATION NO. 25 OF 1973

Coram : Nain J.

9th July, 1973.

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

And

In the matter of The Gokak Mills Limited,
a company incorporated in India under the
Indian Companies Act, VII of 1913, and
having its registered office at Forbes Building,
Homo Street, Fort, Bombay-400 001.

The Gokak Mills Limited, a company
incorporated under the Indian Companies
Act, VII of 1913, and having its registered
office at Forbes Building, Homa Street, Fort,
Bombay-400 001. } Petitioner.

The Petitioner Company abovenamed by their Petition herein dated the Twenty-fifth day of April One thousand Nine hundred and seventy three prays for the sanction of the compromise or arrangement embodied in the Scheme of Amalgamation set out in the Agreement dated the sixth day of March One thousand Nine hundred and Seventy three between Patel-Volkart Limited, a company incorporated under the Indian Companies Act, VII of 1913, and having its registered office at 19, Graham Road, Ballard Estate, Bombay-400 001, of the One Part and the Petitioner Company of the Other Part whereby Patel-Volkart Limited as the Transferor Company may be amalgamated with the Petitioner Company as the Transferee Company and for other consequential reliefs as in the Petition abovementioned And the said Petition being this day called on for hearing and final disposal And Upon Reading the said Petition and the Order dated the Thirteenth day of March One thousand Nine hundred and seventy three made by this Honourable Court in Company Application No. 25 of 1973 whereby the said Petitioner Company was ordered to convene a General Meeting of the Shareholders of the Petitioner Company for the purpose of considering, and, if thought fit, approving, with or without modification, the compromise or arrangement embodied

In the Scheme of Amalgamation proposed to be made between Patel-Volkart Limited and its Members and the Petitioner Company and its Members being the Transferee Company under the said Scheme of Amalgamation and annexed as Exhibit "C" to the Affidavit of Mr. Frederick Howard Kemple filed on the Eighth day of March One thousand Nine hundred and seventy-three And Upon Reading the Report dated the Twenty-fifth day of April One thousand Nine hundred and seventy-three of Frederick Howard Kemple, the Chairman of the Meeting of the Shareholders of the Transferee Company held on the Twenty-third day of April One thousand Nine hundred and seventy-three as to the result of the meeting And Upon Reading the Affidavit of Frederick Howard Kemple filed on the Twenty-fifth day of April One thousand Nine hundred and seventy-three in support of the Petition abovenamed And Upon Perusing the issues of the "Indian Express" and "Loksatta" dated the Fourteenth day of May One thousand Nine hundred and Seventy-three each containing the advertisement of the Notice of hearing of the Petition And Upon Reading the Affidavit of Prabhakar Harishchandra Joshi filed on the Twenty-fifth day of June One thousand Nine hundred and Seventy-three proving publication of the said Notice in the said issues of the "Indian Express" and "Loksatta" and also proving service of the Notice of the hearing of the Petition upon the Creditors And Upon Hearing Mr. J. I. Mehta, Advocate for the Petitioner Company abovenamed being the Transferee Company in support of the Petition and Mr. K. H. Bhabha, Advocate for Patel-Volkart Limited being the Transferor Company who also appears in support of the said Petition And it appearing from the aforesaid Report that the said compromise or arrangement embodied in the said Scheme of Amalgamation has been approved with requisite majority by the members present and voting in person or by proxy in the said Meeting **THIS COURT DOETH HEREBY ORDER** that the said compromise or arrangement embodied in the said Scheme of Amalgamation referred to in paragraphs 13 and 22 of the Petition and set forth in Schedule I hereto be and it is hereby sanctioned subject to the necessary permission being obtained from the Controller of Capital Issues and any other authorities concerned for carrying the Scheme into effect **AND THIS COURT DOETH HEREBY DECLARE** that subject to the aforesaid approval or sanction of the Controller of Capital Issues and any other authorities concerned the said Scheme of Amalgamation be binding on all the members of the Petitioner Company and also on the Petitioner Company **AND THIS COURT DOETH FURTHER ORDER** that the entire business and undertaking and all and singular the entire estate right title interest property claim and demand of Patel-Volkart Limited (hereinafter called "the Transferor Company"), specified in Schedule II hereto and all the other property rights powers claims including permits import and other licences quota rights trade marks and copy-rights of the Transferor Company be transferred to and vest without any further act or deed in the Petitioner Company (hereinafter called "the Transferee Company") and accordingly the same shall pursuant to Section 394(2) of the Companies Act, I of 1956, be transferred to and vested in the Transferee Company with effect from the close of business on the Thirtieth day of June One thousand Nine hundred and Seventy-two for all estate and interest of the Transferor Company therein but subject nevertheless to all charges now affecting the same **AND THIS COURT DOETH FURTHER ORDER** that all and singular the existing debts obligations liabilities and duties of the Transferor Company from the close of business on the Thirtieth day of June One thousand Nine hundred and Seventy-two be and the same are hereby transferred without any further act or deed to the Transferee Company and accordingly the same shall pursuant to Section 394(2) of the Companies Act, I of 1956, be transferred to and become the debts obligations liabilities and duties of the Transferee Company **AND THIS COURT DOETH FURTHER ORDER** that all actions suits or proceedings now pending by or against the Transferor Company be continued by or against the Transferee Company **AND THIS COURT DOETH FURTHER ORDER** that the Petitioner Company do allot to the shareholders of the Transferor Company the shares which they are entitled to receive under the said arrangement embodied in the said Scheme of Amalgamation **AND THIS COURT DOETH FURTHER ORDER** that the Transferor Company and the Transferee Company do within thirty days after the date of this Order cause a certified copy of this Order to be

filed with the Registrar of Companies, Maharashtra, Bombay, and on such certified copy being so filed and on the aforesaid approval or sanction of the Controller of Capital Issues and any other authorities concerned being obtained the Registrar of Companies, Maharashtra, Bombay, shall place all documents relating to the Transferor Company and registered with him on the file and records kept by him in relation to the Transferee Company and the files relating to the said two companies aforesaid shall be consolidated accordingly AND THIS COURT DOETH LASTLY ORDER that the parties to the compromise or arrangement embodied in the said Scheme of Amalgamation or other person interested shall be at liberty to apply to this Honourable Court for directions as may be necessary WITNESS RAMANLAL KANHEMLAL KANTAWALA, Esquire, Chief Justice at Bombay aforesaid this 11th day of July One thousand Nine hundred and Seventy-three.

By the Court

(Sd/ V. K. Patil)

For Prothonotary & Sealor Master.

SEAL

Sd/ P. L. Bari
Sealer

This 16th day of August, 1973

Order sanctioning Scheme of Amalgamation under Sections 391 and 394(2) of the Companies Act, I of 1938, drawn on the Application of Messrs. Crawford Bayley & Co., Attorneys for the Petitioner.

SCHEDULE-I

**SCHEME OF AMALGAMATION
OF
PATEL-VOLKART LIMITED
WITH
THE GOKAK MILLS LIMITED.**

1. This Scheme shall take effect, on and from the effective date as defined in Clause 20 hereof.

2. With effect from the close of business on the 30th June, 1972 (hereinafter called "the Appointed Day") the entire Undertaking of Patel-Volkart Ltd., (hereinafter called "PV") including all its respective properties, moveable or immovable, and assets of whatsoever nature, such as Industrial and other licences and quota rights, trade marks and other Industrial property rights, leases, tenancy rights and all other interests, rights or powers of whatever kind, nature and description whatsoever (all which undertaking property, assets, rights and powers are hereinafter for brevity's sake collectively referred to as "the said Undertaking") shall without any further act or deed be and stand transferred to and vested in The Gokak Mills Ltd., (hereinafter called "GOKAK") pursuant to Section 394 of the Companies Act, 1956.

3. With effect from the Appointed Day all the debts, liabilities, duties and obligation of PV shall also be and stand transferred without any further act or deed pursuant to the said Section 394 so as to become the debts, liabilities and duties and obligations of GOKAK.

4. All proceedings by or against PV pending at the effective date as defined in Clause 20 hereof and relating to the undertaking, its liabilities, obligations and duties shall be continued and enforced by or against GOKAK as the case may be.

5. With effect from the Appointed Day, PV shall be deemed to have been carrying on and to be carrying on all business and activities for and on account of GOKAK until the effective date defined in Clause 20 hereof. PV hereby undertakes to carry on its business until the completion of amalgamation with utmost prudence and shall not without the concurrence of GOKAK alienate, charge or otherwise deal with during the pendency of this Scheme the said Undertaking or any of it or any part thereof except in the ordinary course of business or vary the terms and conditions of employment of any of its employees. All profits accruing or losses arising or incurred by PV after the Appointed Day upto the date of this Scheme finally takes effect shall for all purposes be treated as profits or losses of GOKAK as the case may be.

During the pendency of the Scheme, GOKAK will not without consulting the Board of Directors of PV undertake any new business which would adversely affect GOKAK in any material respect.

Likewise PV will not without consulting the Board of Directors of GOKAK undertake any new business which would adversely affect PV in any material respect.

6. Subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature to which PV is a party, subsisting or having effect immediately before this Scheme finally becomes effective as aforesaid shall be in full force and effect against or in favour of GOKAK, as the case may be enforced as fully and effectively as if, instead of PV, GOKAK had been a party thereto.

7. The details of capital of GOKAK and PV are as under:—

	GOKAK	PV
(a) Authorised	Rs. 3,00,00,000 divided into 3,00,000 shares of Rs. 100/- each.	Rs. 1,00,00,000 divided into 20,000 Equity Shares of Rs. 500/- each.
(b) Issued, Subscribed and Paid-up.	Rs. 1,95,24,000 divided into 1,95,240 shares of Rs. 100/- each.	Rs. 81,00,000 divided into 16,200 Equity Shares of Rs. 500/- each (of which 1,620 Equity Shares are held by GOKAK).

8. In consideration of the vesting of the Undertaking of PV in GOKAK (subject to the liabilities, duties and covenants as aforesaid) in terms of this Scheme, GOKAK shall issue and allot to members of PV other than Gokak standing on its Register of Members on the Appointed Day or such later day as the Board of Directors of GOKAK may determine 75,545 Equity Shares in GOKAK credited as fully paid-up on the following basis:—

Present holding	Holding in GOKAK
PV Shareholders other than GOKAK For every one Equity Share of Rs. 500/- each fully paid-up	5.25 Equity Shares of Rs. 100/- each fully paid-up in GOKAK

and similarly in proportion of any greater or lesser number of shares.

9. All fractions of Equity Shares of GOKAK that will fall to be allotted to any member of PV under this Scheme shall first be consolidated and any complete Equity Shares thus resulting will be allotted to such member. All Equity Shares of GOKAK constituting the remaining fractions will be allotted to a Trustee and will be sold and the net proceeds distributed amongst the members entitled in due proportion.

10. Except as provided in Clause 12 hereof the Shares so allotted by GOKAK to any member of PV will be identical and will rank for dividend, voting rights and be in all respects *pari passu*, with the existing Equity Shares of GOKAK.

11. All members standing on the Register of Members of PV on the Appointed Day or such later day as the Board of Directors of GOKAK may determine shall surrender their respective share certificates for cancellation thereof to GOKAK and shall take all necessary steps to obtain from GOKAK the share certificates to which they may be entitled in pursuance of this Scheme. Without prejudice to the foregoing, upon the new shares being issued by GOKAK to members standing on the Register of Members of PV on the Appointed Day, or such later day as the Board of Directors of GOKAK may determine, the old share certificates in relation to the shares held by them in PV shall be deemed to be cancelled.

12. (1) Until the Effective Date of the Scheme, neither PV nor GOKAK shall issue or allot any right shares or bonus shares out of their respective share capital for the time being. However, GOKAK shall be entitled to declare Interim dividends to their Shareholders in respect of its accounting period commencing on 1st January, 1972 and ending on 30th June, 1972 at a rate not exceeding 11 per cent, PV having already declared dividends in respect of its accounting period of ten months commencing on 1st September, 1971 and ending on 30th June, 1972 at the rate of 15 per cent.

(2) In the event of GOKAK declaring a dividend to their Shareholders in respect of any period subsequent to 30th June, 1972 before the Effective Date of this Scheme, PV shall be entitled to declare a dividend to their Shareholders in respect of the same period at a rate not exceeding the rate at which dividend has been declared by GOKAK. Save as hereinabove expressly provided, PV shall not be entitled to declare any further dividend to their Shareholders for any period subsequent to 30th June, 1972.

13. So much of the Share Capital of GOKAK as may be necessary shall be appropriated to members of PV in proportion and manner provided by Clause 8 above and shall, with all reasonable despatch after this Scheme shall finally take effect, be allotted and issued, credited as fully paid-up to such members accordingly.

14. GOKAK shall in terms of this Scheme enter into an Agreement with PV for vesting in GOKAK the Undertaking of PV (subject to the liabilities duties and covenants as aforesaid) as from the Appointed Day. Such Agreement shall be subject to the consent of the Shareholders of GOKAK and PV respectively and shall contain an undertaking by GOKAK and PV to proceed with reasonable despatch with necessary applications to the Court for the purposes of obtaining an Order or Orders under Sections 391 and 394 of the Companies Act, 1956 for carrying into effect this Scheme.

15. A statement of Accounts of PV has been made in accordance with the requirements of the Companies Act, 1956 and the Income-tax Act, 1961 for the period ended 30th June, 1972. Subject to Clause 12, profits of PV for the period beginning 1st July, 1972 will belong to and be the profits of GOKAK and will be available to GOKAK for being disposed of in any manner as it thinks fit including declaration of dividend by GOKAK for the year 1972 and any year thereafter.

16. The excess of the value of the net assets over the Subscribed and Paid-up Capital based on the Balance Sheet of PV as on the Appointed Day will, to the extent of the amount appearing as Development Rebate Reserve in such Balance Sheet, be the Development Rebate Reserve of GOKAK and as to the balance thereof be the General Reserve of GOKAK available to it for distribution as dividend.

17. All mandates in force relating to the payment of dividends by PV shall, unless and until unequivocally revoked in writing, be deemed to be a valid and effective mandate to GOKAK in relation to payment of dividends.

18. For the purpose of issuing the said 76,545 Shares to the members of PV, their respective heirs, executors and administrators in the manner aforesaid, GOKAK shall in due course pass the requisite Special Resolution under Section 81 of the Companies Act, 1956.

19. On this Scheme finally taking effect as aforesaid, all the employees of PV on the Effective Date will become the employees of GOKAK with effect from the Appointed Day without any break or interruption in service and on terms not less favourable to them.

20. This Scheme is conditional upon and subject to:

- (a) the approval to the Scheme by the requisite majorities of the members of PV and of the members of GOKAK;
- (b) the sanction by the High Court under Section 391 of the Companies Act, 1956, on behalf of PV and GOKAK and to the necessary Order or Orders under Section 394 of the Companies Act, 1956 being obtained;
- (c) the sanction or approval of the Controller of Capital Issues and any other authorities concerned being obtained and granted in respect of any of the matters for which such consent or approval may be required.

This Scheme (although operative from the Appointed Day) shall take effect finally upon and from the date on which any of the aforesaid sanction or approval shall be last obtained, which shall be 'the Effective Date' for the purpose of this Scheme. Provided however, in the event of all the aforesaid sanctions and approvals, for any reason, not being obtained on or before the 31st day of December, 1973 or within such further period or periods as may be agreed upon between PV and GOKAK by their respective Boards of Directors this Scheme shall become null and void.

21. The name of GOKAK (Transferee Company) shall, subject to the provisions of Section 51 of the Companies Act, 1956 be changed to GOKAK PATEL VOLKART LIMITED with effect from such date as may be practicable after the effective date of the Scheme indicated in Paragraph 20. The word "Volkart" in the name "Patel Volkart Limited" has been used with the consent of Volkart

Brothers. PV have agreed to the inclusion of the word "Volkart" in the new name GOKAK PATEL-VOLKART LIMITED on the condition that Volkart Brothers shall have the right at any time after the new name becomes effective to call upon GOKAK PATEL-VOLKART LIMITED not to use the word "Volkart" as a part of its name, and accordingly it is proposed that when the merger becomes effective, GOKAK PATEL-VOLKART LIMITED will enter into an appropriate agreement in this behalf with Volkart Brothers.

22. Following will be the Directors of GOKAK on or after the effective date of amalgamation in terms of Paragraph 20 of the Scheme:—

1. F. H. Kemple, Esq. *Chairman*
2. G. Khandwala, Esq. *Vice-Chairman*
3. Bhagvandas C. Mehta, Esq.
4. Pratap Bhogilal, Esq.
5. Balkrishna Harivallabhdar, Esq.
6. S. R. Vakil, Esq.
7. D. J. Madan, Esq. *Managing Director*
8. Jhangir P. Patel, Esq.
9. Shavak P. Patel, Esq.
10. Peter Reinhart, Esq.

23. PV (by its Directors) and GOKAK (by its Directors) may consent on behalf of all persons concerned to any modifications or amendments to this Scheme or to any conditions which the Court or any other authority may think fit to impose or which may otherwise be considered necessary.

24. For the purpose of giving effect to this Scheme, the Directors of GOKAK are authorised to give such directions as may be necessary or desirable and to settle any question of doubt or difficulty whatsoever including any question of doubt or difficulty that may arise with regard to the issue and allotment of the said 76,545 Shares to the said members of PV as they may think fit or any question or difficulty arising in connection with the deceased or insolvent shareholder of PV.

25. All costs, charges and expenses of PV and GOKAK respectively in relation to or in connection with negotiations leading upto this Scheme and to the Agreement between the parties in respect thereof and of carrying out and complying the terms and provisions of this Scheme and of the Agreement between the parties relating thereto and of and incidental to the completion of amalgamation and merger of PV in pursuance of this Scheme shall be borne and paid on an attorney and client basis by GOKAK alone.

In case this Scheme is not sanctioned by the High Court of Judicature at Bombay for any reasons whatsoever or for any other reason this Scheme cannot be implemented, the parties to the Scheme shall bear their respective costs and expenses in connection with the Scheme of Amalgamation.

This is the Scheme of Amalgamation referred to in the Agreement dated the 6th day of March, 1973.

For THE GOKAK MILLS LIMITED For PATEL-VOLKART LIMITED

Sd/ F. H. Kemple
(Director)

Sd/ Jhangir P. Patel
(Director)

Sd/ D. J. Madan
(Director)

Sd/ D. J. Datta
(Person authorised by Board to
countersign)

SCHEDULE II

PARTICULARS OF THE TRANSFEROR'S UNDERTAKING

PART I

Freehold Properties of the Transferor

1. At Madras:

ALL THAT piece or parcel of land together with the tenement or dwelling house standing thereon situate at the Junction of College Road and Haddows Road, Nungambakkam, Madras in the Registration Sub-District of Thyagarajahagar and in the Registration District of Madras Chingleput admeasuring ten grounds or thereabouts bearing Old Survey No. 430 and Revised Survey No. 99 and Collector's Certificate No. 3763 dated 26-9-1909.

2. At Tuticorin:

(A) ALL THAT piece or parcel of land comprised in Town Survey No. 197 and admeasuring 327 cents together with all the buildings or structures standing thereon situate in the Beach Road within Ward No. 7 of the Municipality of Tuticorin and bearing Municipal Door No. 5.

(B) ALL THAT piece or parcel of land comprised in Town Survey No. 197 and admeasuring 1425 square feet together with all the structures standing thereon situate in the Beach Road within Ward No. 7 of the Municipality of Tuticorin and bearing Municipal Door No. 5.

3. At Kotkapura:

(A) ALL THAT the pieces of land measuring 39 kanals and 2 marlas bearing Khasra Numbers 3551, 3552, 3553 and 3556 situate at Kotkapura, Tehsil Faridkot, District Bhatinda together with all buildings and appurtenances thereto.

(B) ALL THAT the pieces of land measuring 28 kanals and 6 marlas comprising in Khasra Numbers 3553/2kls-0ml, 3554/10kls-3mls and 3556/16kls-3mls situate at Muktsar Road, Kotkapura, Tehsil Faridkot, District Bhatinda together with all buildings and appurtenances thereto.

(C) ALL THAT the pieces of land measuring 10 kanals bearing khasra Nos. 3551/12 marlas and 3556/9 kanals-8marlas situate at Kotkapura, Tehsil Faridkot, District Bhatinda together with all buildings and appurtenances thereto.

(D) ALL THAT the pieces of land measuring 14 kanals and 4 marlas comprising in Khasra Numbers 3549/3kanals-0ml and 3550/11kanals and 4 mla. situate at Muktsar Road, Kotkapura, Tehsil Faridkot, District Bhatinda together with all buildings and appurtenances thereto.

4. At Raichur:

(A) ALL THAT piece or parcel of land hereditaments and premises situate at Raichur in the Taluka Zilla and Registration Sub-District of Raichur in the State of Mysore containing by admeasurement 3 acres and 37 gunthas or thereabouts and bearing Survey No. 1506.

(B) ALL THOSE pieces or parcels of land hereditaments and premises lying and being adjacent to one another and forming one composite plot situate at Raichur in the State of Mysore and comprising the following Survey Nos. and the areas (according to recent Survey and/or measurements) and assessment as under namely: Survey Nos. 1504/1, 1504/2, 1505/1, 1505/3, 1507/1, 1507/2, 1507/3, 1508, 1509/1, 1509/2, 1509/3, 1510/1, 1510/2, 1510/3, 1511/1, 1511/2 Total area 12 acre: and 6 gunthas bearing Raichur Safai (Municipal) No. 395 Station Mobolla.

5. At Guntakal (Andhra Pradesh) :

ALL THOSE pieces of land hereditaments and premises situate at Timmancharla in the Registration Sub-District of Guntakal in the District of Bellary-Anantapur in the State of Andhra Pradesh containing by admeasurement 26.09 acres and bearing Survey Nos. 67A, 75A, 74A, 68E, 68F, 67C/2 and 67B.

6. At Guntur :

ALL THAT piece of land hereditaments and premises situate at Guntur in the Taluk Sub-District and District of Guntur admeasuring 3 acres and 47 cents or thereabouts bearing Field and Sub-No. 1107A being the Western half of D. No. 1107 admeasuring 6 acres and 86 cents and bearing Town Survey Nos. 706 to 710.

7. At Bombay :

Undivided Moiety of Lyndwode House, Cumballa Hill, bearing a part of new Survey No. 1/7131 and Cadastral Survey Nos. 680, 681 and 682 of Malabar and Cumballa Hill Division.

List of Freehold Properties bought from Volkart Foundation at Cochin

1. Zilla Property :

ALL THAT piece and parcel of land comprised in Survey Nos. 190, 198, 199 and 200 of Kalathikkunnu Village, having an extent of 2.6973 Hectares with all buildings constructed thereon and commonly known as Zillah property.

2. Volkart House Property :

ALL THAT piece and parcel of land comprised in Survey Nos. 53/3, 9, 10, 11 and 12 of Fort Cochin Village in the District of Ernakulam having an extent of 0.196 hectare with constructions thereon.

3. Tower House Property :

ALL THAT piece and parcel of land comprised in Survey Nos. 66/1, 66/2 and 66/3 of Fort Cochin Village in Ernakulam District having an extent of 1.3 Hectares with structures constructed thereon.

4. Ballard Road Property :

ALL THAT piece and parcel of land comprised in Survey No. 16 of Fort Cochin Village in Ernakulam District having an extent of 0.824 Hectare with all constructions thereon.

5. Calvetty Property :

ALL THAT piece and parcel of land comprised in Survey Nos. 547/1 and 547/2 of Fort Cochin Village in Ernakulam District having an extent of 1.86 hectares with all constructions thereon.

PART II

Leasehold Property of the Transferor

1. "Gulestan"

Cuffe Parade, Colaba, Bombay.

(A) ALL THAT piece or parcel of land situate at Colaba within the City and Registration Sub-District of Bombay and being Plot Nos. 4 forming part of Block V of the Backbay Reclamation and containing by admeasurement 2216 square yards or thereabouts together with the buildings standing thereon and known as "Gulestan" and which said piece of land bears Cadastral Survey No. 484 of the Colaba Division and which said premises are assessed by the Collector of Municipal

Rates and Taxes under 1(A) Ward No. A-221(2) Street No. 37 Cuffe Parade and 1-A Ward No. 221(2A) Street No. 37/ Cuffe Parade.

(B) ALL THAT piece or parcel of vacant land situate at Colaba within the City and Registration Sub-District of Bombay and being Plot No. 5 forming part of Block V of the Backbay Reclamation containing by admeasurement 2032 square yards or thereabouts and which said piece of land bears Cadastral Survey No. 473 of the Colaba Division and assessed by the Assessor and Collector of Municipal Rates and Taxes under 1(A) Ward No. A220(2) Street No. 126-A Backbay Reclamation.

2. "Marine Villa"
Wodehouse Road, Colaba, Bombay 5.

(A) ALL THAT piece or parcel of ground situate lying and being at Colaba in the City and Registration Sub-District of Bombay TOGETHER WITH the dwelling house and outhouses thereon known as "Marine Villa" and containing by admeasurement 1,381.17 square yards or thereabouts bearing Cadastral Survey No. 45 of Colaba Division and assessed by the Assessor of Municipal Rates and Taxes formerly under "A" Ward No. 220 and Street No. 126 and now under 1(A) Ward No. 220(1) and Street No. 126.

(B) ALL THAT piece or parcel of land near Wodehouse Road at Colaba within the City and Registration Sub-District of Bombay containing by admeasurement 164.35 square yards or thereabouts and known as Plot No. 5 and which said premises are assessed by the Collector of Bombay under Collector's New No. 17187 and New Survey No. 4/9671 and bearing Cadastral Survey No. 1/45 of Colaba Division.

3. "Patel House"
Wodehouse Road, Colaba, Bombay 5.

(A) ALL THAT piece or parcel of ground situate lying and being at Colaba in the City and Registration Sub-District of Bombay TOGETHER WITH the dwelling houses and outhouses thereon containing by admeasurement 1970.09 square yards or thereabouts and known as "Patel House" and bearing Cadastral Survey No. 46 of Colaba Division and assessed by the Assessor of the Municipal Rates and Taxes formerly under A Ward No. 221 and Street No. 124 and now 1(A) Ward No. 221(1) Street No. 124.

(B) ALL THAT piece or parcel of land situate near Wodehouse Road at Colaba within the City and Registration Sub-District of Bombay containing by admeasurement 393.62 square yards or thereabouts and which premises are assessed by the Collector of Bombay under Collector's New No. 17188 and New Survey No. 3/9671 and bearing Cadastral Survey No. 1/46 of Colaba Division.

4. Juhu Property:

ALL THAT piece or parcel of land of Khodi tenure together with the structures thereon situate at Juhu in the Bombay Suburban District and in the Registration Sub-District of Bandra containing by admeasurement 12082 square yards or thereabouts and bearing Survey No. 57C (part) N.A. Survey No. 57B (part) Survey No. 43A, Hissa No. 2 (part), Survey No. 43A, Hissa No. 1 (part) Survey No. 43A, Hissa 13 (part) (formerly shown as Survey No. 43A, Hissa No. 2 (part)) and Survey No. 43A Hissa No. 1 (part).

5. Gandhidham, Kutch, Gujarat State:

ALL THAT land admeasuring 1070.50 square yards or thereabouts being Plot No. 298 of Ward No. 12-B situate in the new township of Gandhidham near Kandla Port, Kutch, in the Sub-Registration District of Anjar, Registration District Kutch.

List of Leasehold Properties bought from Volkart Foundation at Cochin

1. *Willingdon Island, Cochin:*

(A) ALL THAT piece and parcel of land having an extent of 50.05 cents equivalent to 0.2020 hectare comprised in Survey No. 2578 of Mattancherry Village in District Ernakulam together with all buildings and other structures erected or standing thereon.

(B) ALL THAT piece and parcel of land having an extent of 50.06 cents equivalent to 0.2024 hectare comprised in Survey No. 2578 of Mattancherry Village together with all buildings and other structures erected or standing thereon.

2. *Plot of land purchased from Indo-Foreign Industries (Private) Limited, Willingdon Island at Cochin:*

ALL THAT piece and parcel of land situate on Willingdon Island, Mattancherry Village, Cochin-Kappayannor Taluk, Kerala State, measuring 59.8 cents of land comprised in Survey No. 2578 being Plot No. 40.

Premises Rented to Transferor Company

In Bombay:

1. Office premises on ground, first, second, fourth and fifth floors at Volkart Building, 19, Graham Road, Ballard Estate, Bombay-1.

2. Residential flats Nos. 3, 11, 14 and 23 and closed garages Nos. 3 and 4, open garages Nos. 6 and 10 at Volkart House, 63F, Jhulabhai Desai Road, Bombay-26.

3. Office on third floor at Elphinstone Building, 6, Veer Nariman Road, Bombay-1.

4. Flats on the first and fifth floors and one garage (attached to the first floor) at Revilla, 45 Cuffe Parade, Colaba, Bombay-5.

5. Flat No. 5 and one garage at West Hill, 27A, Jagmohandas Marg, Bombay-26.

6. Flat No. 3 on second floor at Campbell House, 4, Gopji Rao Deshmukh Road, Bombay-24.

7. Godowns Nos. C10, C20, H95, J149 and J150/J154, Plots Nos. 2 and 3 and offices at Jetha No. B29, Plot K, 165 at Cotton Green, Sewri.

8. Godown at Mussafarkhana Currimjee Manzil, Mussafarkhana Road, Bombay-2.

9. Garage at Westview, 87, Wodehouse Road, Colaba, Bombay-5.

10. Five garages at Sealand, Cuffe Parade, Colaba, Bombay-5.

In Ahmedabad:

Office premises:

1. Upper floor, Panbunda Building, Railwaynura Post, Ahmedabad-2.

2. Shree Dwarkanathji's Trust, Raipur, Chakla, Ahmedabad.

3. M/s. Jadavji Jivraj, Danapeeth, Bhavnagar.

4. The Bharat Cotton Ginning & Pressing Factory, Modasa Road, Kopedvanj.

*In Amravati :**Office premises :*

1. College-Road, Amravati.
2. Bedarkar Building, Talev Fall, Yeotmal.
3. Emondalkar Building, Chandmari Road, Khamsaab.
4. House No. 418 C, Ward No. 42, Amravati.

*In Broach :**Office premises :*

1. House No. A 716, Near Railway Station, Broach.
2. (Residential) Pirkathi Road, Broach.
3. Vatalwala Ginning & Pressing Factory, Dabhol.

In Bhatinda :

Railway Station Road, Bhatinda, belonging to Smt. Gunawati.

In Dhuri :

Premises belonging to Shri Des Raj, Dhuri.

In Dhuri :

Premises belonging to Shri Sarupchand, Dhuri.

In Tarnataran :

Premises belong to Shri S. Balwant Sing, Tarnataran.

In Abohar :

Premises belonging to M/s. Lakhurani Aiden, Abohar.

In Kotkapura :

Premises belonging to M/s. Sodagarmal Atmaram, Kotkapura.

In Muktsar :

Premises belonging to Smt. Reshma Devi, Muktsar.

In Sirsa :

Upper Storey, 148, New Mandi, Sirsa, Haryana.

In Bhatinda :

Sriganganagar : Premises belonging to Shri Vidyadhar Sharma, Sriganganagar

Dabwall : Premises belonging to Shri Nirajandas Bansal, Dabwall.

Bhatinda : Godown premises belonging to Smt. Gunawati, Bhatinda.

In Colmbatore :

No. 6/3, Race Course Road, Colmbatore-18.

In Tirupur :

Dhanalakshmi Mills Ltd., Tirupur.

In Jalgaon :

185, Navi Peth, Doshniukh Building, Jalgaon.

In Delhi :

1st Floor, 26, Begh Dewar, Delhi-6.

In Calcutta:

Godown premises belonging to Messrs. S. C. Chauder & Co., Proprietors
Bundaghat Jute Press, 5, Cliveghat Street, Calcutta.

In Guntakal:

1. *Bellary*: Premises belonging to Agadi Lakshminarayana Shetty.
2. O. V. Compound, Station Road, Chitradurga.
3. *Bijapur*: Office and godown premises belonging to Messrs. B. K. Choudhari.
4. *Hubli*: Premises belonging to Sha. Narayaji Shamji.
5. *Nanded*: Premises belonging to Mr. Nivil, Nivil Chand Mutha, Nanded.
6. *Bhalasa*: Premises belonging to The Bhalasa Clothing & Pressing Factory, Bhalasa.
7. *Bhalasa*: Premises belonging to M/s. Darabji Bros. & Co., Bhalasa.

In Khandwa:

1. *Ghaspura, Khandwa*: Premises belonging to Seth Radhakisanadas Kowaldas Sadhwalla, Burchanpur, Madhya Pradesh.
2. Godown premises belonging to Seth Rupchand Dipasa, Khandwa.
3. Thathe Building, Station Road, Ratlam, Madhya Pradesh.
4. Block No. 1, Kshirsagar Colony, Ujjain, Madhya Pradesh.
5. 18, New Devas Road, Indore, Madhya Pradesh.
6. Coloco Building, Swatantrya-Path, Sambhal, Goa.

PART III

Stocks, shares, debentures and other choses in action of the Transferor Company
List of Investments in Shares and Securities

<u>Name of Company</u>	<u>Description</u>	<u>Number</u>
1. Bhopal Sugar Industries Ltd., Sohore, Madhya Pradesh.	Equity	1,000
2. Bhopal Sugar Industries Ltd., Sohore, Madhya Pradesh.	Preference	100
3. Binny Limited, 7, Armenian Street, Madras-1.	Equity	6,066
4. Bombay Dyeing & Mfg. Co. Ltd., Neville House, Ballard Estate, Bombay-1.	Equity	1,440
5. Baroda Electric Meters Ltd., Anand Sojitra Road, Vallabh Vidyanagar (via Anand), District Kaira, Gujarat State.	Equity	150

<u>Name of Company</u>	<u>Description</u>	<u>Number</u>
6. Citric India Ltd., Panchak, Nasik Road, Maharashtra State.	Equity	200
7. Mogul Lines Ltd., 16, Bank Street, Dombay-1.	Equity	6
8. National Peroxide Ltd., Neville House, Ballard Estate, Bombay-1.	Equity	732
9. Sindhu Resettlement (Corp.) Ltd., Adipur (Kutch).	Equity	5
10. Sitakshmi Mills Ltd., Madurai-6.	Equity	400
11. Scindia Steam Navigation Co. Ltd., Scindia House, Narotham Morarji Marg, Ballard Estate, Bombay-1.	Equity	1,200
12. Sturdia Chemicals Ltd., Neville House, Ballard Estate, Bombay-1.	Equity	5,400
13. Vardhalakshmi Mills Ltd., Hillcrest, Madurai-4.	Equity	500
14. Tata Oil Mills Ltd., Bombay House, Bruce Street, Fort, Bombay-1.	Equity	5
15. John Fleming & Co. Ltd., 21, Bastion Road, D. N. Road, Bombay-1.	Equity	6,000
16. Tuticorin Chamber of Commerce, Tuticorin.	Members Share	10
17. Lady Amphill Nurses Institute and The South India Nursing Association, 4, Pycrofts Garden Road, Madras-600 006.	Debentures	2
18. Patel Cotton Company Limited, 19, Graham Road, Ballard Estate, Bombay-1.	Equity	10,100

Government Securities

<u>Name</u>	<u>Deposited with</u>	<u>Face Value</u>
12 Years National Saving Certificate.	Punjab State Elec. Board, Kotkapura and Dbur.	3,020

<u>Name</u>	<u>Deposited with</u>	<u>Face Value</u>
7 Years National Saving Certificate.	B.E.S.T., Bombay.	12,000
12 Years National Defence Certificate.	Central Telegraph Office, Bombay.	25,000
12 Years National Defence Certificate.	Central Telegraph Office, Bombay.	24,000
10 Years Defence Deposit Certificate.	Collector of Customs, Bombay.	15,000
5 Years National Fin Saving Certificate.	Trustees of Port Trust, Madras.	3,000
12 Years National Fin Saving Certificate.	Collector of Customs, Madras.	8,000
4 1/2% Government of India Bond 1985.	Collector of Customs, Madras.	17,000
12 Years National Defence Certificate.	Telegraph Traffic Supervisor, Tuticorin.	750
12 Years National Defence Certificate.	Supdt. Central Excise, Tuticorin.	5,000
12 Years National Defence Certificate.	Office of Customs, Alleppey.	3,000
12 Years National Defence Certificate.	Sub-Postmaster, Cochin.	500
12 Years National Defence Certificate.	Supdt. of Central Excise, Tuticorin.	3,000
7 Years National Fin Saving Certificate.	Sub-Postmaster, Cochin.	300
7 Years National Saving Certificate.	Collector of Customs, Calcutta.	15,000

PART IV

All tele. and telephone connections.



Certified to be a true copy.

This 16th day of August, 1973

Sd/ P. L. Bai

For Prothonotary & Senior Master.

HIGH COURT

O. O. C. J.

COMPANY PETITION NO. 179 OF 1973

Connected with

COMPANY APPLICATION NO. 25 OF 1973

Caram : Nain J.

Date : 9th July 1973

In the matter of the Companies Act, I of 1956

And

In the matter of The Gokak Mills Limited

The Gokak Mills Limited.....Petitioner

~~Certified Copy of~~

ORDER SANCTIONING THE SCHEME
OF AMALGAMATION

Dated this 9th day of July 1973.

Filed this 15th day of August, 1973.

Applied on 17-7-73

Engrossed on 1-8-73

Section writer SA/ xxx

Folios 120

Examined by SA/ xxx 16-8-73

Compared with SA/ xxx

Ready on 16-8-73

Delivered on 16-8-73

Messrs. Crawford Bayley & Co.,
Attorneys for the Petitioner

TATA PRESS Ltd., Bombay 400 025

September 1973

Amar Chandra MTH Shroff
Certified Copy Rs. 117-25
Additional Rs. : 96-90
TOTAL Rs. : 34-15

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY PETITION NO. 78 OF 1992
CONNECTED WITH
COMPANY APPLICATION NO. 360 OF 1991.

In the matter of Companies Act, 1956
And
In the matter of Section 391 to 394 of
the Companies Act, 1956.
And
In the matter of Gokak Patel Volkart
Limited a Company under the
Companies Act, 1956 and having its
Registered office at Forbes Building,
Charanjit Rai Marg, Fort, Bombay-400 001.
And
In the matter of a Scheme of
Amalgamation of Forbes Forbes Campbell &
Co. Limited with Gokak Patel Volkart
Limited.

Gokak Patel Volkart Limited a Company)
under the Companies Act, 1956)
and having its Registered Office)
at Forbes Building, Charanjit Rai Marg,)
Fort, Bombay-400 001.) Petitioner.

Coram : Shrikrishna J.
Date. 23rd July, 1992.

UPON the Petition of Gokak Patel Volkart Limited the
Petitioner Company abovenamed solemnly declared on 3rd day of
February, 1992 and presented to this Hon'ble Court on 4th day
of February, 1992 for sanctioning of an Arrangement embodied
in the Scheme of Amalgamation of Forbes Forbes Campbell & Co.
Ltd., (hereinafter called "the Transferor Company") with
Gokak Patel Volkart Limited, (hereinafter called "the

Transferee Company") so as to be binding on all the parties concerned including the Equity Shareholders, Secured Creditors (including Debenture Holders) and Unsecured Creditors of the Transferee Company and all classes of Shareholders and Creditors of the Transferor Company and for other consequential reliefs as mentioned in the said Petition and the said Petition being this day called for hearing and final disposal AND UPON READING the said Petition and an Affidavit of Mr. Dilip J. Madan, the Vice Chairman and Managing Director of the Petitioner Company, solemnly affirmed on 3rd February, 1992 verifying the said Petition and upon perusing the issue of Independent (Bombay Edition) and the Maharashtra Times both dated 10th February, 1992, both containing advertisement of the date of hearing of the said Petition, and upon perusing the Maharashtra Government Gazette, Part II under Serial No. 900 dated 13th February, 1992, containing the notice of the date of the hearing of the said Petition and upon reading the Affidavit of Mr. N. S. Karvir, solemnly affirmed on 3rd day of April, 1992 proving publication of the said notice in the said newspapers and in the said Maharashtra Government Gazette and upon reading the order dated 26th November, 1991 passed in Company Application No. 360 of 1991 whereby convening the meetings of the Equity Shareholders, Secured Creditors (including Debentureholders) and Unsecured Creditors of the Transferee Company including notice to be advertised in the newspapers, filing of Chairman's Report Explanatory Statements under Section 393 of the Companies Act, 1956 and UPON READING the

affidavit of Mr. D.J. Madan solemnly affirmed on 18th day of April, 1992 AND UPON HEARING Mr.K.S.Cooper with Mr.T.K.Cooper and Ms. V.G. Shroff Advocates instructed by M/s. Amarchand & mangaldas & Hiralal Shroff & Co., Advocates for the Transferor Company and Mrs.Neeta Masurkar, Panel Counsel Advocate for the Regional Director, Department of Company Affairs, Bombay who appeared in pursuance of the notice dated 11th February, 1992 of the Petition under Section 391 to 394 of the Companies Act, 1956 (hereinafter called the said Act) THIS COURT DOETH HEREBY sanction the arrangement embodied in the Scheme of Amalgamation of Forbes Forbes Campbell & Co. Ltd., the Transferor Company with Gokak Patel Volkart Limited, Transferee Company as set forth in the Exhibit "C" to the Petition subject to deletion of Sub-Clause (iv) of Clause 16 of the Scheme and rewording Sub-clause (ix) of clause 16 as "the balance shall be credited by the Transferee Company to an Account to be styled as "Amalgamation Reserve Account" " and annexed as schedule hereto. AND THIS COURT DOETH HEREBY FURTHER ORDER that the Transferee Company do within 30 days of the sealing of this Order, cause a certified copy of this Order to be delivered to the Registrar of Companies, Maharashtra, Bombay for registration and on such certified copy being so delivered, the Transferor company shall be dissolved and the Registrar of Companies, Maharashtra, Bombay, shall place all the 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 relating to the said two companies shall be consolidated, accordingly. AND THIS COURT

4

DOTH FURTHER ORDER that the parties to the Scheme of Amalgamation and any other person or persons interested therein shall be at liberty to apply to this Hon'ble Court for any direction that may be necessary in regard to the working of the Scheme of Amalgamation as sanctioned herein and annexed to this Order AND THIS COURT DOTH HEREBY LASTLY ORDER that the Transferor Company do pay a sum of Rs.500/- (Rupees Five Hundred Only) to the Regional Director, Department of Company Affairs, Bombay the cost of the said Petition. Witness: Shri Prabodh Dinkarrao Desai, the Chief Justice of the High Court of Bombay aforesaid this 23rd day of July, 1992.

By the Court,

For Prothonotary & Senior Master.

Order sanctioning the Scheme of)
Amalgamation under Sections 391 to 394 of)
the Companies Act, 1956 drawn on the)
Application of M/s. Amarchand & Mangaldas)
& Hirshlal Shroff & Co., Advocates &)
Solicitors, having their Registered Office)
at Lentin Chambers, 3rd Floor, Dalal)
Street, Fort, Bombay.)

S. C H E D U L E

SCHEME OF AMALGAMATION

OF

FORBES FORBES CAMPBELL & COMPANY LIMITED

WITH

GOKAK PATEL VOLKART LIMITED

1. This Scheme of Amalgamation provides for the Amalgamation of Forbes Forbes Campbell & Company Limited having its Registered Office at Forbes Building, Charanjit Rai Marg, Fort, Bombay-400 001 (hereinafter called "the Transferor Company") with Gokak Patel Volkart Limited also having its Registered Office at Forbes Building, Charanjit Rai Marg, Fort, Bombay-400 001 (hereinafter called "the Transferee Company"), pursuant to the relevant provisions of the Companies Act, 1956 (hereinafter called "the said Act").

2. (a) With effect from commencement of 1st January, 1992 (hereinafter called "the Appointed Date") and subject to the provisions of this Scheme in relation to the mode of transfer and vesting, the undertaking and the entire business and all the properties, assets, investments, powers, authorities, allotments, approvals and consents, licences, registrations, contracts, engagements, arrangements, rights, titles, interests, benefits and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company, including but without being limited to all patents, trade marks, trade names and other industrial rights of any nature whatsoever and licences in respect thereof, privileges, liberties, easements, advantages, benefit, leases, tenancy rights, ownership flats, quota rights, permits, approvals, authorisations, right to use and avail of telephones, telexes, facsimile connections and installations, utilities,

electricity and other services, reserves, provisions, funds, benefits of all agreements and all other interests arising to the Transferor Company (hereinafter collectively referred to as "the said assets") shall be transferred to and vested in and/or deemed to be transferred and vested in the Transferee Company pursuant to the provisions of Section 394 of the said Act for all the estate, right, title and interest of the Transferor Company therein.

(b) The transfer/vesting as aforesaid shall be subject to existing charges/hypothecation/mortgage (if any as may be subsisting) over or in respect of the said assets or any part thereof. Provided however, any reference in any security documents or arrangements to which the Transferor Company is a party, to the assets of the Transferor Company offered or agreed to be offered as Security for any Financial Assistance, or obligations, to the secured creditors of the Transferor Company shall be construed as reference only to the assets pertaining to the undertaking of the Transferor Company as are vested in the Transferee Company by virtue of the aforesaid Clause to the end and intent that such security, mortgage and charge shall not extend or be deemed to extend to any of the assets or to any of the other units or divisions of the Transferee Company, unless specifically agreed to by the Transferee Company with such secured creditors and, subject to the consents and approvals of the existing secured creditors of the Transferee Company.

(c) It is expressly provided that in respect of such of the said assets as are moveable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, the same shall be so transferred by the Transferor Company, and shall become the property of the Transferee Company in pursuance of the provisions of Section 394 of the said Act as an integral part of the undertaking.

(d) In respect of such of the said assets other than those referred to in sub-para (c) above, the same shall as more particularly provided in sub-clause (a) above, without any further act instrument or deed, be transferred to and vested in and/or be deemed to be transferred and vested in the Transferee Company on the Appointed Date pursuant to the provisions of Section 394 of the Act.

(e) The Transferee Company may at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute Deeds of Confirmation, in favour of the Secured Creditors of the Transferor Company or in favour of any other party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of the Scheme be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to implement or carry out all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.

3. With effect from the Appointed Date, all debts, liabilities, duties and obligations of the Transferor Company (hereinafter referred to as "the said liabilities") shall also be and stand transferred or deemed to be transferred, without further act, instrument or deed to the Transferee Company, pursuant to the provisions of Section 394 of the said Act so as to become as and from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or

arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this clause. It is clarified that as far as any unsecured Public Deposits of the Transferor Company are concerned, the same shall be kept distinctly identified in the records of the Transferee Company for all intents and purposes including taxation and accounting and shall not be combined under any existing Deposit Scheme of the Transferee Company.

4. This Scheme, though effective from the Appointed Date shall be operative from the last of the following dates or such other dates as the Court may direct, namely:

(a) the date on which the last of all the consents, approvals, permissions, resolutions, sanctions and orders as are hereinafter referred to have been obtained or passed, and

(b) the date on which certified copies of the Order of the Court under sections 301, 302 and 304 of the said Act are filed with the Registrar of Companies;

and such date shall be hereinafter referred to as "the Effective Date".

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

(a) the Transferor Company shall carry on and be deemed to have carried on all its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all the said Assets for and on account of and in trust for the Transferee Company;

(b) all the profits or incomes accruing or arising to the Transferor Company or expenditure or losses arising or

incurred by the Transferor Company shall for all purposes be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses of the Transferee Company, as the case may be;

(c) the Transferor Company shall carry on its business ~~activities with reasonable diligence, business prudence~~ and shall not alienate, charge, mortgage, encumber or otherwise deal with the said Assets or any part thereof, except in the ordinary course of business, or without the prior consent of the Transferee Company or pursuant to any pre-existing obligation undertaken by the Transferor Company prior to the Appointed Date;

(d) save as specifically provided in this Scheme, neither the Transferor Company nor the Transferee Company shall make any change in their capital structure (Paid-up Capital) either by any increase, (by issue of rights shares, equity or preference shares, bonus shares, convertible debentures or otherwise) decrease, reduction, reclassification, sub-division or consolidation, re-organisation, or in any other manner which may in any way affect the share exchange ratio prescribed in Clause 10 except by mutual consent of the Board of Directors of both the companies. The Transferee Company may take steps for increase of its Authorised Capital.

(e) provided that as far as the obligations in sub-clauses (c) and (d) above are concerned, the restrictions thereunder shall be applicable from the date of the acceptance of the present scheme by the respective Boards of the two Companies even if the same be prior to the Appointed Date.

6. All suits, actions and proceedings by or against the Transferor Company pending and/or arising on or before the date on which this Scheme shall finally take effect shall be continued

and be enforced by or against the Transferee Company as effectually as if the same had been pending and/or arising against the Transferor Company.

7. (a) Subject to the provisions of this Scheme all contracts, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect against or in favour of the Transferee Company as the case may be and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto. The Transferee Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any Tripartite Arrangement, confirmations or novations to which the Transferor Company will, if necessary also be a party in order to give formal effect to the provisions of this Clause, if so required or become necessary.

(b) Every Debenture issued or allotted by the Transferor Company prior to the Appointed Date, shall on and from the Effective Date be deemed to be a debenture of the same amount issued or allotted by the Transferee Company having attached to such debentures the same rights, privileges, terms and conditions including the same rights to receive interest and redemption of principal and any reference to the Transferor Company in the Debenture, Debenture Trust Deed, Letter of Offer or other document, evidencing the rights, privileges, terms and conditions of the Debenture shall be construed for these purposes as a reference to the Transferee Company. Provided that any reference

In such document to the assets of the Transferor Company offered as mortgage, charge or security for redemption of debentures and interest thereon shall be construed for this purpose as a reference to the assets of the unit(s) or division(s) pertaining to those undertakings of the Transferor Company as are vested in the Transferee Company by virtue of Clauses 2 and 3 hereof, and the same shall not extend or be applicable to any other assets, units, undertakings or properties of the Transferee Company.

8. The transfer of the said assets and the said liabilities of the Transferor Company to the Transferee Company and the continuance of all the contracts or proceedings by or against the Transferee Company shall not affect any contract or proceedings relating to the said assets or the said liabilities already concluded by the Transferor Company on or after the Appointed Date.

9. (a) The Authorised Share Capital of the Transferor Company is Rs.4,94,00,000/- (Rupees four crores ninety four lacs only) divided into 48,40,000/- (Forty eight lacs forty thousand) equity shares of Rs.10/- (Rupees ten only) each and 1,00,000/- (One lac) Unclassified Shares of Rs.10/- (Rupees ten only) each. The Issued, Subscribed and Paid-up Share Capital of the Transferor Company consists at present of 42,49,652 (Forty Two lacs forty nine thousand six hundred and fifty two only) equity shares of Rs.10/- (Rupees ten only) each aggregating to Rs.4,24,96,520/- (Rupees four crores twenty four lacs ninety six thousand five hundred and twenty only).

(b) The Authorised Share Capital of the Transferee Company is Rs.7,00,00,000/- (Rupees seven crores only) comprised of 70,00,000/- (Seventy lacs) Shares of Rs.10/- (Rupees ten

only) each. The Issued, Subscribed and Paid-up Share Capital of the Transferee Company is Rs.6,52,28,400/- (Rupees six crores fifty two lacs twenty eight thousand four hundred only) comprising of 65,22,840/- (Sixty five lacs twenty two thousand eight hundred forty) Shares of Rs.10/- (Rupees ten only) each.

(c) Upon the Scheme becoming effective, and subject to such consents as may be necessary, and subject to the provisions of the said Act, the Authorised Share Capital of the Transferee Company shall stand increased by Rs.3,00,00,000 (Rupees Three crores only) divided into 30,00,000 (thirty lacs) Shares of Rs.10/- (Rupees Ten only) each and clause 5 of the Memorandum of Association and Article 3 of the Articles of Association of the Transferee Company shall stand suitably amended. Accordingly, the revised Authorised Share Capital of the Transferee Company after such increase shall be Rs.10,00,00,000 (Rupees Ten crores only) divided into 1,00,00,000/- (One crore) shares of Rs.10/- (Rupees Ten only) each.

10. (a) Upon the Scheme becoming finally effective, in consideration of the transfer of and vesting of the said assets and said liabilities of the Transferor Company in the Transferee Company in terms of this Scheme, the Transferee Company shall without any further application or deed, issue and allot 2 (Two) Equity Shares of Rs.10/- (Rs. Ten only) each, credited as fully paid up, to the shareholders of the Transferor Company whose names are recorded in its Register of Members, on a date (Record Date), to be fixed by the Board of Directors of the Transferee Company for every 5 (Five) Equity Shares of the face value of Rs.10/- (Rupees ten only) each in the Transferor Company.

(b) No Fractional Certificates shall be issued by the Transferee Company in respect of the fractional entitlements, if any, to which the members of the Transferor Company may be entitled on issue and allotment of the Shares of the Transferee Company as aforesaid. The Directors of the Transferee Company shall instead consolidate all such fractional entitlements to which the members of the Transferor Company may be entitled on issue and allotment of the Shares of the Transferee Company as aforesaid and thereupon issue and allot Shares in lieu thereof to a Director or an Officer of the Transferee Company with the express understanding that such Director or Officer to whom such Shares be allotted shall sell the same in the market at the best available price and pay to the Transferee Company, the net sale proceeds thereof whereupon the Transferee Company shall distribute such net sale proceeds to the members of the Transferor Company in proportion to their fractional entitlements. Holders of less than 2 (Two) Equity Shares in the Transferor Company shall not be entitled to any share in the Transferee Company, but shall receive sale proceeds in respect of their fractional entitlements as above.

(c) For the purpose as aforesaid, the Transferee Company shall, if and to the extent required, apply for and obtain the consent of the Controller of Capital Issues, the Reserve Bank of India and other concerned authorities, for the issue and allotment by the Transferee Company to the respective members of the Transferor Company, the Equity Shares in the said reorganised share capital of the Transferee Company in the ratio aforesaid.

(d) The restrictions, if any, in respect of the Transfer/Hypothecation/Sale, as may be applicable to the existing shares or to the holders of shares of the Transferor Company, and

as may be existing on the Record Date referred to in Clause 10(a) of this Scheme or the date on which shares are actually allotted pursuant to the foregoing provisions shall be deemed to be abrogated and cease to apply or be attached to the Equity Shares in the Transferee Company to be issued and allotted in exchange or in lieu thereof as provided in this Scheme, unless specifically provided by the Controller of Capital Issues to the contrary.

11. Upon this Scheme becoming finally effective, all shareholders of the Transferor Company shall surrender their share certificates for cancellation thereof to the Transferee Company. Notwithstanding anything to the contrary, upon the new shares in the Transferee Company being issued and allotted by it to the eligible shareholders of the Transferor Company whose names shall appear on the Register of Members of the Transferor Company on such Record Date fixed as aforesaid, the share certificates in relation to the shares held by them in the Transferor Company shall be deemed to have been cancelled and be of no effect, on and from such Record Date.

12. (a) At any time and from time to time after the Appointed Date, the Transferor Company and the Transferee Company shall be entitled to declare and pay dividends whether interim and/or final to their respective Shareholders for any Financial Year or any period prior to the Effective Date. Both the Transferor Company and the Transferee Company shall declare and pay dividend only out of the disposable profits earned by respective Companies during such period, as permissible in law and shall not transfer any amount from the reserves for the purposes of payment of dividends, unless agreed to by the Board of Directors of both the Companies. The Transferor Company may declare dividend only after obtaining the approval of the Board

of Directors of the Transferee Company.

(b) Subject to the provisions of the Scheme, the Equity Shares of the Transferee Company to be issued and allotted to the Shareholders of the Transferor Company as provided in Clause 10 hereof, shall rank pari passu in all respect with the existing Equity Shares of Transferee Company, including the right or entitlement of dividend declared after the Appointed Date for the Accounting Year 1901-02, provided that in the event of the Transferor Company declaring and making payment of dividend to its Shareholders after the Appointed Date, but before the Effective Date in respect of the year 1901-02 or any subsequent year or period, then such Shares of the Transferor Company will not carry the right to any dividend, declared by the Transferee Company after the Appointed Date, but before the Effective Date. Notwithstanding anything to the contrary, the Equity Shares of the Transferee Company so issued and allotted to the Shareholders of the Transferor Company in accordance with clause 10 hereof shall not rank for dividend declared by the Transferee Company prior to the Appointed Date, irrespective of the fact that they may have been issued in lieu of shares held in the Transferor Company.

(c) It is clarified, however, that the aforesaid provisions in respect of declaration of dividend are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Company or Transferee Company to demand or claim any dividend which subject to the provisions of the said Act, shall be entirely in the discretion of the Board of Directors and the approval of the Shareholders of the respective Companies.

13. Upon the Scheme finally coming into effect, the services of the Managing Director/s of the Transferor Company shall stand transferred to the Transferee Company without any break or interruption in service on the same terms and conditions as prevailing on the date this Scheme finally takes effect but with such designation, powers and authorities as shall be decided by the Board of Directors of the Transferee Company.

14. (a) All Employees of the Transferor Company in service on the date immediately preceding the date on which this Scheme finally takes effect i.e. the Effective Date shall become the employees of the Transferee Company on such date without any break or interruption in service and on the terms and conditions not less favourable than those subsisting with reference to Transferor Company as on the said date.

(b) It is expressly provided that as far as the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund created or existing for the benefit of the Employees of the Transferor Company are concerned upon the Scheme becoming finally effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever related to the administration or operation of such Schemes or Funds or in relation to the obligation to make contributions to the said Funds in accordance with provisions of such Schemes, Funds as per the terms provided in the respective Trust Deeds. It is the end and intent that all the right duties, powers and obligations of the Transferor Company in relation to such Funds shall become those of the Transferee Company. It is clarified that the services of the employees of the Transferor Company will be treated as having been continued for the purpose of the aforesaid Funds or provisions.

15. It is further provided that upon the Scheme coming into effect, the debit balances appearing under the head "Miscellaneous Expenditure" in the books of the Transferor Company shall be debited by the Transferee Company to "Miscellaneous Expenditure - FRC Account" and the same shall thereafter be dealt with in the same manner as they would have been, had they been created by the Transferee Company in its own books.

16. Subject to the provisions of Clause 15 above, the excess of the value of the net assets of the Transferor Company (which shall include the balances under the head "Miscellaneous Expenditure" mentioned in Clause 15 above) as appearing in their books of account over the paid up value of the shares to be issued and allotted pursuant to the terms of Clause 10 above, shall be accounted for and dealt with in the books of the Transferee Company as follows:-

(i) An amount equal to the balance lying to the credit of the General Reserve in the books of the Transferor Company shall be credited by the Transferee Company to its General Reserve and shall constitute the Transferee Company's free reserve as effectively as if the same was created by the Transferee Company out of its own earned and distributable profits.

(ii) An amount equal to the balance lying to the credit of "Profit and Loss Account" in the books of the Transferor Company shall be credited by the Transferee Company to its General Reserve and shall constitute the Transferee Company's free reserve as effectively

as if the same was created by the Transferee Company out of its own earned and distributable profits.

(iii) An amount equal to the balance lying to the credit of the Share Premium Account in the books of the Transferor Company shall be credited by the Transferee Company in the Account to be styled as "Share Premium - FFC Account".

(iv) An amount equal to the balance lying to the credit of the Export Profit Reserve Account in the books of the Transferor Company shall be credited by the Transferee Company in the Account to be styled as "Export Profit Reserve - FFC Account".

(v) An amount equal to the balance lying to the credit of the Investment Allowance Reserve Account in the books of the Transferor Company shall be credited by the Transferee Company in the Account to be styled as "Investment Allowance Reserve - FFC Account".

(vi) The amount equal to the balance lying to the credit of the Investment Allowance Reserve Utilised Account in the books of the Transferor Company shall be credited by the Transferee Company in the Account to be styled as "Investment Allowance Reserve Utilised - FFC Account".

(vii) An amount equal to the balance lying to the credit of the Debenture Redemption Reserve Account in the books of the Transferor Company shall be credited by the Transferee Company in the Account to be styled as "Debenture Redemption Reserve - FFC Account".

(viii) The balance payable credited by the Transferee Company to an Account to be styled as "Amalgamation Reserve Account".

17. The Transferor Company shall with all reasonable despatch, make applications/petitions under Sections 301 and 304 and other applicable provisions of the said Act to the High Court of Judicature at Bombay for sanctioning of this Scheme and for dissolution of the Transferor Company without winding up under the provisions of law.

18. The Transferee Company shall also with all reasonable despatch make applications/petitions under Sections 301 and 304 and other applicable provisions of the said Act to the High Court of Judicature at Bombay for sanctioning of this Scheme under the provisions of law.

19. The Transferor Company (by its Directors) and the Transferee Company (by its Directors) may assent from time to time on behalf of all persons concerned to any modifications or amendments of this Scheme or of any conditions or limitations which the Court and/or any other authorities under law may deem fit to approve of or impose and to resolve all doubts or

difficulties that may arise for carrying out the Scheme and to do and execute all acts, deeds, matters and things necessary for putting the Scheme into effect.

20. For the purpose to give effect to this Scheme or to any modifications or amendments thereof, the Directors of the Transferee Company may give and are authorized to give all such directions as are necessary including directions for settling any question of doubt or difficulty that may arise.

21. This Scheme is ~~expressly~~ conditional upon and subject to:

(a) the sanction or approval under any law or of the Central Government or any other Agency, Department or Authorities concerned being obtained and granted in respect of any of the matters in respect of which such sanction or approval is required;

(b) the approval of and agreement to the Scheme by the requisite majorities of such classes of persons of the Transferor Company and the Transferee Company as may be directed by the High Court of Judicature at Bombay on the applications made for directions under Section 391 of the said Act for calling meetings and necessary resolutions being passed under the said Act for the purpose;

(c) the requisite Resolution under the applicable provisions of the said Act being passed by the shareholders of the Transferee Company under the applicable provisions of the

said Act, for any of the matters provided for or relating to the Scheme as may be required or be necessary;

- (d) the sanctions of the High Court of Judicature at Bombay being obtained under Section 391 and 394 and other applicable provisions of the said Act if so required on behalf of the Transferor Company and the Transferee Company;
- (e) the consent, sanction or approval if required of the Controller of Capital Issues (the Central Government) under the Capital Issues (Control) Act, 1947 being obtained;
- (f) the requisite approval of the Reserve Bank of India under the provisions of Foreign Exchange Regulation Act, 1973, for the issue of shares in the Transferee Company to the non-resident shareholders of the Transferor Company in accordance with the provisions of the Scheme being obtained.

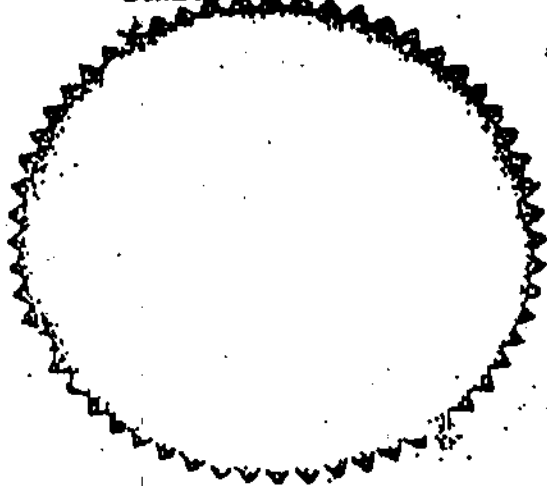
22. Upon the Scheme coming into effect and subject to such consents as may be necessary and, subject to the provisions of the said Act, the name of the Transferee Company shall be changed to "FORBES GOKAK LIMITED".

23. In the event of any of the said sanctions and approvals referred to in the preceding Clause 21 above not being obtained and/or the Scheme not being sanctioned by the High Court and/or the order or orders not being passed as aforesaid before 31st December, 1992 or within such further period or periods as may be

agreed upon between the Transferor Company by its Directors and the Transferee Company by its Directors (and which the Board of Directors of both the Companies are hereby empowered and authorised to, agree to and extend from time to time without any limitations), the scheme of amalgamation shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

24. All costs, charges and expenses of the Transferor Company and Transferee Company respectively in relation to or in connection with this Scheme and of and incidental to the completion of the amalgamation of the said undertaking of Transferor Company in pursuance of this Scheme shall, except as specifically provided herein be borne and paid by the Transferee Company.

Dombay 22nd November, 1991.



CLAIMED TO BE A TRUE COPY
This 14th day of September 1992

for [unclear] [unclear] [unclear] [unclear]



IN THE HIGH COURT OF JUDICATURE
BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY PETITION NO. 78 OF 1992
CONNECTED WITH
COMPANY APPLICATION NO. 360 OF 1991.

In the matter of Companies
Act, 1956

And

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

And

In the matter of a Scheme of
Amalgamation of Forbes Forbes
Campbell & Co. Limited with
Gokak Patel Volkart Limited.

Gokak Patel Volkart
Limited. ... Petitioners.

ORDER

SANCTIONING THE SCHEME OF AMALGAMATION
DATED THIS 23RD DAY OF JULY, 1992.

Filed on 8-9-92
crossed on 14-9-92
Date of issue: [Signature]
checked by [Signature]
copied with [Signature]
ready on 17/9/92
delivered on 18/9/92

MESSRS AMARCHAND & MANGALDAS &
HIRALAL SHROFF & CO.
ADVOCATES AND SOLICITORS,
LENTIN CHAMBERS, 3RD FLOOR,
DALAL STREET, FORT,
BOMBAY-400 022.

31.438/03
28286

Mr. Ugya Es. 9.00
Mr. ... Es. 6.00
Total Es. 15.00

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY PETITION NO. 751 OF 2003
CONNECTED WITH
COMPANY APPLICATION NO. 412 OF 2003

In the matter of the Companies Act,
1956;

And

In the matter of Sections 78 and 100
to 104 of the Companies Act, 1956;

And

In the matter of Reduction of the
Securities Premium (i.e. Share
Premium) Account of Forbes Gokak
Limited.

X Forbes Gokak Limited, a)
X ~~private~~ company incorporated)
under the Indian Companies)
X Act, 1 of 1956 and having its)
Registered Office at Forbes)
Building, Churanjit Rai)
X Marg, East-Mumbai - 400 001)

...Petitioner

Coram : Dr. D.Y. Chandrachud, J.
Date : 12th November, 2003

X UPON THE PETITION of Forbes Gokak Limited, (hereinafter referred to as the
"Petitioner Company") presented to this Hon'ble Court on the 5th day of
September, 2003 for reduction of the Securities Premium (i.e. Share Premium)
and for other consequential reliefs as mentioned in the Petition
Account of the Petitioner Company AND the said Petition being this day called
on for hearing and Final Disposal AND UPON READING the said Petition and
the Affidavit dated the 4th day of September, 2003 of Mr. C.G. Shah, Executive
Director of the Petitioner Company verifying the said Petition AND UPON
perusing the exhibits annexed to the said Petition AND UPON READING the
Affidavit of Mr. C.G. Shah dated the 4th day of September, 2003 in support of
Company Application No. 412 of 2003 and the exhibit annexed to the said

High Court of Bombay
10/17/03

Affidavit AND UPON READING the Order dated the 17th day of September, 2003 made by this Hon'ble Court in Company Application No. 412 of 2003 whereby the procedure required to be followed under Section 101 (2) of the Companies Act, 1956 was dispensed with in view of the Special Resolution passed at the 84th Annual General Meeting held on the 25th day of August, 2003 and in view of the averments made in paragraph 13 of the Affidavit in support of the Company Application No. 412 of 2003 AND UPON READING the Affidavit dated the 7th day of November, 2003 of Mr. C.G. Shahi proving publication of the notice of the hearing of the Petition in the issue of the Free Press Journal (English Edition) dated the 17th day of October, 2003 and the Nav Shakti (Marathi Edition) dated the 17th day of October, 2003 AND UPON HEARING Mr. Atul Dantle, Advocate for the Petitioner Company AND no other person or persons entitled to appear at the hearing of the Petition appearing this day either in support of the said Petition or to show cause against the same AND THIS COURT DOETH ORDER that the reduction of the Securities Premium (i.e. Share Premium) Account of the Petitioner Company resolved on and effected by the Special Resolution passed at the 84th Annual General Meeting of the Petitioner Company held on the 25th day of August, 2003 which resolution was in words and figures following, viz.

"RESOLVED THAT pursuant to the provisions of Sections 78, 100 and other applicable provisions, if any, of the Companies Act, 1956, Article 8 of the Articles of Association of the Company and subject to confirmation by the Hon'ble High Court of Judicature at Bombay the entire amount of Rs. 30,41,49,070 (Rupees Thirty crores forty one lakhs forty nine thousand and seventy only), standing to the credit of the Securities Premium (i.e. Share Premium) Account of the Company be utilized to the extent of Rs. 10,14,41,840 for the adjustment of "Miscellaneous Expenditure (to the extent not written-off or adjusted)" as on 31st March, 2003 and to the extent of Rs. 20,27,07,230 for the adjustment of the diminution, other than temporary, in the value of amounts due from the Svadexhi Mills Co. Ltd. as at 31st March, 2003;

RESOLVED FURTHER that for the purpose of giving effect to the above Resolution and for removal of any difficulties or doubts, the Board of Directors of the Company or any Committee thereof or any person authorized by the Board may nominate or constitute to exercise its powers, including the powers conferred under this Resolution he and is hereby authorized to do all such acts, deeds, matters and things as it may, in its

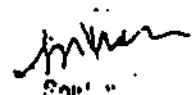


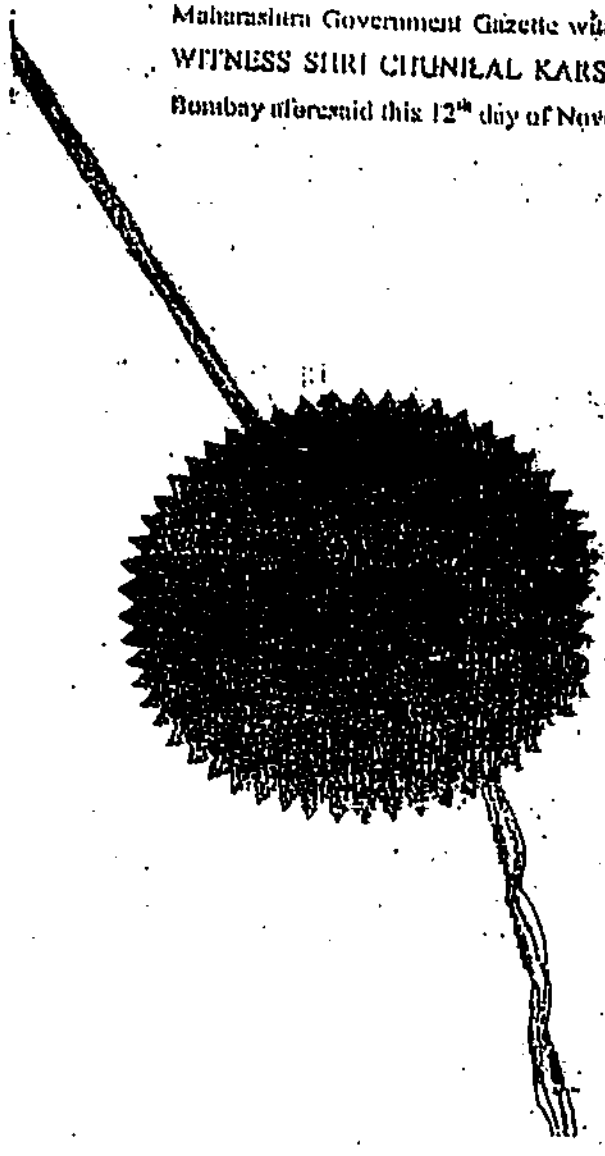
absolute discretion, deem necessary, expedient, usual or proper and to settle any question or difficulty that may arise with regard to utilization/adjustment of the Securities Premium (i.e. Share Premium) Account including passing of such accounts & entries and/or making such other adjustments in the books of account as considered necessary to give effect to the above Resolution or to carry out such modifications/directions as may be directed by the Hon'ble High Court of Judicature at Bombay to implement the aforesaid Resolution.

be and the same is hereby confirmed AND THIS COURT DOETH FURTHER ORDER that the minute set forth in the schedule hereto be and is hereby approved AND THIS COURT DOETH FURTHER ORDER that a certified copy of this Order including the minute as approved be delivered to the Registrar of Companies within 21 days from the date of the sealing of this Order AND THIS COURT DOETH LASTLY ORDER that notice of the registration by the Registrar of Companies of this Order and of the minute be published once each in the Press Journal (English Edition) and the Nav Shukti (Marathi Edition) and the Maharashtra Government Gazette within 14 days of the registration as aforesaid
 WITNESS SHRI CHUNILAL KARSANDAS THAKKER, the Chief Justice of Bombay aforesaid this 12th day of November, 2003

By the Court,


 For the Prothonotary & Senior Master


 Dated this 16th day of December 2003



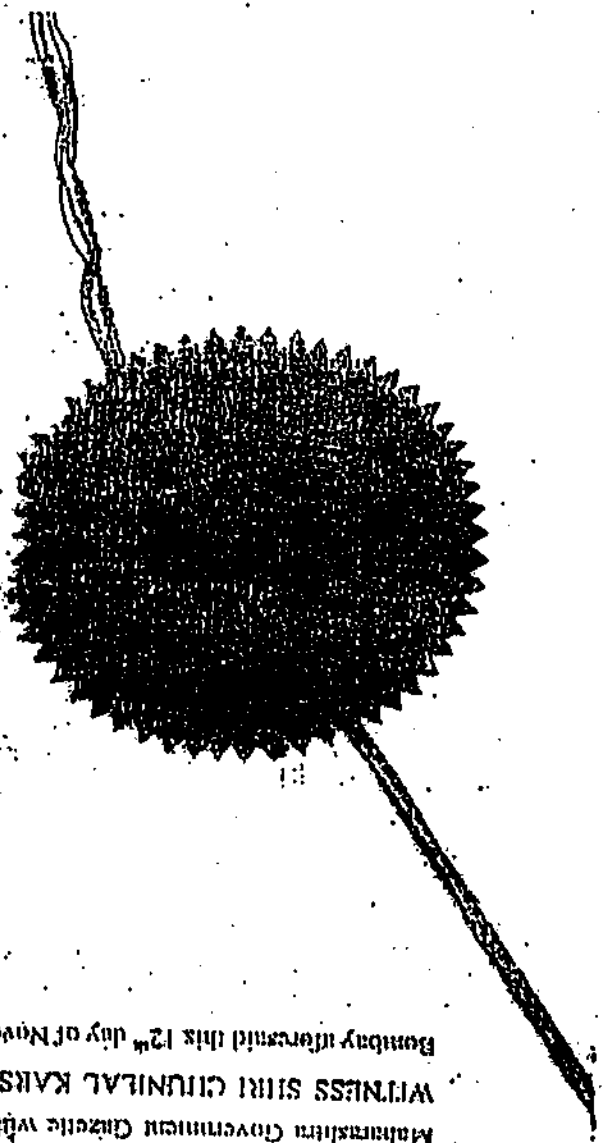
Dated this 12th day of November, 2003
[Signature]

For the Proprietors & Senior Master
[Signature]

By the Court

AND THIS COURT BOTH FURTHER ORDER that a certified copy of this Order including the minute as approved be delivered to the Registrar of Companies within 21 days from the date of the signing of this Order AND THIS COURT BOTH LASTLY ORDER that notice of the registration by the Registrar of Companies of this Order and of the minute be published once each in the Press Journal (English Edition) and the Malay Sanku (Malayali Edition) and the Maharashtra Government Gazette within 14 days of the registration as aforesaid WITNESS SRI CHINMAL KARSANIAS TIAKER, the Chief Justice of Bombay referred this 12th day of November, 2003

be and the same is hereby confirmed AND THIS COURT BOTH FURTHER ORDER that the minute set forth in the schedule here to be and is hereby approved AND THIS COURT BOTH FURTHER ORDER that a certified copy of this Order including the minute as approved be delivered to the Registrar of Companies within 21 days from the date of the signing of this Order AND THIS COURT BOTH LASTLY ORDER that notice of the registration by the Registrar of Companies of this Order and of the minute be published once each in the Press Journal (English Edition) and the Malay Sanku (Malayali Edition) and the Maharashtra Government Gazette within 14 days of the registration as aforesaid WITNESS SRI CHINMAL KARSANIAS TIAKER, the Chief Justice of Bombay referred this 12th day of November, 2003





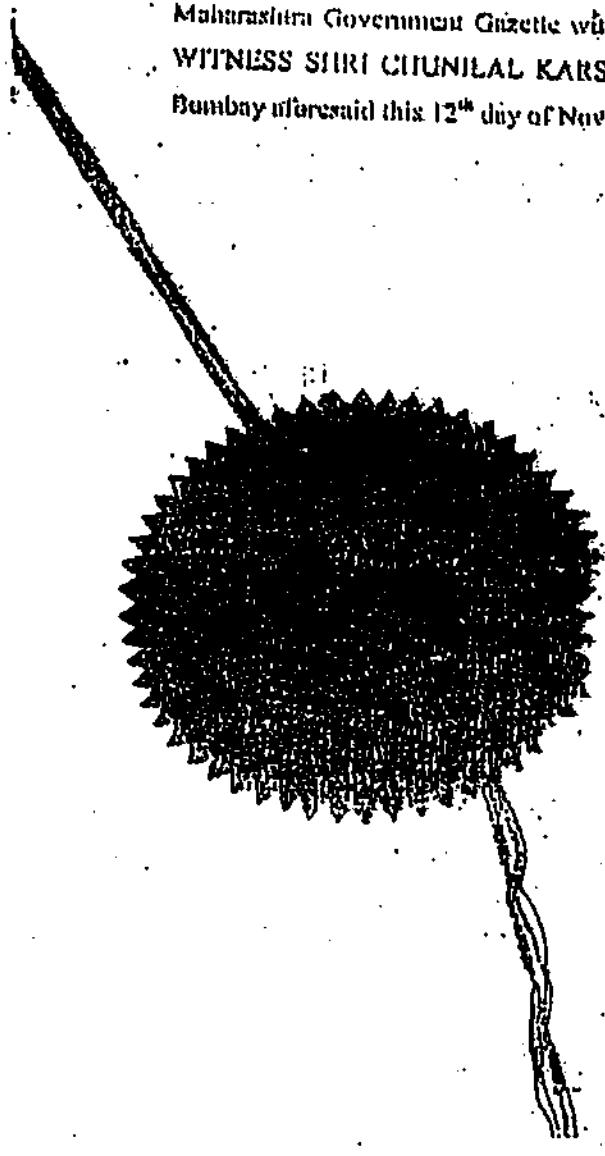
absolute discretion, if deemed necessary, expedient, usual or proper and to settle any question or difficulty that may arise with regard to utilization/adjustment of the Securities Premium (i.e. Share Premium) Account including passing of such accounts & entries and/or making such other adjustments in the books of account as considered necessary to give effect to the above Resolution or to carry out such modifications/directions as may be directed by the Hon'ble High Court of Judicature at Bombay to implement the same.

and the same is hereby confirmed AND THIS COURT DOETH FURTHER ORDER that the minute set forth in the schedule hereto be and is hereby approved AND THIS COURT DOETH FURTHER ORDER that a certified copy of this Order including the minute as approved be delivered to the Registrar of Companies within 21 days from the date of the setting of this Order AND THIS COURT DOETH LASTLY ORDER that notice of the registration by the Registrar of Companies of this Order and of the minute be published once each in the Press Journal (English Edition) and the Nav Shukti (Marathi Edition) and the Maharashtra Government Gazette within 14 days of the registration as aforesaid
 WITNESS SHRI CHUNILAL KARSANDAS THAKUR, the Chief Justice of Bombay aforesaid this 12th day of November, 2003

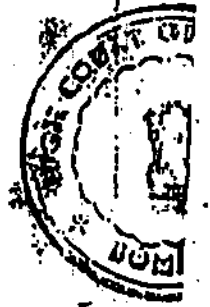
By the Court,

[Signature]
 For the Prothonotary & Senior Master

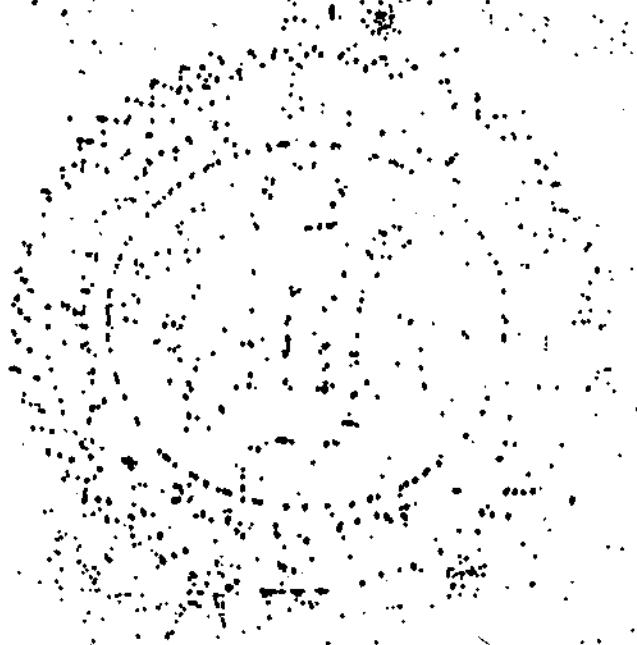
[Signature]
 Dated this 15th day of December 2003



Order confirming Reduction)
of the Securities Premium)
(i.e. Share Premium) Account)
of the Petitioner Company under)
Sections 78 and 100 of the)
Companies Act, 1956 drawn on the)
application of Mr. Atul Danile,)
Advocate for the Petitioner)
having his office at Building No. 35,)
2nd Floor, Ambalal Doshi Marg,)
Near Demi Bank, Opp. Hanam)
Street, Hanam House)
Fort, Mumbai 23)

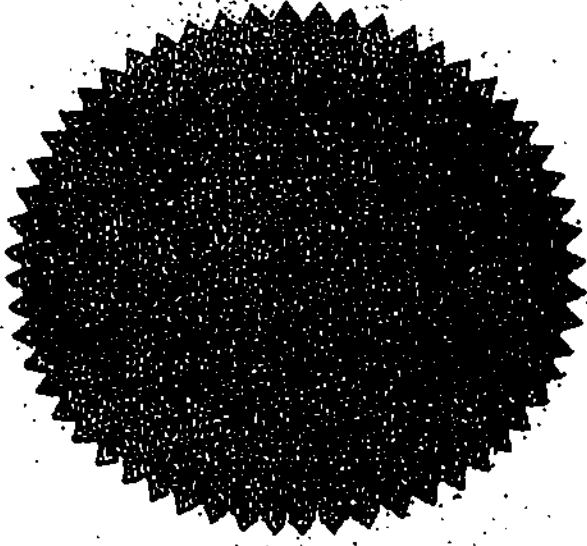


SCHEDULE



SCHEDULE
MINUTE

The entire amount of Rs. 30,41,49,070 (Rupees Thirty Crores Forty One Lakhs Forty Nine Thousand and Seventy only) standing to the credit of the Securities Premium Account (i.e. Share Premium Account) of Forbes Cakak Limited, is reduced for the adjustment and writing off of Miscellaneous Expenditure (to the extent not written off or adjusted) to the extent of Rs. 10,14,41,840 (Rupees Ten Crores Fourteen Lakhs Forty One Thousand Eight Hundred and Forty only) and for the adjustment of disbursement (other than temporary), in the value of amounts of Loans and Advances due from The Svadeshi Mills Company Ltd. to the extent of Rs. 20,27,07,230 (Rupees Twenty Crores Twenty Seven Lakhs Seven Thousand Two Hundred and Thirty only), in terms of the Special Resolution passed at the 84th Annual General Meeting held on 25th August, 2003.



CERTIFIED TO BE A TRUE COPY
This 1st day of Dec. 2003

[Signature]
for Secretary and Finance Manager

31438
2003

HIGH COURT
O. O. C. J.
Company Petition No. 751 of 2003
Connected with
Application
Company No. 412 of 2003

In the matter of the Companies Act,
1956;

And

In the matter of Sections 78 and 100 to
104 of the Companies Act, 1956;

And

In the matter of Reduction of the
Securities Premium (i.e. Share
Premium) Account of Forbes Gokak
Limited.

Forbes Gokak Limited. ... Petitioner

CERTIFIED COPY OF

ORDER CONFIRMING
REDUCTION OF SECURITIES
PREMIUM (I.E. SHARE
PREMIUM) ACCOUNT

Dated this 12th day of November, 2003

Dated this 16th day of December, 2003

Applied on 31/12/2003
Engrossed on 17/12/2003
Petition Writer
Pages 6 pages
Examined by
Compared with
Ready on 18 DEC 2003
Delivered on 18 DEC 2003

Applied on 19-11-2003
Engrossed on 12-12-2003
Section Writer
Pages
Examined by
Compared with
Ready on 16-12-2003
Delivered on

Atul Dantle
Advocate, High Court,
Advocate for the Petitioner
Building No. 35, 2nd floor,
Ambalal Doshi Marg, Near
Dena Bank, Opp. Hamara House,
Fort, Mumbai 400 023.

18 DEC 2003

GOVERNMENT OF INDIA
DEPARTMENT OF COMPANY AFFAIRS
MINISTRY OF FINANCE AND COMPANY AFFAIRS,
IN THE OFFICE OF THE REGISTRAR OF COMPANIES,
MAHARASHTRA, MUMBAI

SECTION 103(4) OF THE COMPANIES ACT, 1956
CERTIFICATE OF REGISTRATION OF ORDER OF
COURT CONFIRMING REDUCTION OF CAPITAL

No. ROC 628 KC

M/s. FORBES GOKAK LIMITED,

having by Special Resolution reduced its capital, and
such reduction having been confirmed by an Order of High Court, Mumbai,
in Company Petition No. 412 OF 2003 being dated the 12th November 2003.

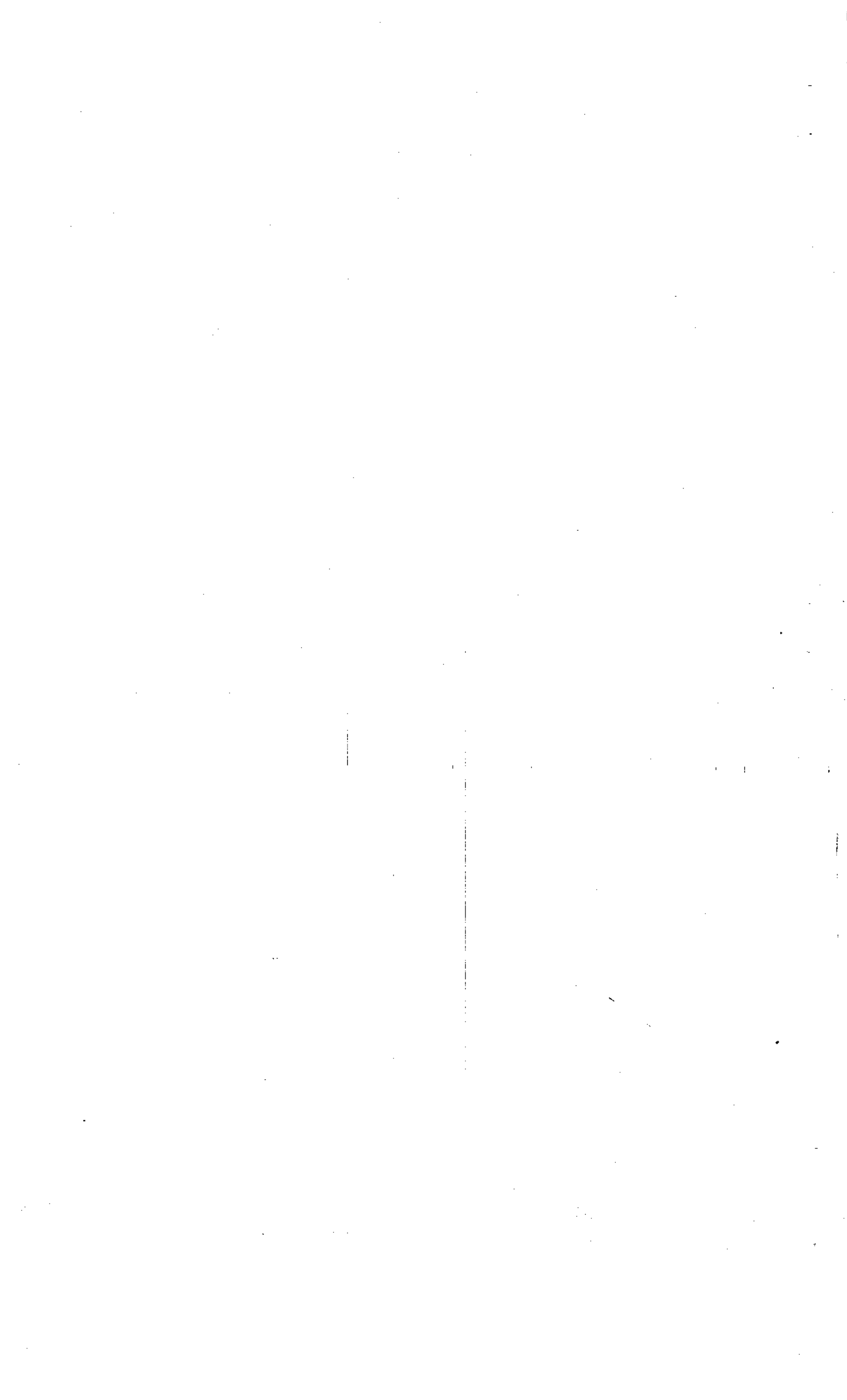
I hereby certify that copy of the said Order and minute approved by the Court
showing particulars of the capital and shares of the Company as altered by the said
Order have this day been registered.

GIVEN UNDER MY HAND AT MUMBAI.

THIS THIRTY FIRST DAY OF DECEMBER 2003.



SP
31/12/03
(SANJAY YADAV)
ASSTT. REGISTRAR OF COMPANIES
MAHARASHTRA, MUMBAI.



FORM II
(See Regulation 20)

Memorandum acknowledging receipt of documents

No. ROC/KC/F-21/6281

OFFICE OF THE REGISTRAR OF COMPANIES

The Registrar of Companies acknowledges the receipt of the
undermentioned document relating to M/S Forbes Gokak Limited Ltd

Description of documents: F. No. 21 along with the certified copy of the
Station Mumbai Courts order dt 10.6.2004 reference to section 891-79
and Section 177 of 2004.

Date 26-07-04



By [Signature] REGISTRAR OF COMPANIES



14/2/04 1245

204 6997 12
...
6:00
21:20

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY PETITION NO. 177 OF 2004
CONNECTED WITH
COMPANY APPLICATION NO. 572 OF 2003

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

and

In the matter of Forbes Gokak Limited

and

In the matter of the Scheme of
Amalgamation of Bradma of India Limited
and Campbell Knitwear Limited with Forbes
Gokak Limited

Forbes Gokak Limited, a company incorporated)
under the India Companies Act, 1913 and having)
its Registered Office at Forbes Building,)
Charanjit Rai Marg, Fort, Mumbai 400 001) ...Petitioner

Court : J. N. Patel J.
Date : 10th June, 2004

UPON the Petition of Forbes Gokak Limited, the Petitioner Company abovenamed presented to this Hon'ble Court on the 20th day of February, 2004 for sanction of the arrangement embodied in the proposed Scheme of Amalgamation of Bradma of India Limited (hereinafter referred to as "the First Transferor Company" or "Bradma") and Campbell Knitwear Limited (hereinafter referred to as "the Second Transferor Company" or "CKL") with Forbes Gokak Limited (hereinafter referred to as "the Transferee Company" or the "Petitioner Company" or "FGL") and for other consequential reliefs as mentioned in the Petition AND the said Petition being this day called on for hearing and final disposal AND UPON READING the said Petition and the Affidavit of Mr. Chandrakant G. Shah, Executive Director of the Petitioner Company dated 20th day of February, 2004 verifying the said Petition AND UPON READING the Affidavit of Mr. C. G. Shah dated the 2nd day of April, 2004 proving publication of the Notice of the

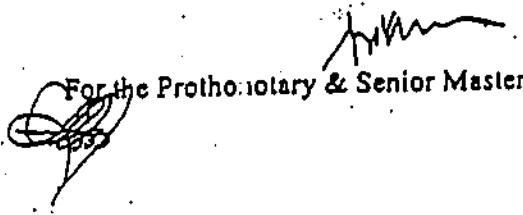
hearing of the said Petition in the issue of the Free Press Journal and the Navshakti both dated the 16th day of March, 2004 and also proving dispatch of notice of hearing of the said Petition to all the Unsecured Creditors of the Petitioner Company AND UPON READING the Affidavit of Mr. Iqbal-Hudda, clerk in the office of the Advocate for the Petitioner Company dated the 16th day of March, 2004 proving service of notice of hearing of the said Petition upon the Regional Director, Department of Company Affairs, Maharashtra, Mumbai AND UPON READING the Order dated the 19th day of December, 2003 made by this Hon'ble Court in Company Application No. 572 of 2003 whereby the Petitioner Company was ordered to convene a meeting of its Equity Shareholders for the purpose of considering and if thought fit approving with or without modification(s), the arrangement embodied in the Scheme of Amalgamation of the First Transferor Company and the Second Transferor Company with the Petitioner Company AND the meeting of the Secured Creditors was dispensed with in view of the consent given, in writing, by seven Secured Creditors annexed as Exhibits "K1 to K7" to the Affidavit in Support of the Company Application No. 572 of 2003 and in view of the undertaking given by the Petitioner Company to obtain the consent of the remaining one Secured Creditor and meeting of the Unsecured Creditors was also dispensed with in view of the averment made in paragraph 31 of the Affidavit in Support of the Company Application No. 572 of 2003 and in view of the undertaking given by the Petitioner Company to give notice of hearing of the said Petition to all the Unsecured Creditors of the Petitioner Company AND UPON READING the Affidavit of Mr. C. G. Shah dated the 19th day of January, 2004 proving publication of the notice convening the meeting of its Equity Shareholders in the issue of the Free Press Journal and the Navshakti both dated the 13th day of January, 2004 and dispatch of notice convening the meeting to individual Equity Shareholders of the Petitioner Company AND UPON READING the Report dated the 4th day of February, 2004 of Mr. Shapoor P. Mistry, Chairman of the meeting of the Equity Shareholders of the Petitioner Company as to the result of the said meeting AND UPON READING the Affidavit of Mr. Shapoor P. Mistry dated the 10th day of February, 2004 verifying the said Report AND IT APPEARS from the said Report

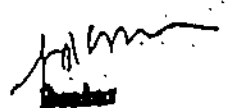
of the Chairman that the Scheme of Amalgamation has been approved by the requisite majority in number and representing more than three fourth in value of Equity Shareholders of the Petitioner Company present at the said meeting and voting in person or by proxy AND UPON PERUSING the consent in writing given by the remaining Secured Creditor of the Petitioner Company annexed as Exhibit "L" to the Petition AND UPON READING the Affidavit dated 21st day of April, 2004 of Mr. Chakradhara Paik, Regional Director, Western Region, Department of Company Affairs, stating that the Scheme is not prejudicial to the interest of the shareholders and creditors of the Petitioner Company AND UPON HEARING Mr. Kirti Munshi, Counsel instructed by Mr. Atul Damle, Advocate for the Petitioner Company and Mr. R. C. Master, Panel Counsel for the Regional Director, Department of Company Affairs Maharashtra, Mumbai, who submits to the Order of the Court AND no other person or persons entitled to appear at the hearing of the said Petition appearing this day either in support of the said Petition or to show cause against the same THIS COURT DOETH HEREBY SANCTION the ~~Scheme of Amalgamation~~ arrangement embodied in the Scheme of Amalgamation of Bradma of India Limited, the First Transferor Company, and Campbell Knitwear Limited, the Second Transferor Company, with Forbes Gokak Limited, the Petitioner Company, as set out in Exhibit "D" to the Petition and also in the Schedule hereto AND THIS COURT DOETH HEREBY DECLARE that the Scheme of Amalgamation sanctioned herein shall be binding on the Transferor Companies and the Petitioner Company and also their respective shareholders and creditors AND THIS COURT DOETH FURTHER ORDER that with effect from the 1st day of April, 2003 (hereinafter referred to as "the Appointed Date") entire undertakings of the Transferor Companies including all their respective ^{properties} ~~assets and properties~~ more particularly described in the Scheme of Amalgamation being Exhibit "D" to the Petition and also in the Schedule hereto shall without any further act or deed and pursuant to the provisions of Section 394 of the Companies Act, 1956 stand transferred to and vested in the Petitioner Company so as to become the property of the Petitioner Company AND THIS COURT DOETH FURTHER ORDER that with effect from the Appointed Date all the debts, liabilities, duties and obligations of the Transferor

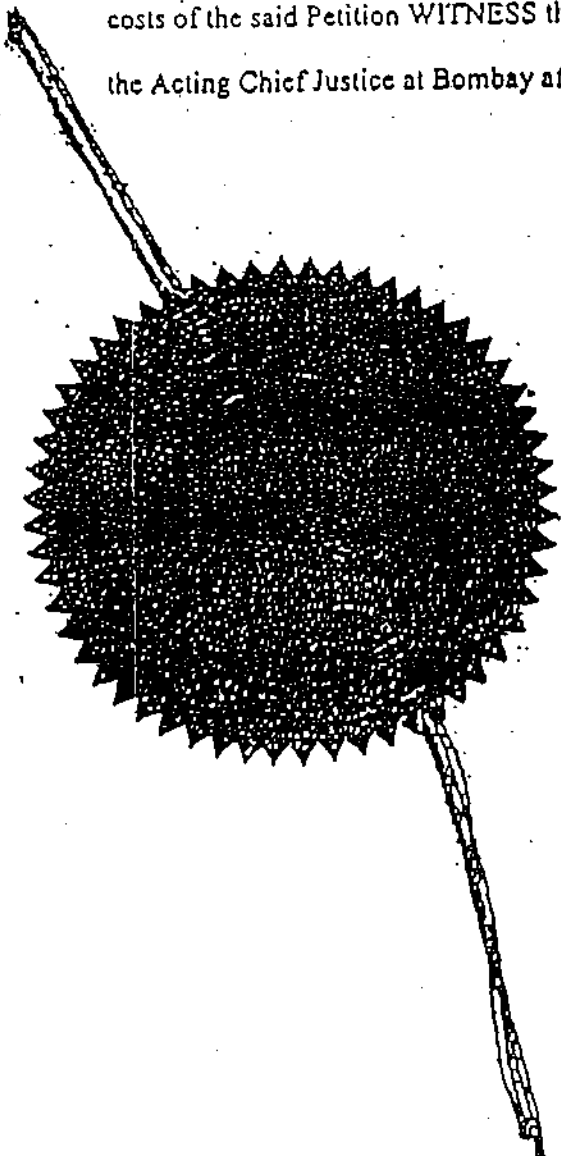
Companies shall without any further act or deed and pursuant to the provisions of Section 394 of the Companies Act, 1956 stand transferred to the Petitioner Company so as to become the debts, liabilities, duties and obligations of the Petitioner Company AND THIS COURT DOTH FURTHER ORDER that all contracts, deeds, bonds, agreements arrangements and other instruments to which the Transferor Companies are a party or to the benefit of which the Transferor Companies are eligible and which are subsisting or having effect immediately before the Effective Date ^{shall} remain in full force and effect against or in favour of the Petitioner Company as the case may be and binding on and enforceable by or against the Petitioner Company as fully and effectually as if, instead of the Transferor Companies, the Petitioner Company had at all material times been a party or beneficiary thereto AND THIS COURT DOTH FURTHER ORDER that all permanent employees of the Transferor Companies in service on the date immediately preceding the Effective Date shall become the permanent employees of the Petitioner Company on and from the Effective Date as more particularly provided in Clause 14 of the Scheme of Amalgamation being Exhibit "D" to the Petition and also in the Schedule hereto AND THIS COURT DOTH FURTHER ORDER that any suit, appeal or other proceedings of whatever nature by or against the Transferor Companies which are pending on or after the Appointed Date, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Undertaking or of anything contained in this Scheme, but the Proceedings may be continued, prosecuted and enforced by or against the Petitioner Company in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against the Transferor Companies as if this Scheme had not been made AND THIS COURT DOTH FURTHER ORDER that upon the Scheme becoming effective entire share capital of the Transferor Companies held by the Petitioner Company along with its nominees which is the holding company automatically stand cancelled and the Petitioner Company not be required to allot any shares to the members of the Transferor Companies AND THIS COURT DOTH FURTHER ORDER that the Petitioner Company shall within 30 days from the date of the sealing of this Order cause a certified copy of this Order to be

delivered to the Registrar of Companies, Maharashtra, Mumbai for registration and that upon such certified copy of the Order being so delivered the Transferor Companies shall stand dissolved without winding up and the Registrar of Companies, Maharashtra, Mumbai shall thereupon place all documents relating to the Transferor Companies and registered with him on the files kept by him in relation to the Petitioner Company and consolidate the files of the Transferor Companies and the Petitioner Company accordingly AND THIS COURT DOETH FURTHER ORDER that the parties to the arrangement embodied in the Scheme of Amalgamation sanctioned herein or any other person or persons interested therein shall be at liberty to apply to this Hon'ble Court for any direction that may be necessary in regard to the working of the arrangement embodied in the Scheme of Amalgamation sanctioned herein and set forth in the Schedule hereto AND THIS COURT DOETH LASTLY ORDER that the Petitioner Company do pay a sum of Rs. 2,500/- (Rupees Two thousand five hundred only) to the Regional Director, Department of Company Affairs Maharashtra, Mumbai towards the costs of the said Petition WITNESS the Hon'ble Shri AJIT PRAKASH Shah, the Hon'ble the Acting Chief Justice at Bombay aforesaid this 10th day of June, 2004.

By the Court,


For the Prothonotary & Senior Master


Dated this 5th day of July 2004



Order sanctioning the Scheme of Amalgamation)
drawn on the application by Mr. Atul Damle)
having his office at Building No. 23; 2nd floor;)
Ambalal Doshi Marg. Near Dena Bank,)
Opp Hamam House, Fort, Mumbai 400 023)

SCHEDULE

SCHEDULE

SCHEME OF AMALGAMATION

OF

BRADMA OF INDIA LTD.

&

CAMPBELL KNITWEAR LIMITED

WITH

FORBES GOKAK LIMITED

UNDER SECTIONS 391 AND 394 OF THE COMPANIES ACT, 1956

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

1. This Scheme of Amalgamation (hereinafter called "the Scheme") provides for the amalgamation of BRADMA OF INDIA LIMITED, an existing company under the Companies Act, 1956 (hereinafter called "the said Act" and shall include any statutory modifications or re-enactments thereof for the time being in force) and having its Registered Office at "CRYSTAL" building, 4th Floor, 79, Dr. A. B. Road, Worli, Mumbai-400 018 and CAMPBELL KNITWEAR LIMITED a company incorporated under the said Act and having its Registered Office at Forbes Building, Charanjit Rai Marg, Fort, Mumbai 400 001, BRADMA OF INDIA LIMITED and CAMPBELL KNITWEAR LIMITED are hereinafter collectively called "the Transferor Companies", with FORBES GOKAK LIMITED an existing company under the said Act and also having its Registered Office at Forbes Building, Charanjit Rai Marg, Fort, Mumbai-400 001 (hereinafter called "the Transferee Company").
- 2.(a) With effect from 1st April, 2003 (hereinafter called "the Appointed Date") and subject to the provisions of this Scheme in relation to the mode of transfer and vesting, the Undertaking (as hereinafter defined) and business of each of the Transferor Companies, including all the properties, assets, investments, powers, authorities, allotments, approvals and consents, licences, registrations, contracts, engagements, arrangements, rights, title, interests, benefits and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Companies, including but without being limited to all patents, trade marks, trade names and other industrial rights of any nature whatsoever and licences in respect thereof, privileges, liberties, easements, advantages, benefits, leases, tenancy rights, ownership flats, all moveable and immovable properties, quota rights, import quotas, permits, approvals,

authorizations, right to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, reserves, provisions, funds, rights and benefits of all agreements and other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, arising to the Transferor Companies (hereinafter collectively called "the said Assets") shall stand transferred to and vest in and/or be deemed to be transferred to and vest in the Transferee Company without any further act, deed, matter or thing so as to (save as provided in sub-clause (c) below) become the property and assets of the Transferee Company, pursuant to the provisions of Section 394 of the said Act for all the estate, right, title and interest of the Transferor Companies therein.

(b) The transfer and vesting as aforesaid shall be subject to all existing charges/hypothecation/mortgage/lien/encumbrances (if any as may be subsisting) over or in respect of the said Assets or any part thereof. Provided however, any reference in any security documents or arrangements to which either of the Transferor Companies are parties, to the said Assets of the Transferor Companies offered or agreed to be offered as security for any financial assistance or obligations, to the secured creditors of each of the Transferor Companies shall be construed as reference only to the said Assets pertaining to the Undertaking of either of the Transferor Companies as are vested in the Transferee Company by virtue of the aforesaid sub-clause (a) to the end and intent that such charges/hypothecation/mortgage/lien/encumbrances shall not extend or be deemed to extend to any of the said Assets or to any of the other units or divisions of the Transferee Company and the Transferee Company shall not be obliged to create any further or additional security therefor after the Effective Date (as hereinafter defined) or otherwise (unless specifically agreed to by the Transferee Company with any such secured creditors) and subject to the consents and approvals of the existing secured creditors of the Transferee Company.

(c) It is expressly provided that all the moveable assets, of each of the Transferor Companies shall be physically handed over by manual delivery or endorsement and delivery, to the end and intent that the ownership and property therein passes to the Transferee Company on such handing over in pursuance of the provisions of Section 394 of the said Act (as an integral part of the Undertaking). The amounts lying with the Banks to the credit of each of the Transferor Companies as of the Appointed Date shall also be transferred to the Transferee Company. Such delivery and transfer shall be made on a date to be mutually agreed upon between the respective Board of Directors of each of the

Transferor Companies and the Transferee Company prior to the filing of the certified copies of the Orders of the High Court of Judicature at Mumbai with the Registrar of Companies, Maharashtra, by each of the Transferor Companies and Transferee Company.

- (d) In respect of such of the said Assets (other than those referred to in sub-clause (c) above), the same shall as more particularly provided in sub-clause (a) above, without any further act instrument or deed, be transferred to and vest in and/or deemed to be transferred and vest in the Transferee Company on the Appointed Date pursuant to the provisions of Section 394 of the said Act.
- (e) The Transferee Company may at any time after the Effective Date in accordance with the provisions hereof, if so required, under any law or otherwise, execute Deeds of Confirmation, in favour of the secured creditors of each of the Transferor Companies or deeds (including deeds of adherence) or other writings or tripartite arrangements with any party to any contract or arrangement to which either of the Transferor Companies is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of this Scheme be deemed to be authorized to execute any such writings on behalf of each of the Transferor Companies and to implement or carry out all such formalities or compliances referred to above on the part of each of the Transferor Companies to be carried out as performed.
3. With effect from the Appointed Date, all debts, liabilities, duties and obligations of each of the Transferor Companies (hereinafter called "the said Liabilities") shall, without any further act, instrument or deed, be and stand transferred and be deemed to be transferred to the Transferee Company, pursuant to the provisions of Section 394 of the said Act so as to become, as and from the Appointed Date, the said Liabilities of the Transferee Company and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of any of the said Liabilities which have arisen in order to give effect to the provisions of this Clause. It is clarified that as far as any unsecured Public Deposits of each of the Transferor Companies are concerned, the same shall be kept distinctly identified in the records of the Transferee Company for all interests and purposes including taxation and accounting and shall not be combined under any existing Deposit Scheme of the Transferee Company. (The said Assets and the said Liabilities are collectively, wherever the context so requires or so permits, are hereinafter called "the Undertaking").

4. This Scheme, though effective from the Appointed Date, shall be operative from the last of the dates on which all the conditions set out in Clause 21 below shall have been fulfilled (hereinafter called "the Effective Date");

5. With effect from the Appointed Date upto and including the Effective Date:

- (a) each of the Transferor Companies shall carry on and be deemed to have carried on all their respective businesses and activities for and on account of and in trust for the Transferee Company;
- (b) each of the Transferor Companies shall be deemed to have held and stood possessed of and shall hold and stand possessed of all of their respective businesses and activities, along with the said Assets, for and on account of and in trust for the Transferee Company;
- (c) all the profits, taxes (including advance tax and tax deducted at source) or incomes accruing or arising to either of the Transferor Companies or any costs, charges, expenditure or losses arising or incurred by each of the Transferor Companies shall for all purposes be treated and be deemed to have been accrued and accrue as the profits, taxes, incomes, costs, charges, expenditure or losses of the Transferee Company, as the case may be;
- (d) each of the Transferor Companies shall carry on its respective businesses and activities with reasonable diligence and business prudence and shall not alienate, charge, mortgage, encumber or otherwise deal with or dispose of the said Assets or any part thereof, except in the ordinary course of business, or without the prior consent of the Transferee Company (or pursuant to any pre-existing obligation undertaken by the Transferor Companies prior to the Appointed Date);
- (e) save as specifically provided in this Scheme, neither the Transferor Companies nor the Transferee Company shall make any change in their capital structure (Paid-up Capital) either by any increase, (by issue of rights shares, equity or preference shares, bonus shares, convertible debentures or otherwise), decrease, reduction, reclassification, subdivision or consolidation, re-organization, or in any other manner, except by mutual consent of the Board of Directors of each of the Transferor

Companies and the Transferee Company. Only the Transferee Company may take steps for increase of its Authorized Capital;

- (f) provided that as far as the obligations in sub-clauses (d) and (e) above are concerned, the restrictions thereunder shall be applicable from the date on which this Scheme is approved by the respective Boards of each of the Transferor Companies and the Transferee Company even if the same be prior to the Appointed Date;
 - (g) neither of the Transferor Companies shall vary the terms and conditions of service of their permanent employees except in the ordinary course of business;
 - (h) For removal of doubt it is clarified that to the extent that there are inter-company loans, deposits or balances as between the Transferor Companies and the Transferee Company, the obligations in respect thereof shall come to an end and there shall be no liability in that behalf and corresponding effect shall be given in the books of account and records of the Transferee Company for the reduction of any assets or liabilities as the case may be and there would be no accrual of interest or any other charges in respect of such inter-company loans, deposits or balances, with effect from the Appointed Date.
6. If any suit, appeal or other proceedings of whatever nature (hereinafter called "the Proceedings") by or against either of the Transferor Companies is pending on or after the Appointed Date, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Undertaking or of anything contained in this Scheme; but the Proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against either of the Transferor Companies as if this Scheme had not been made.
- 7.(a) Subject to the other provisions of this Scheme all contracts, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature to which either of the Transferor Companies are parties or to the benefit of which either of the Transferor Companies may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall remain in full force and effect against or in favour of the Transferee Company as the case may be, and shall be binding on and be enforceable by and against the Transferee Company

as fully and effectually as if, instead the Transferor Companies, the Transferee Company had at all material times been a party or beneficiary thereto.

(b) Every Debenture issued or allotted by the Transferor Companies prior to the Appointed Date, shall on and from the Effective Date be deemed to be a Debenture of the same amount issued or allotted by the Transferee Company having attached to such Debentures the same rights, privileges, terms and conditions including the same rights to receive interest and redemption of principal and any reference to the Transferor Companies in the Debenture, Debenture Trust Deed, Letter of Offer or other document, evidencing the rights, privileges, terms and conditions of the Debenture shall be construed for these purposes as a reference to the Transferee Company. Provided that any reference in such document to the said Assets of the Transferor Companies offered as mortgage, charge or security for redemption of debentures and interest thereon shall be construed for this purpose as a reference to the assets of the unit(s) or division(s) pertaining to the Undertaking of each of the Transferor Companies as are vested in the Transferee Company by virtue of Clauses 2 and 3 hereof, and the same shall not extend or be applicable to any other assets, units, undertakings or properties of the Transferee Company.

8. The transfer of the Undertaking of each of the Transferor Companies to the Transferee Company and the continuance of all the contracts or proceedings by or against the Transferee Company shall not affect any contract or proceeding relating to the Undertaking already concluded by either of the Transferor Companies on or after the Appointed Date;

9.(a) The Share Capital of the Transferor Companies as on 31st October, 2003 is as under

1	<u>Bradma of India Ltd.</u>	
	<u>Authorised Capital</u>	<u>Rupees</u>
	4,00,000 Equity Shares of Rs.100/- each	4,00,00,000
	<u>Issued</u>	
	3,50,000 Equity Shares of Rs.100/- each	3,50,00,000
	<u>Subscribed and Paid-up</u>	
	3,49,648 Equity Shares of Rs.100/- each fully paid up	3,49,64,800

2.	<u>Campbell Knitwear Ltd.</u>	
	<u>Authorised Capital</u>	<u>Rupees</u>

1,50,00,000	Equity Shares of Rs.10 each	15,00,00,000
30,00,000	14% Cumulative Redeemable Preference Shares of Rs.10 each	3,00,00,000
1,62,50,000	Preference Shares of Rs.10 each	<u>16,25,00,000</u>
		<u>34,25,00,000</u>

<u>Issued, Subscribed & Paid-up Capital</u>		<u>Rupees:</u>
1,15,00,000	Equity Shares of Rs.10 each fully paid up	11,50,00,000
30,00,000	14% Cumulative Redeemable Preference Shares of Rs.10 each fully paid up.	3,00,00,000
62,50,000	6% Non-Cumulative Redeemable Preference Shares of Rs.10 each fully paid up	6,25,00,000
60,00,000	10% Convertible Preference Shares of Rs.10 each fully paid up	<u>6,00,00,000</u>
		<u>26,75,00,000</u>

The entire subscribed capital of the Transferor Companies is held by Transferee Company.

(b) The Share Capital of the Transferee Company as on 31st October, 2003 is as under:

<u>Authorised Capital</u>	<u>Rupees</u>
1,50,00,000 Shares of Rs. 10 each	15,00,00,000
<u>Issued, Subscribed & Paid Up Capital</u>	
1,24,53,402 Equity Shares of Rs. 10 each fully paid up.	12,45,34,020.

10. The Transferee Company along with its nominee(s) holds the entire issued, subscribed and paid up equity share capital of both the Transferor Companies. Accordingly, on and from the Effective Date the entire share capital of each of the Transferor Companies shall automatically stand cancelled and the Transferee Company shall not be required to allot any shares to the members of either of the Transferor Companies.

11. From the Effective Date,
- (a) the share certificates in relation to the equity shares held by the Transferee Company in the Transferor Companies shall be deemed to have been cancelled and be of no effect.
 - (b) the goodwill or any surplus, if any, of each of the Transferor Companies arising as a result of the cancellation of the equity shares as aforesaid shall be adjusted against the amalgamation reserve of the Transferee Company.
 - (c) all expenses in relation to the preparation and implementation of this Scheme shall be adjusted against the amalgamation reserve of the Transferee Company.
12. At any time and from time to time after the Appointed Date, the Transferor Companies and the Transferee Company shall be entitled to declare and pay dividends whether interim and/or final to their respective shareholders for any Financial Year or any period prior to the Effective Date. Both the Transferor Companies and the Transferee Company shall declare and pay dividend only out of the disposable profits earned by them during such period, as permissible in law and shall not transfer any amounts from the reserves for the purposes of payment of dividend, unless agreed to by the Board of Directors of the Transferor Companies and the Transferee Company. The Transferor Companies may declare dividends only after obtaining the approval of the Board of Directors of the Transferee Company.
13. From the Effective Date, the service of the Managing Director(s), Executive Director(s) and/or Manager(s) under the said Act of each of the Transferor Companies shall stand transferred to the Transferee Company without any break or interruption in service and on the same terms and conditions as prevailing on the Effective Date but with such designation, powers and authorities as shall be decided by the Board of Directors of the Transferee Company. All such Managing Director(s)/Executive Director(s) and/or Manager(s) shall on the Effective Date cease to be Directors/Executive Director(s) and/or Managers in terms of the said Act.
14. All permanent employees of each of the Transferor Companies in service on the date immediately preceding the Effective Date shall become the permanent employees of the Transferee Company on and from the Effective Date on the basis that:

- (a) their services shall be deemed to have been continuous and not have been interrupted by reason of the transfer of the Undertaking; and
 - (b) the terms and conditions of service applicable to such employees after such transfer shall not in any way be less favourable than those applicable to them immediately preceding the transfer.
 - (c) It is expressly provided that as far as the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund created or existing for the benefit of the employees of each of the Transferor Companies are concerned upon the Effective Date, the Transferee Company shall stand substituted for the Transferor Companies for all purposes whatsoever related to the administration or operation of such Scheme or Funds or in relation to the obligation to make contributions to the said Funds or in accordance with provisions of such Schemes, Funds as per the terms provided in the respective Trust Deeds. It is the end and intent that all the rights, duties, powers and obligations of each of the Transferor Companies in relation to such Funds shall become those of the Transferee Company. It is clarified that the services of the employees of the Transferor Companies will be treated as having been continuous for the purpose of the aforesaid Funds or provisions.
15. On and from the Effective Date the debit balance appearing under the head "Miscellaneous Expenditure" in the books of each of the Transferor Companies shall be debited by the Transferee Company to "Miscellaneous Expenditure Account" and the same shall thereafter be dealt within the same manner as they would have been, had they been created by the Transferee Company in its own books.
16. Subject to the provisions of Clause 15 above, the excess of the value of the net assets of each of the Transferor Companies (which shall include the balance under the head "Miscellaneous Expenditure" mentioned in Clause 15 above) as appearing in their respective books of account shall be accounted for and dealt with in the books of the Transferee Company as follows, as applicable:
- (i) An amount equal to the balance lying to the credit of the General Reserve in the books of each of the Transferor Companies shall be credited by the Transferee Company to its General Reserve and shall constitute the Transferee Company's free reserve as effectively as if the

same was created by the Transferee Company out of its own earned and distributable profits.

- (ii) An amount equal to the balance lying to the credit of 'Profit and Loss Account' in the books of each of the Transferor Companies shall be credited by the Transferee Company to its General Reserve and shall constitute the Transferee Company's free reserve as effectively as if the same was created by the Transferee Company out of its own earned and distributable profits.
- (iii) An amount equal to the balance lying to the credit of the Share Premium Account in the books of each of the Transferor Companies shall be credited by the Transferee Company in the Account to be styled as "Share Premium Account".
- (iv) An amount equal to the balance lying to the credit of the Export Profit Reserve/Export Reserve Account in the books of each of the Transferor Companies shall be credited by the Transferee Company in the Account to be styled as "Export Profit Reserve Account".
- (v) An amount equal to the balance lying to the credit of the Investment Allowance Reserve Account in the books of each of the Transferor Companies shall be credited by the Transferee Company in the Account to be styled as "Investment Allowance Reserve Account".
- (vi) The amount equal to the balance lying in the credit of the Investment Allowance Reserve Utilised Account in the books of each of the Transferor Companies shall be credited by the Transferee Company in the Account to be styled as "Investment Allowance Reserve Utilised Account".
- (vii) An amount equal to the balance lying to the credit of the Debenture Redemption Reserve Account in the books of each of the Transferor Companies shall be credited by the Transferee Company in the Account to be styled as "Debenture Redemption Reserve Account".
- (viii) In the Accounts of the Transferee Company, provision for the diminution in the value of investments, shall be set off against the book value of investment in each of the Transferor Companies and this amount shall be dealt with in accordance with Section 349 (5) (d) of the

said Act. The aggregate of the net assets of each of the Transferor Companies over the carrying amounts of the Investments in the Accounts of the Transferee Company will be credited/debited to the General Reserve.

- (ix) Net debits or credits resulting from the entries required to be passed to bring the accounting policies of the Transferor Companies on par with those of the Transferee Company will be debited or credited to the Amalgamation Reserve.
 - (x) Matters not provided for above shall be dealt with in accordance with the Accounting Standards issued by The Institute of Chartered Accountants of India.
17. Each of the Transferor Companies shall with all reasonable despatch, make applications/petitions under Sections 391 and 394 of the said Act and other applicable provisions of the said Act to the High Court of Judicature at Mumbai for sanctioning of this Scheme and for dissolution of both the Transferor Companies without winding up under the provisions of law.
 18. The Transferee Company shall also with all reasonable despatch make applications/petitions under Sections 391 and 394 of the said Act and other applicable provisions of the said Act to the High Court of Judicature at Mumbai for sanctioning of this Scheme under the provisions of law.
 19. The Transferor Companies and the Transferee Company through their respective Board of Directors may in their full and absolute discretion assent to any modifications or amendments to this Scheme or to any conditions or limitations which the High Court of Judicature at Mumbai and/or any other competent authorities under law, the shareholders of the Transferee Company and/or secured creditors and unsecured creditors of the Transferor Companies and the Transferee Company may deem fit and give such directions as they may consider necessary or desirable for settling any doubt or difficulty arising under this Scheme or in regard to its implementation or in any matter connected therewith (including any question, doubt or difficulty arising in connection with any deceased or insolvent shareholder of the Transferee Company) and to all acts, deeds and things as may be necessary, desirable or expedient for carrying this Scheme into effect. In the event that any modification or amendment to this Scheme is unacceptable to the respective Board of Directors of the Transferor Companies or the Transferee Company, as the case may be, for any reason

whatsoever the Transferor Companies and/or the Transferee Company shall be entitled to withdraw from this Scheme.

20. For the purpose to give effect to this Scheme or any modifications or amendments hereof, the Directors of the Transferee Company may give and are authorized to give all such directions as are necessary including directions for settling any question of doubt or difficulty that may arise.
21. This Scheme is specifically conditional upon and subject to:
- (a) The sanction or approval of all persons or authorities concerned under any law or of the Central Government or any other Agency, Department or Authorities concerned (including the Securities and Exchange Board of India and the Bombay Stock Exchange) being obtained and granted in respect of any of the matters in respect of which such sanction or approval is required.
 - (b) The approval of and agreement to this Scheme by the requisite majorities of such classes of persons of the Transferor Companies and the Transferee Company as may be directed by the High Court of Judicature at Mumbai on the applications made for directions under Section 391 of the said Act for calling meetings and necessary resolutions being passed under the said Act for the purpose.
 - (c) The requisite resolution under the applicable provisions of the said Act being passed by the shareholders of the Transferee Company under the applicable provisions of the said Act, for any of the matters provided for or relating to this Scheme as may be required or be necessary;
 - (d) The sanctions of the High Court of Judicature at Mumbai being obtained under Sections 391 and 394, the necessary Orders under Section 394 and other applicable provisions of the said Act, if so required on behalf of the Transferor Companies and the Transferee Company.
 - (e) the certified copies of the Orders of the High Court of Judicature at Mumbai being filed with the Registrar of Companies, Maharashtra under Section 391 and other applicable provisions of the said Act.
22. There shall be no change in the name of the Transferee Company as a result of this Scheme coming into force. The Transferee Company shall have at all times

said Act. The aggregate of the net assets of each of the Transferor Companies over the carrying amounts of the Investments in the Accounts of the Transferee Company will be credited/debited to the General Reserve.

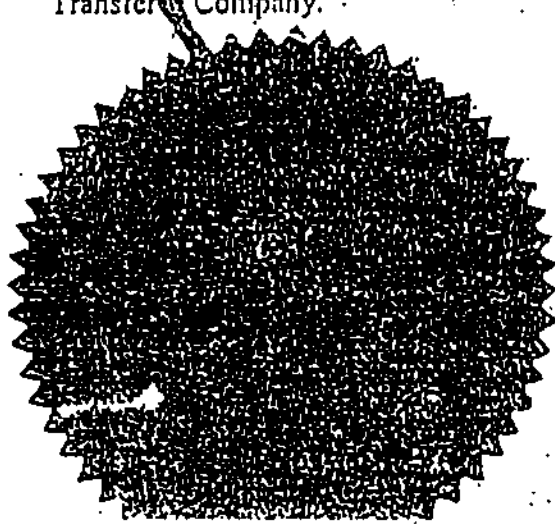
- (ix) Net debits or credits resulting from the entries required to be passed to bring the accounting policies of the Transferor Companies on par with those of the Transferee Company will be debited or credited to the Amalgamation Reserve.
 - (x) Matters not provided for above shall be dealt with in accordance with the Accounting Standards issued by The Institute of Chartered Accountants of India.
17. Each of the Transferor Companies shall with all reasonable despatch, make applications/petitions under Sections 391 and 394 of the said Act and other applicable provisions of the said Act to the High Court of Judicature at Mumbai for sanctioning of this Scheme and for dissolution of both the Transferor Companies without winding up under the provisions of law.
18. The Transferee Company shall also with all reasonable despatch make applications/petitions under Sections 391 and 394 of the said Act and other applicable provisions of the said Act to the High Court of Judicature at Mumbai for sanctioning of this Scheme under the provisions of law.
19. The Transferor Companies and the Transferee Company through their respective Board of Directors may in their full and absolute discretion assent to any modifications or amendments to this Scheme or to any conditions or limitations which the High Court of Judicature at Mumbai and/or any other competent authorities under law, the shareholders of the Transferee Company and/or secured creditors and unsecured creditors of the Transferor Companies and the Transferee Company may deem fit and give such directions as they may consider necessary or desirable for settling any doubt or difficulty arising under this Scheme or in regard to its implementation or in any matter connected therewith (including any question, doubt or difficulty arising in connection with any deceased or insolvent shareholder of the Transferee Company) and to all acts, deeds and things as may be necessary, desirable or expedient for carrying this Scheme into effect. In the event that any modification or amendment to this Scheme is unacceptable to the respective Board of Directors of the Transferor Companies or the Transferee Company, as the case may be, for any reason

whatsoever the Transferor Companies and/or the Transferee Company shall be entitled to withdraw from this Scheme.

20. For the purpose to give effect to this Scheme or any modifications or amendments hereof, the Directors of the Transferee Company may give and are authorized to give all such directions as are necessary including directions for settling any question of doubt or difficulty that may arise.
21. This Scheme is specifically conditional upon and subject to:
- (a) The sanction or approval of all persons or authorities concerned under any law or of the Central Government or any other Agency, Department or Authorities concerned (including the Securities and Exchange Board of India and the Bombay Stock Exchange) being obtained and granted in respect of any of the matters in respect of which such sanction or approval is required.
 - (b) The approval of and agreement to this Scheme by the requisite majorities of such classes of persons of the Transferor Companies and the Transferee Company as may be directed by the High Court of Judicature at Mumbai on the applications made for directions under Section 391 of the said Act for calling meetings and necessary resolutions being passed under the said Act for the purpose.
 - (c) The requisite resolution under the applicable provisions of the said Act being passed by the shareholders of the Transferee Company under the applicable provisions of the said Act, for any of the matters provided for or relating to this Scheme as may be required or be necessary;
 - (d) The sanctions of the High Court of Judicature at Mumbai being obtained under Sections 391 and 394, the necessary Orders under Section 394 and other applicable provisions of the said Act, if so required on behalf of the Transferor Companies and the Transferee Company.
 - (e) the certified copies of the Orders of the High Court of Judicature at Mumbai being filed with the Registrar of Companies, Maharashtra under Section 391 and other applicable provisions of the said Act.
22. There shall be no change in the name of the Transferee Company as a result of this Scheme coming into force. The Transferee Company shall have at all times

a right to use the trade marks, trade names, logo, brand, copyrights, patents and all other intellectual property of each of the Transferor Companies whether registered or unregistered, or any variation thereof as a part of its name or as a style or business or otherwise.

23. In the event of any of the sanctions and approvals referred to in Clause 21 above not being obtained and/or this Scheme not being sanctioned by the High Court of Judicature at Mumbai and/or the Order or Orders not being passed as aforesaid on or before 30th June 2004 or within such further period or periods as may be mutually agreed upon between the Board of Directors of each of the Transferor Companies and the Transferee Company or either of the Transferor Companies and/or the Transferee Company withdrawing from this Scheme pursuant to Clause 19 above (and which the Board of Directors of both the Transferor Companies and the Transferee Company are hereby empowered and authorized to agree to and extend from time to time without any limitations), the Scheme shall become null and void and in such event no rights and liabilities whatsoever shall accrue or be incurred inter se the Transferor Companies and the Transferee Company. Each of the Transferor Companies and the Transferee Company shall in such event, bear their respective costs, charges and expenses in connection with this Scheme.
24. From the Effective Date, the statutory Auditors appointed by the Transferor Companies for the year commenced from 1st April, 2003 shall be deemed to be the Branch Auditors within the meaning of and subject to Section 228 of the said Act and their terms and conditions shall be decided by the Board of Directors of the Transferee Company.
25. Subject to Clause 23 all costs, charges and expenses, including stamp duty and registration charges, if any, of or in respect of any deed, document, instrument or Orders of the High Court of Judicature at Mumbai respectively in relation to or connection with negotiations leading up to this Scheme and of carrying out and implementing the terms and provisions of this Scheme shall be paid by the Transferor Company.



WITNESSED TO BY A TRUE COPY
DATE 27/11/03
S. Bhargava
At Prothonotary and Senior Clerk
3

IN THE HIGH COURT OF JUDICATURE AT
 BOMBAY
 ORDINARY ORIGINAL CIVIL JURISDICTION
 COMPANY PETITION NO. 177 OF 2004.
 CONNECTED WITH
 COMPANY APPLICATION NO: 572 OF 2003

In the matter of Sections 391 to 394 of the
 Companies Act, 1956 (I of 1956)

and

In the matter of Forbes Gokak Limited

and

In the matter of the Scheme of Amalgamation of
 Brahma of India Limited and Campbell Knitwear
 Limited with Forbes Gokak Limited

Forbes Gokak LimitedPetitioner

**CERTIFIED COPY OF
 ORDER SANCTIONING THE SCHEME OF
 AMALGAMATION**

Dated this 10th day of June, 2004.

Filed this 5th day of July, 2004

paid on 21/7/2004
 30/6/2004
 21/7/2004
 20 pages
 7 JUL 2004
 7 JUL 2004
 paid on 21/7/2004
 pressed on 5/7/2004
 scribe Writer
 Also
 examined by
 compared with
 copy on 5/7/2004
 altered on

Mr. Atul Damle,
 Advocate, High Court
 Building No. 23, 2nd floor,
 Ambalal Doshi Marg,
 Near Dena Bank, Opp Hamam House,
 Fort, Mumbai 400 023
 Advocate for the Petitioner

7 JUL 2004

MINISTRY OF COMPANY AFFAIRS
PAYMENT RECEIPT
G.A.R.7

SRN : A00326587 Civil

Received From: Service Request Date: 25-04-2006

Name : Shyam Chellaramani
 Address : C - 162 Dayanand Colony
 Rajpat Nagar
 New Delhi, Delhi
 INDIA - 110021

Name & Address of the company on whose behalf payment is received

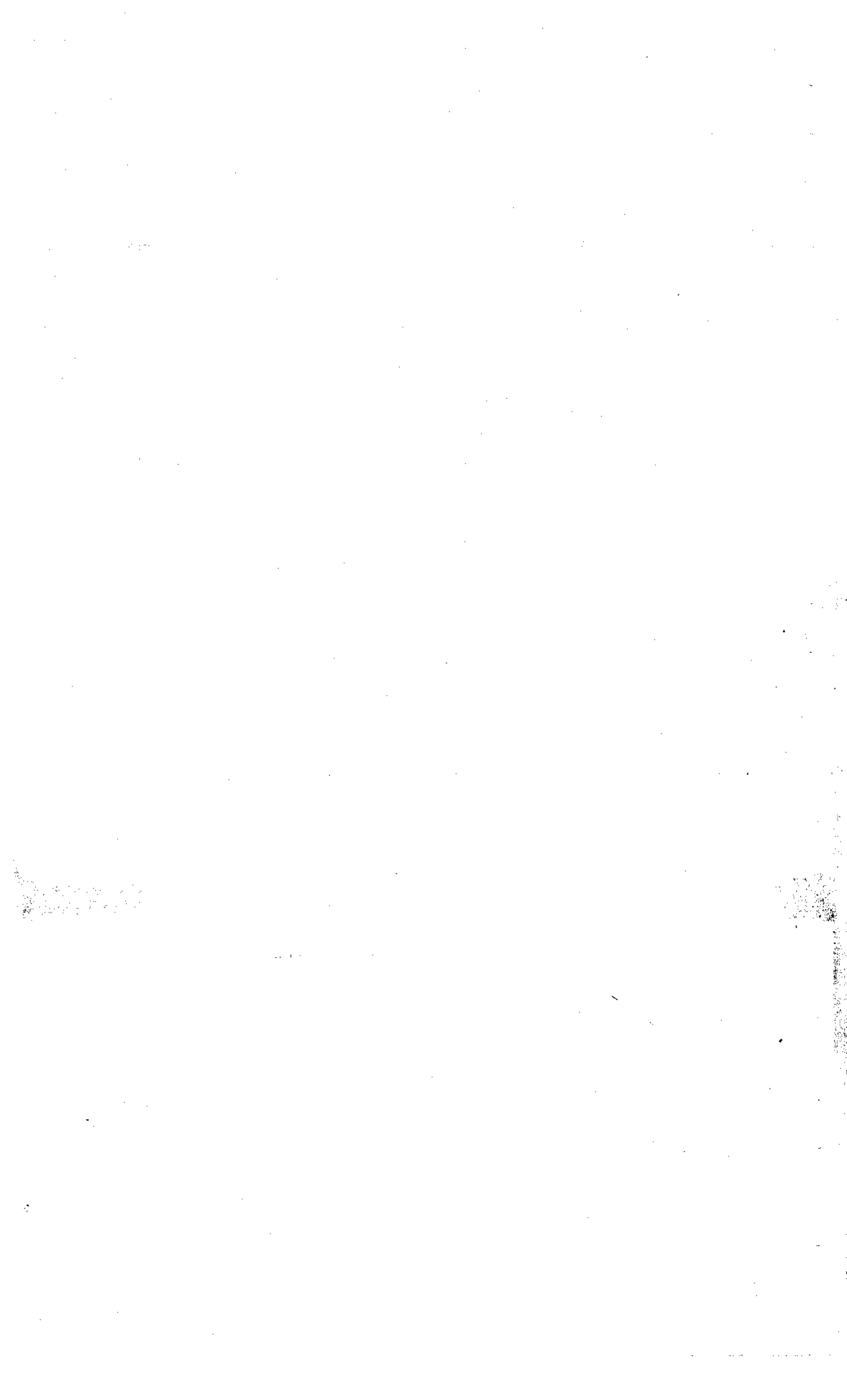
Name : FORBES GOKAK LIMITED
 Address : FORBES BUILDING CHARANJIT RAI MARG,
 FORT,
 MUMBAI, Maharashtra,
 INDIA - 400001.

Full Particulars of Remittance

Service Description	Type Of Fee	Amount (Rs.)
Fee For Form 21	Normal	500.00
Total		500.00

Made of Payment: Credit Card

Received Payment (In words) Rs: Five Hundred only



FORM 21

Notice of the court or the company law board order

[Pursuant to section 17(1), 17(F), 79, 81(2), 81(4), 94A(2), 102(1), 107(3), 111(6), 141, 155, 167, 181, 301(2), 394(1), 397, 398, 446 and 481 of the Companies Act, 1956]

Note - All fields marked in * are to be mandatorily filled.

1.(a) *Corporate identity number (CIN) or foreign company registration number of the company

(b) Global location number (GLN) of company

2(a) Name of the company

(b) Address of the registered office or of the principal place of business in India of the company

3.(a) * Name of the court or company law board

(b) * Location

4. *Date of passing the order (DDMMYYYY)

5. *Date of issue of certified copy of order (DDMMYYYY)

6.(a) *Section(s) of the Companies Act under which order passed

(b) If others, mention

Attachments

List of attachments

1. * Copy of court order or company law board order

2. Optional attachment(s) - if any

Declaration

To the best of my knowledge and belief, the information given in this form and its attachments is correct and complete.

I have been authorised by the board of directors' resolution dated (DDMMYYYY) to sign and submit this form

For Forbes Gokak Limited

To be digitally signed by

Managing director or director or manager or company secretary (in case of an Indian company) or authorised representative (in case of a foreign company)

[Secretary]

For office use only:

This e-Form is hereby registered

Digital signature of the authorising officer

Page 1 of 1



: 1 : v

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY PETITION NO. 853 OF 2005
CONNECTED WITH
COMPANY APPLICATION NO. 599 OF 2005

In the matter of the Companies Act, 1956

And

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

And

In the matter of Forbes Gokak Ltd.

And

In the matter of scheme of Amalgamation of FAL Industries Ltd. with Forbes Gokak Ltd.

Forbes Gokak Ltd.Petitioner

Mr. Atul Dangle for the Petitioner.

Mr. C. S. Joy with Mr. R. C. Master & Mr. M. M. Goswami
1/b Mr. T. C. Kaushik for Regional Director, Department
of Company Affairs Maharashtra, Mumbai.

CORAM : S. J. VAZIFDAR, J.
DATED : 20TH JANUARY, 2006.

P.C. :

1. The Petition is filed seeking sanction of a scheme of amalgamation between the Petitioner, i.e. the transferee company and FAL Industries Ltd., i.e. the transferor company. The requirements and procedures have been complied with.

TRUE COPY

Shrawet
for M/S. UDWADIA & UDESHI
Advocates & Solicitors

HIGH COURT, BOMBAY

2943530

: 2 :

2. The Regional Director in his affidavit stated that the scheme is not prejudicial to the interest of the creditors and the shareholders.

3. The Petition is made absolute in terms of prayers A to (2).

4. Costs of the Regional Director fixed at Rs. 2500.

5. This order however is subject to the orders in the Petition filed by the transferor company in Madras High Court.

Filing and issuance of the drawn up order is dispensed with.

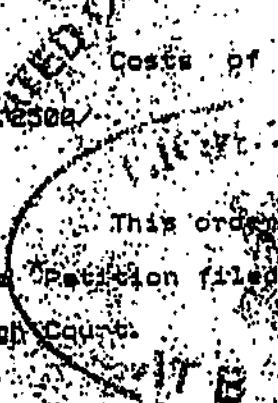
All concerned parties to act on an ordinary copy of this order duly authenticated by the Company Registrar of this Court.

TRUE COPY

M. D. Narvekar
M. D. NARVEKAR
COMPANY REGISTRAR
HIGH COURT (O.S.)
BOMBAY

TRUE COPY

S. A. Kulkarni
S. A. Kulkarni
Session Officer
High Court, Appellate Side
Bombay.



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EXHIBIT "C"
SCHEME OF AMALGAMATION

OF
FAL INDUSTRIES LIMITED
WITH
FORBES GOKAK LIMITED
UNDER SECTIONS 391 AND 394 OF THE COMPANIES ACT, 1956
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

L. DEFINITIONS.

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

- 1.1 "the said Act" means the Companies Act, 1956 and any statutory modifications or re-enactments thereof for the time being in force;
- 1.2 "the Appointed Date" means 1st April, 2005 or such other date as may be fixed by the High Courts.
- 1.3 "the said Assets" means business of the Transferor Company, including all the properties, assets, investments, powers, authorities, allotments, approvals and consents, leases, registrations, contracts, engagements, arrangements, rights, title, interests, benefits and advantages of whatsoever nature and whatsoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company, including but without being limited to all patents, trade marks, trade names and other industrial rights of any nature whatsoever and licenses in respect thereof, privileges, liberties, easements, advantages, benefits, leases, tenancy rights, ownership rights, all movable and immovable properties, quota rights, import quotas, permits, approvals, authorizations, right to use and avail of telephones, teleaxes, facilities connections and installations, utilities, electricity and other services, reserves, provisions, funds, rights and benefits of all agreements and other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and or approvals, arising to the Transferor Company.
- 1.4 "the Effective Date" means the last of the dates on which all of the conditions specified in Clause 22 of the Scheme are satisfied or complied with.
- 1.5 "High Courts" means the High Court of Judicature at Mumbai and the High Court of Judicature at Chennai, as applicable.
- 1.6 "the said Liabilities" means all the debts, liabilities, duties and obligations of the Transferor Company.
- 1.7 "the Proceedings" means any suit, appeal or other proceedings of whatever nature by or against the Transferor Company.
- 1.8 "Scheme" means this Scheme of Amalgamation in its present form submitted to the High Courts for sanction with such modification(s), if any, as may be imposed or directed to be made therein by the High Courts.
- 1.9 "the Transferor Company" means FAL INDUSTRIES LIMITED, a company incorporated under the said Act and having its Registered Office at 40, Anna Nanduchalal, Perungudi, Chennai, 600096.
- 1.10 "the Transferee Company" means FORBES GOKAK LIMITED, a company incorporated under the said Act and having its Registered Office at Forbes Building, Charanjit Rai Marg, Fort, Mumbai 400 001.
- 1.11 "the Undertaking" means, wherever the context so requires or so permits, the said Assets and the said Liabilities collectively.



CERTIFIED TRUE COPY
For FORBES GOKAK LIMITED

TRUE COPY

Shrawan
for M/S. UDWADIA & UDWADIA
Advocates & Solicitors

M. P. SIVAKUMAR
Scriber

2. The Scheme provides for the amalgamation of the Transferor Company with the Transferee Company.
3. (a) With effect from the Appointed Date and subject to the provisions of the Scheme in relation to the mode of transfer and vesting the said Assets shall stand transferred to and vest in and/or be deemed to be transferred to and vest in the Transferee Company without any further act, deed, matter or thing (save as provided in sub-clause (c) below) so as to become the property and assets of the Transferee Company, pursuant to the provisions of Section 394 of the said Act for all the estate, right, title and interest of the Transferor Company therein.
- (b) The transfer and vesting of the said Assets as aforesaid shall be subject to all existing charges / hypothecation / mortgage / lien / encumbrances (if any as may be subsisting) over or in respect of the said Assets or any part thereof. Provided however, any reference, in any security documents or arrangements to which the Transferor Company is a party, to the said Assets of the Transferor Company offered or agreed to be offered as security for any financial assistance or obligations, to the secured creditors of the Transferor Company shall be construed as reference only to the said Assets of the Transferor Company as are vested in the Transferee Company, by virtue of the aforesaid sub-clause (a) to the end and intent that such charges / hypothecation / mortgage / lien / encumbrances (if any as may be subsisting) shall not extend or be deemed to extend to any of the other units or divisions of the Transferee Company and the Transferee Company shall not be obliged to create any further or additional security therefor after the Effective Date or otherwise and subject to the consents and approvals of the existing secured creditors of the Transferee Company.
- (c) It is expressly provided that all the moveable assets of the Transferor Company, forming part of the said Assets, shall be physically handed over by manual delivery or endorsement and delivery to the Transferee Company, to the end and intent that the ownership and property therein passes to the Transferee Company on such handing over in pursuance of the provisions of Section 394 of the said Act. The amounts lying with the banks to the credit of the Transferor Company as of the Appointed Date shall also be transferred to the Transferee Company. Such delivery and transfer shall be made on a date to be mutually agreed upon between the respective Board of Directors of the Transferor Company and the Transferee Company prior to the filing of the certified copies of the Orders of the High Courts with the Registrar of Companies, Tamil Nadu by the Transferor Company and with the Registrar of Companies, Maharashtra by the Transferee Company.
- (d) The Transferee Company may at any time after the Effective Date in accordance with the provisions hereof so required, under any law or otherwise, execute Deeds of Confirmation, in favour of the secured creditors of the Transferor Company or deeds (including deeds of adherence) or other writings or tripartite arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of the Scheme be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to implement or carry out all such formalities or compliances referred to above on the part of the Transferor Company to be carried out as performed.
4. (a) With effect from the Appointed Date, the said Liabilities shall, without any further act, instrument or deed, stand transferred to or be deemed to be transferred to and/or be assumed by the Transferee Company, pursuant to the provisions of Section 394 of the said Act, so as to become as and from the Appointed Date the said Liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of any of the said Liabilities which have arisen in order to give effect to the provisions of this Clause. It is clarified that as far as any unsecured Public Deposits of the Transferor Company are concerned, the same shall be kept distinctly identified in the records of the Transferee Company for all intents and purposes including taxation and accounting and shall not be combined under any existing Deposit Scheme of the Transferee Company.
- (b) The difference between the amount recorded as fresh share capital issued by the Transferee Company on amalgamation and the amount of the share capital of the Transferor Company shall be reflected in the reserves of the Transferee Company.
- (c) The Transferee Company shall record the said Assets and the said Liabilities forming part of the Undertaking vested in the Transferee Company pursuant to the Scheme at their respective book values.

- (d) For removal of doubt it is clarified that to the extent that there are inter-company loans, deposits or balances as between the Transferor Company and the Transferee Company, the obligations in respect thereof shall come to an end and there shall be no liability in that behalf and corresponding effect shall be given in the books of account and records of the Transferee Company for the reduction of any assets or liabilities in the case may be and there would be no accrual of interest or any other charges in respect of such inter-company loans, deposits or balances, with effect from the Appointed Date.
5. Although the Scheme comes into operation from the Appointed Date, it shall only become effective from the Effective Date.
 6. With effect from the Appointed Date upto and including the Effective Date:
 - (a) the Transferor Company shall carry on and be deemed to have carried on all its business and activities for and on account of and in trust for the Transferee Company;
 - (b) the Transferor Company shall be deemed to have held and stood possessed of and shall hold and stand possessed of all its business and activities, along with the said Assets, for and on account of and in trust for the Transferee Company;
 - (c) all the profits, taxes (including advance tax and tax deducted at source) or incomes accruing or arising to the Transferor Company or any costs, charges, expenditure or losses arising or incurred by the Transferor Company shall for all purposes be treated and be deemed to have been accrued and accrue as the profits, taxes, incomes, costs, charges, expenditure or losses of the Transferee Company, as the case may be;
 - (d) the Transferor Company shall carry on its business and activities with reasonable diligence and business prudence and shall not alienate, charge, mortgage, encumber or otherwise deal with or dispose of the said Assets or any part thereof, except in the ordinary course of business, or without the prior consent of the Transferee Company (or pursuant to any pre-existing obligation undertaken by the Transferor Company prior to the Appointed Date);
 - (e) save as specifically provided in the Scheme, neither the Transferor Company nor the Transferee Company shall make any change in their capital structure (Paid-up Capital) either by any increase, (by issue of rights shares, equity or preference shares, bonus shares, convertible debentures or otherwise), decrease, reduction, reclassification, sub-division or consolidation, re-organization, or in any other manner, except by mutual consent of the Board of Directors of the Transferor Company and the Transferee Company; only the Transferee Company may take steps for increase of its Authorized Capital;
 - (i) provided that as far as the obligations in sub-clauses (d) and (e) above are concerned, the restrictions thereunder shall be applicable from the date on which the Scheme is approved by the respective Boards of the Transferor Company and the Transferee Company even if the same be prior to the Appointed Date;
 - (ii) the Transferor Company shall not vary the terms and conditions of service of their permanent employees except in the ordinary course of business; and
 - (iii) the Transferor Company shall not, without the prior written consent of the Transferee Company, undertake any new business or a substantial expansion of its existing business.
7. If any Proceedings are pending on or after the Appointed Date, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Undertaking or of anything contained in the Scheme, but the Proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against the Transferor Company as if the Scheme had not been made.
 8. (a) Subject to the other provisions of the Scheme all contracts, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall remain in full force and effect against or in favour of the Transferee Company as the case may be.



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and shall be binding on and be enforceable by and against the Transferee Company as fully and effectually as if instead of the Transferor Company, the Transferee Company had at all material times been a party or beneficiary thereto.

- (b) Every Debenture issued or allotted by the Transferor Company prior to the Appointed Date, shall on and from the Effective Date be deemed to be a Debenture of the same amount issued or allotted by the Transferee Company having attached to such Debentures the same rights, privileges, terms and conditions including the same rights to receive interest and redemption of principal and any reference to the Transferor Company in the Debenture, Debenture Trust Deed, Letter of Offer or other document, evidencing the rights, privileges, terms and conditions of the Debenture shall be construed for these purposes as a reference to the Transferee Company. Provided that any reference in such document to the said Assets of the Transferor Company offered as mortgage, charge or security for redemption of debentures and interest thereon shall be construed for this purpose as a reference to the assets of the unit(s) or division(s) pertaining to the Undertaking of the Transferor Company as are vested in the Transferee Company by virtue of Clauses 3 and 4 hereof, and the same shall not extend or be applicable to any other assets, units, undertakings or properties of the Transferee Company.

9. The transfer of the Undertaking of the Transferor Company to the Transferee Company and the continuance of all the contracts or proceedings by or against the Transferee Company shall not affect any contract or proceeding relating to the Undertaking already concluded by the Transferor Company on or after the Appointed Date.

10. (a) The Share Capital of the Transferor Company as on 31st October, 2004 is as under:

<u>Authorised Capital</u>	<u>Rupees</u>
50,00,000 Equity Shares of Rs.10 each.	5,00,00,000
<u>Issued, Subscribed & Paid-up Capital:</u>	
45,58,777 Equity Shares of Rs.10 each	4,55,87,770

(b) The Share Capital of the Transferee Company as on 31st October, 2004 is as under:-

<u>Authorised Capital</u>	<u>Rupees</u>
1,50,00,000 Shares of Rs.10 each	15,00,00,000
<u>Issued, Subscribed & Paid Up Capital</u>	
1,24,53,402 Equity Shares of Rs. 10 each fully paid-up	12,45,34,020

11. (a) In consideration of the transfer and vesting of the Undertaking of the Transferor Company in the Transferee Company (subject to the liabilities, duties and covenants as aforesaid) in terms of the Scheme, the Transferee Company shall, without any further application, act or deed, issue and allot Equity Shares of Rs.10 each credited as fully paid-up in the capital of the Transferee Company to the shareholders of the Transferor Company whose names appear in its Register of Members on a date to be decided by the Board of Directors of the Transferee Company in the proportion of 1 (one) Equity Share of Rs.10 each in the Transferee Company for every 7 (seven) Equity Shares of Rs.10 each held in the Transferor Company provided that -

- (i) No Equity Shares shall be issued and allotted to the Transferee Company in respect of the Equity Shares held by it in the Transferor Company and accordingly the Equity Shares held by the Transferee Company in the Transferor Company shall automatically stand cancelled.
- (ii) In respect of the Equity Shares held by Forbes Finance Limited, a Subsidiary of the Transferee Company such Equity Shares shall be issued and allotted by the Transferee Company to Forbes Finance Limited.



- (iii) In respect of the Equity Shares of the Transferor Company which are the subject matter of a dispute in any Court or other Tribunal; the Transferee Company shall, pending the decision of the Court or other Tribunal, issue and allot such Equity Shares to a Trustee who shall act in accordance with the decision of the Court or other Tribunal.
- (iv) No fractional certificates shall be issued and allotted by the Transferee Company in respect of the fractional entitlements, if any, to which the shareholders of the Transferor Company may be entitled on issue and allotment of the Equity Shares of the Transferee Company as aforesaid. The Board of Directors of the Transferee Company shall instead consolidate all such fractional entitlements to which the shareholders of the Transferor Company may be entitled on issue and allotment of the Equity Shares of the Transferee Company as aforesaid and thereupon issue and allot Equity Shares in lieu thereof to a Trustee with the express understanding that such Trustee to whom Equity Shares are issued and allotted shall hold the same in trust for those entitled to the fractions and sell the same in the market at the best available price and pay to the Transferee Company the net sale proceeds thereof whereupon the Transferee Company shall distribute such net sale proceeds to the shareholders of the Transferor Company in proportion to their fractional entitlements.
- (b) The Equity Shares so issued and allotted by the Transferee Company in terms of the Scheme shall be subject to the Memorandum and Articles of Association of the Transferee Company and shall rank for dividend, voting rights and in all other respects pari passu with the existing Equity Shares of the Transferee Company.

12. From the Effective Date,



- (a) the goodwill or surplus, if any, of the Transferor Company arising as a result of the cancellation of the Equity Shares referred to in Clause 11(a)(i) above shall be adjusted against the Amalgamation Reserve of the Transferee Company.
 - (b) all expenses in relation to the preparation and implementation of the Scheme shall be adjusted against the Amalgamation Reserve of the Transferee Company.
13. At any time and from time to time after the Appointed Date, the Transferor Company and the Transferee Company shall be entitled to declare and pay dividends whether interim and/or final to their respective shareholders for any Financial Year or any period prior to the Effective Date. Both, the Transferor Company and the Transferee Company shall declare and pay dividend only out of the disposable profits earned by them during such period, as permissible in law and shall not transfer any amounts from the reserves for the purposes of payment of dividend, unless agreed to by the Boards of Directors of the Transferor Company and the Transferee Company. The Transferor Company may declare dividends for the Financial Year ending on or after the Appointed Date only after obtaining the prior written approval of the Board of Directors of the Transferee Company.
14. All permanent employees of the Transferor Company in service on the date immediately preceding the Effective Date shall become the permanent employees of the Transferee Company on and from the Effective Date on the basis that:
- (a) their services shall be deemed to have been continuous and not have been interrupted by reason of the transfer of the Undertaking; and
 - (b) the terms and conditions of service applicable to such employees at or such transfer shall not in any way be less favourable than those applicable to them immediately preceding the transfer.
 - (c) It is expressly provided that as far as the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund created or existing for the benefit of the employees of the Transferor Company are concerned upon the Effective Date, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever related to the administration or operation of such Schemes or Funds or in relation to the obligation to make contributions to the said Funds or in accordance with provisions of such Schemes or Funds as per the terms provided in the respective Trust Deeds. It is the end and intent that all the rights, duties, powers and obligations of the Transferor Company in relation to such Funds shall become those of the Transferee Company.

It is clarified that the services of the employees of the Transferor Company will be treated as having been continuous and not interrupted for the purpose of such Schemes or Funds.

15. From the Effective Date, the services of the Managing Director(s), Executive Director(s) and/or Manager(s) under the said Act of the Transferor Company shall stand transferred to the Transferee Company without any break or interruption in service and on the same terms and conditions as prevailing on the Effective Date but with such designation, powers and authorities as shall be decided by the Board of Directors of the Transferee Company. All such Managing Director(s) / Executive Director(s) and / or Manager(s) shall on the Effective Date cease to be the Managing Director/ Executive Director(s) and/or Manager in terms of the said Act.
16. On and from the Effective Date the debit balance appearing under the head "Miscellaneous Expenditure" in the books of the Transferor Company shall be debited by the Transferee Company to "Miscellaneous Expenditure Account" and the same shall thereafter be dealt with in the same manner as they would have been, had they been created by the Transferee Company in its own books provided that such Miscellaneous Expenditure to the extent of credit balance of "Share Premium Account" in the books of the Transferor Company, La. Rs. 282.05 Lakhs, shall be set off against such credit balance.
17. Subject to the provisions of Clause 16 above, the excess of the value of the net assets of the Transferor Company (which shall include the balance under the head "Miscellaneous Expenditure" mentioned in Clause 16 above) as appearing in the books of the Transferor Company shall be accounted for and dealt with in the books of the Transferee Company as follows:
 - (a) An amount equal to the balance lying to the credit of the General Reserve in the books of the Transferor Company shall be credited by the Transferee Company to its General Reserve and shall constitute the Transferee Company's free reserve as effectively as if the same was created by the Transferee Company out of its own earned and distributable profits.
 - (b) An amount equal to the balance lying to the credit of "Profit and Loss Account" in the books of the Transferor Company shall be credited by the Transferee Company to its General Reserve and shall constitute the Transferee Company's free reserve as effectively as if the same was created by the Transferee Company out of its own earned and distributable profits.
 - (c) Subject to Clause 16, an amount equal to the balance lying to the credit of the "Share Premium Account" in the books of the Transferor Company shall be credited by the Transferee Company in the Account to be styled as "Share Premium Account".
 - (d) An amount equal to the balance lying to the credit of the "Export Profit Reserve/Export Reserve Account" in the books of the Transferor Company shall be credited by the Transferee Company in the Account to be styled as "Export Profit Reserve Account".
 - (e) An amount equal to the balance lying to the credit of the "Investment Allowance Reserve Account" in the books of the Transferor Company shall be credited by the Transferee Company in the Account to be styled as "Investment Allowance Reserve Account".
 - (f) The amount equal to the balance lying in the credit of the "Investment Allowance Reserve Utilised Account" in the books of the Transferor Company shall be credited by the Transferee Company in the Account to be styled as "Investment Allowance Reserve Utilised Account".
 - (g) An amount equal to the balance lying to the credit of the "Debenture Redemption Reserve Account" in the books of the Transferor Company shall be credited by the Transferee Company in the Account to be styled as "Debenture Redemption Reserve Account".
 - (h) Net debits or credits resulting from the entries required to be passed to bring the accounting policies of the Transferor Company on par with those of the Transferee Company shall be debited or credited to the "Amalgamation Reserve".

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(i) Matters not provided for above shall be dealt with in accordance with the Accounting Standards issued by The Institute of Chartered Accountants of India.

18. The Transferor Company shall with all reasonable despatch, make applications/petitions under Sections 391 and 394 of the said Act and other applicable provisions of the said Act to the High Court of Judicature at Chennai for sanctioning of the Scheme and for dissolution of the Transferor Company without winding up.
19. The Transferee Company shall also with all reasonable despatch make applications/petitions under Sections 391 and 394 of the said Act and other applicable provisions of the said Act to the High Court of Judicature at Mumbai for sanctioning of the Scheme.
20. The Transferor Company and the Transferee Company through their respective Board of Directors may in their full and absolute discretion assent to any modifications or amendments to the Scheme or to any conditions or limitations which the High Courts and/or any other competent authorities under law, the shareholders of the Transferee Company and/or secured creditors and unsecured creditors of the Transferor Company and the Transferee Company may deem fit and give such directions as they may consider necessary or desirable for settling any doubt or difficulty arising under the Scheme or in regard to its implementation or in any matter connected therewith (including any question, doubt or difficulty arising in connection with any deceased or inactive shareholder of the Transferor Company and/or the Transferee Company) and to all acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect. In the event that any modification or amendment to the Scheme is unacceptable to the respective Board of Directors of the Transferor Company or the Transferee Company, as the case may be, for any reason whatsoever the Transferor Company and/or the Transferee Company shall be entitled to withdraw from the Scheme.

For the purpose of giving effect to the Scheme or carrying out any modifications or amendments hereof, the Board of Directors of the Transferor Company and the Transferee Company are authorized to give all such directions and/or take such steps as are necessary including directions for settling any question, doubt or difficulty whatsoever that may arise.

22. The Scheme is specifically conditional upon and subject to:

- (a) The approval of all persons or authorities concerned under any law or of the Central Government or any other Agency, Department or Authorities concerned (including the Securities and Exchange Board of India and the Stock Exchanges at Mumbai and Chennai), if and to the extent required, being obtained and granted in respect of any of the matters provided for or relating to the Scheme in respect of which such sanction or approval is required.
- (b) The approval of the Scheme by the requisite majorities representing the required values of such classes of persons of the Transferor Company and the Transferee Company as may be directed by the High Courts on the applications made for directions under Section 391 of the said Act for calling meetings and necessary resolutions being passed under the said Act for the purpose.
- (c) The requisite resolution under the applicable provisions of the said Act being passed by the shareholders of the Transferee Company under the applicable provisions of the said Act, for any of the matters provided for or relating to the Scheme as may be required or be necessary;
- (d) The sanctions of the High Courts being obtained under Sections 391 and 394 of the said Act, the necessary Orders under Section 394 and other applicable provisions of the said Act, if so required on behalf of the Transferor Company and the Transferee Company.
- (e) the certified copies of the Orders of the High Courts being filed with the Registrar of Companies, Tamil Nadu by the Transferor Company and with the Registrar of Companies, Maharashtra by the Transferee Company, under Section 391 and other applicable provisions of the said Act.

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23. There shall be no change in the name of the Transferee Company as a result of the Scheme coming into force. The Transferee Company shall have at all times a right to use the trade marks, trade names, logo, brand, copyrights, patents and all other intellectual property of the Transferor Company whether registered or unregistered, or any variation thereof as a part of its name or as a style or business or otherwise.
24. In the event of any of the sanctions and approvals referred to in Clause 22 above not being obtained and/or the Scheme not being sanctioned by the High Courts and / or the Order or Orders not being passed as aforesaid on or before 30th June 2006 or within such further period or periods as may be mutually agreed upon between the Boards of Directors of the Transferor Company and the Transferee Company or either of the Transferor Company or the Transferee Company withdrawing from the Scheme pursuant to Clause 20 above (and which the Boards of Directors of the Transferor Company and the Transferee Company are hereby empowered and authorized to agree to and extend from time to time without any limitations), the Scheme shall become null and void and in such event no rights and liabilities whatsoever shall accrue or be incurred later to the Transferor Company and the Transferee Company. The Transferor Company and the Transferee Company shall, in such event, bear their respective costs, charges and expenses in connection with the Scheme.
25. From the Effective Date, the Statutory Auditors appointed by the Transferor Company for the year commenced from 1st April, 2004 shall be deemed to be the Branch Auditors for the year commenced from 1st April, 2005 within the meaning of and subject to Section 228 of the said Act and their terms and conditions shall be decided by the Board of Directors of the Transferee Company.
26. Subject to Clause 24, all costs, charges and expenses, including stamp duty and registration charges, if any, in respect of any deed, document, instrument or Orders of the High Courts respectively in relation to or connection with negotiations leading up to the Scheme and of carrying out and implementing the terms and provisions of the Scheme shall be paid by the Transferee Company.

21st June, 2005.

TRUE COPY

M. D. Narvekar
M. D. NARVEKAR
COMPANY REGISTRAR
HIGH COURT (O.S.)
BOMBAY



HIGH COURT

O. O. C. J.

Company Petition No. 853 of 2005

Connected with

Company Application. No. 599 of 2005

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

and

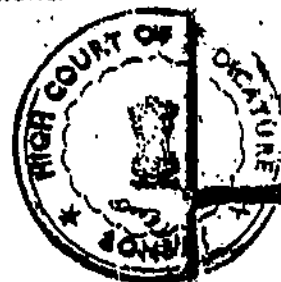
In the matter of Forbes Gokak Limited;

and

In the matter of the Scheme of
Amalgamation of FAL Industries Limited
with Forbes Gokak Limited.

Forbes Gokak Limited

...Petitioner



AUTHENTICATED COPY OF THE
ORDER DATED 20TH JANUARY, 2006
ALONGWITH THE SCHEME OF
AMALGAMATION

Dated this 28th day of February, 2006

6/2/06
No. of
of Wages
d
made by
used with
of 28-2-06
of 01-3-06

Mr. Atul Damle.
Advocate, High Court
Building No. 23, 2nd floor,
Ambalal Doshi Marg,
Near Dena Bank, Opp Hamam House,
Fort, Mumbai 400 023
Advocate for the Petitioner

MINISTRY OF CORPORATE AFFAIRS
PAYMENT RECEIPT
G.A.R.7

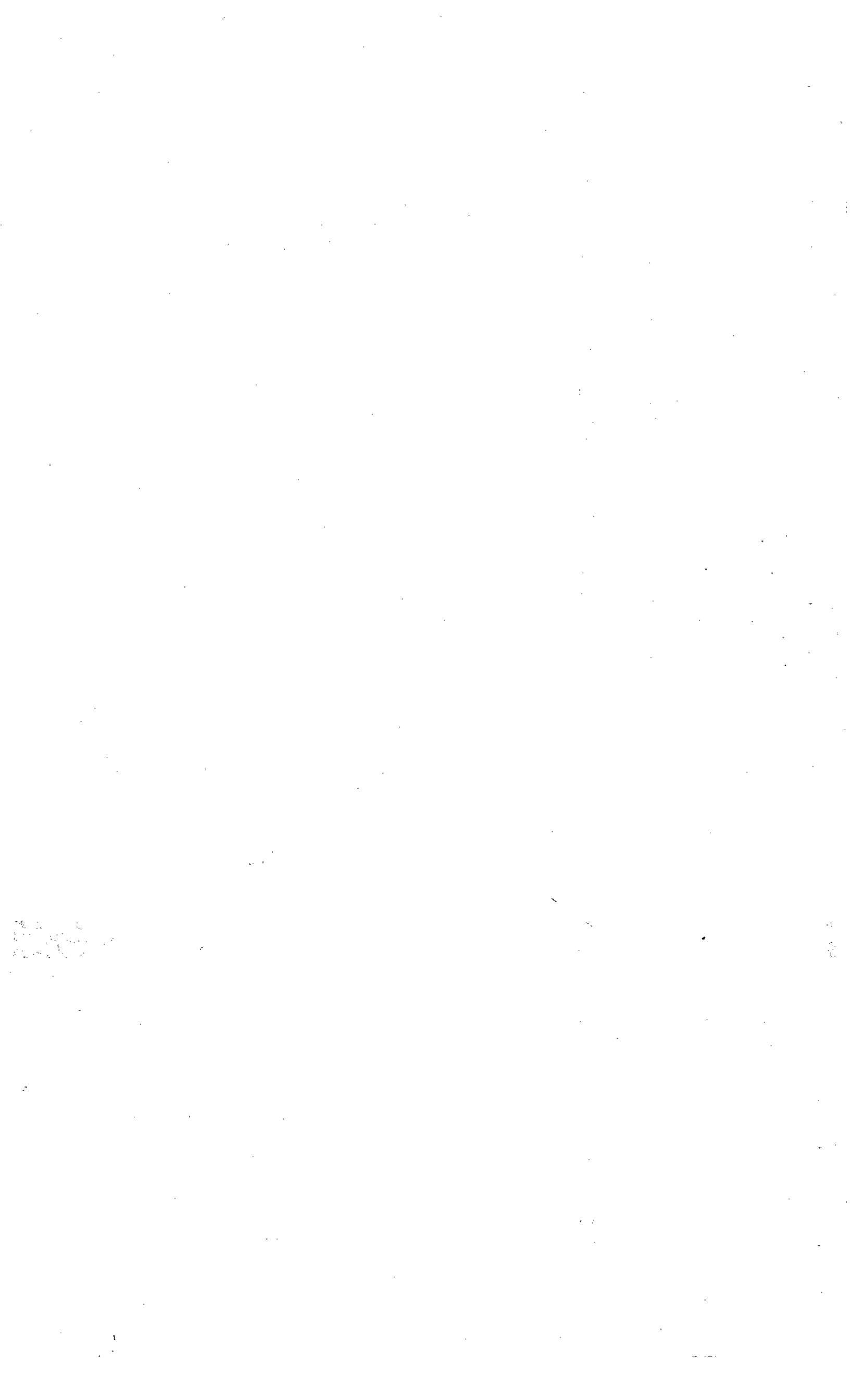
Civi

SRLN	: A16707283	Service Request Date : 21-06-2007
Received From:		
Name	: A T Shah	
Address	: C/o Forbes Gokak Limited Forbes Building, Charanjit Rai Marg, Fort, Mumbai, Maharashtra INDIA - 400001	
Name & Address of the company on whose behalf payment is received		
Name	: FORBES GOKAK LIMITED	
Address	: FORBES BUILDING, CHARANJIT RAI MARG,, FORT, MUMBAI, Maharashtra, INDIA - 400001.	
Full Particulars of Remittance		
	Type Of Fee	Amount(Rs.)
Service Description		
Fee For Form21	Normal	500.0
Total		500.0
Mode of Payment:	Credit Card	
Received Payment(in words)Rs:	Five Hundred only	
Important Information:	Role Check function will be implemented wef July, 1, 2007 on the MCA portal. Signatories (Directors / Managers / Secretaries / Professionals) are advised to register their DSC on the portal immediately. If DSC is not registered, eforms signed by them shall not be allowed to upload. For more details log on to www.mca.gov.in	

CERTIFIED TRUE COPY.

For Forbes Gokak Limited,


(Secretary)



FORM 21

Notice of the court or the company law board order

[Pursuant to section 17(1), 17(5), 78, 81(2), 81(4), 84A(2), 102(1), 107(3), 111(5), 141, 155, 167, 186, 391(2), 394(1), 397, 398, 445 and 481 of the Companies Act, 1986]

Note - All fields marked in * are to be mandatorily filled.

1(a) * Corporate identity number (CIN) or foreign company registration number of the company

(b) Global location number (GLN) of company

2(a). Name of the company

(b). Address of the registered office or of the principal place of business in India of the company

3(a) * Name of the court or company law board

(b) * Location

4. * Date of passing the order (DDMMYYYY)

5. * Date of issue of certified copy of order (DDMMYYYY)

6(a) * Section(s) of the Companies Act under which order passed

(b) If others, mention:

Attachments

1. * Copy of court order or company law board order

2. Optional attachment(s) - if any

List of attachments

High Court Order.pdf
Scheme of Arrangement.pdf
Receipt for payment to Government for A

Declaration

To the best of my knowledge and belief, the information given in this form and its attachments is correct and complete.

I have been authorised by the board of directors' resolution dated (DDMMYYYY) to sign and submit this form.

To be digitally signed by

Managing director or director or manager or company secretary (in case of an Indian company) or authorised representative (in case of a foreign company)

For office use only:

This e-Form is hereby registered

Digital signature of the authorising officer

Page 1 of 1

CERTIFIED TRUE COPY.

For Forbes Gokak Limited,


(Secretary)

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CERTIFIED TRUE COPY

For Forbes Gokak Limited


A. T. SHAH
Secretary

HIGH COURT, BOMBAY

0624955

COURT ONE JUDICATORY OFFICE BOMBAY
O.O.C.J.

COMPANY PETITION NO. 281 OF 2007
CONNECTED WITH
COMPANY APPLICATION NO. 87 OF 2007.

In the matter of Scheme of Arrangement between Forbes Gokak Ltd., Gokak Textiles Ltd., and their respective shareholders and creditors for the demerger of Textiles Division of Forbes Gokak Limited to Gokak Textiles Ltd.

Forbes Gokak Ltd. Petitioner,

Harvinder Toor s/h. Prem Ranga for the Petitioner.

Mr. C.J. Joy for Regional Director.

Mrs. K.V. Gautam, Dy. O.L.

Mr. Vivek Salunke for Objector.

CORAM : DR. D.Y. CHANDRACHUD, J.

04th May, 2007.

P.C.: 1
The sanction of the Court is sought to a scheme of demerger, under Sections 391 to 394 of the Companies Act, 1956. The Scheme of demerger envisages that the textile Division of the Transferor shall stand transferred to and vested in the transferee. The transferee is registered in the State of Karnataka and the sanction of this Court is hence sought subject to the approval of the scheme by the Karnataka High Court.

HIGH COURT, BOMBAY

0624936

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2. The Court has been informed that meetings were held of both the equity shareholders and the secured creditors at which the scheme had been approved. In pursuance of the directions issued by this Court, individual notices were despatched to unsecured creditors of a value more than Rs. 50,000/-. Two objections have been received from unsecured creditors one of whom has filed a suit before the Civil Judge, Senior Division, Kolhapur (Civil Suit 34 of 2006) for the recovery of an amount of Rs. 8.67 lakhs. Counsel appearing on behalf of the other unsecured creditor states that his client has a claim of Rs. 9.4 lakhs. In so far as the unsecured creditors are concerned, the scheme envisages the continuation of all legal proceedings. Clauses 11.1 and 11.2 of the scheme read as follows :-

"11.1 Upon the Scheme becoming effective, all legal and other proceedings, including before any statutory or quasi-judicial authority



HIGH COURT, BOMBAY

0624938

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with the Demerged Company. In the event of any difference or difficulty in determining whether any specific legal or other proceeding relates to the Demerged Undertaking or not, the decision of the Board of Directors of the Demerged Company as to whether such proceeding relates to the Demerged Undertaking or not, shall be conclusive evidence of the relationship with Demerged Undertaking."

5. The aforesaid provisions would sufficiently protect the unsecured creditors. The Court is also informed that the net worth of the transferor as on 30th September 2006 was to the tune of Rs.1.96 crores.

6. Both the Official Liquidator and the Regional Director have stated that the scheme as proposed is not contrary to the public interest or prejudicial to the interest of the shareholders or creditors.



HIGH COURT, BOMBAY

0624937

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or tribunal of whatsoever nature by or against the Demerged Company pending and/or arising at the Appointed Date and relating to the Demerged Undertaking, shall be continued and enforced by or against the Resulting Company only, to the exclusion of the Demerged Company in the manner and to the same extent as would have been continued and enforced by or against the Demerged Company. On and from the Effective Date, the Resulting Company shall and may, if required, institute any legal proceedings in relation to the Demerged Undertaking.

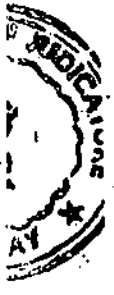
11.2 In the event that the legal proceedings referred to above, require the Demerged Company and the Resulting Company to be jointly treated as parties thereto, the Resulting Company shall be added as party to such proceedings and shall prosecute or defend such proceedings in cooperation

SIGNATURE

HIGH COURT, BOMBAY

0624939

3. There is no objection to the scheme and since all the requisite statutory compliances have been fulfilled; there is no reason why relief as prayed should not be granted. Subject to the scheme also being approved by the Karnataka High Court on a Petition to be filed by the Transferee, the Company Petition is made absolute in terms of prayer clauses (a) to (c).



TRUE COPY

[Handwritten Signature]
Master and Assistant Prothonotary (Judl.)
~~For Registrar Original Side~~
Prothonotary and Senior Master,
High Court, Bombay.

TRUE COPY

[Handwritten Signature]
Section Officer
High Court, Appellate Side
Bombay.

Scheme of Arrangement

Under Sections 391 to 394 of the Companies Act, 1956

Between

Forbes Gokak Limited

Demerged Company

(Transferor Company)

And

GOKAK TEXTILES LIMITED

Resulting Company

(Transferee Company)

And

Their Respective Shareholders and Creditors



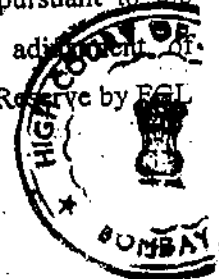
BACKGROUND:

- A. Forbes Gokak Limited ("FGL"), particulars in respect of which are provided in Sub-Clause 1.4, is a multidivisional company engaged in diverse businesses, inclusive of:
- (a) Textiles and Up Market Brands retailing;
 - (b) Engineering including business automation systems;
 - (c) Logistics solutions; and
 - (d) Others.
- B. The Board of Directors of FGL are of the opinion that the transfer and vesting of the textiles business including the yarn division and the knitwear division ("Textiles Division") of FGL into a new company by way of demerger, is in the interest of all concerned including the shareholders, creditors and employees and the general public as it would provide focused management orientation due to individual specialisation, leadership vision, facilitate fund

raising capability for future growth and expansion and create a structure geared to take an advantage of growth opportunities.

C. This Scheme of Arrangement has been drawn up to comply with the conditions relating to "Demerger" as specified under Section 2(19AA) of the Income-tax Act, 1961. If any terms or provisions of the Scheme of Arrangement are found or interpreted to be inconsistent with the said provisions at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said section of the Income-tax Act, 1961 shall prevail and the Scheme of Arrangement shall stand modified to the extent determined necessary to comply with Section 2(19AA) of the Income-tax Act, 1961. Such modification will however not affect other parts of the Scheme of Arrangement.

D. It is in this background that this Scheme of Arrangement is presented for the demerger of the Textiles Division of FGL into GOKAK TEXTILES LIMITED ("GTL") pursuant to the relevant provisions of the Companies Act, 1956. Simultaneously, an adjustment of Miscellaneous Expenditure and Impairment Provision against Amalgamation Reserve by FGL is also proposed in this Scheme of Arrangement.



1. DEFINITIONS

1.1 "Act" or "the Act" means the Companies Act, 1956 including any statutory modifications, re-enactments or amendments thereof for the time being in force.

1.2 "Appointed Date" means the 1st day of April 2007.

1.3 "Bombay High Court" means the High Court of Judicature at Bombay to which this Scheme of Arrangement in its present form is submitted for sanctioning under Sections 391 to 394 of the Act.

1.4 "Demerged Company" or

"Transferor Company" means FGL, a company under the Companies Act, 1956 and having its registered office at Forbes Building, Charanjit Rai Marg, Fort, Mumbai 400 001.

"Demerged Undertaking" means the Textiles Division of FGL comprising of the business activity of textiles being carried on by FGL on a going concern basis and including the manufacturing and/or allied activities of the following subdivisions, as on the Appointed Date:

- Yarn division engaged in manufacturing and marketing of cotton yarn including but not limited to dyed yarn, grey yarn, canvas, terry towels, etc.;
- Knitwear division engaged in all the operations from knitting to making of garments like polo shirts, T-shirts etc, manufactured and sold under the 'Campbell' brand; and otherwise
- shall include (without limitation):

1.5.1 All assets wherever situated, whether moveable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including land, buildings, residential properties (more particularly described in the Schedule of this Scheme), offices, all the power generation plants whether hydro power or multi fuel electricity plant located at factory site or otherwise, mills, power looms, dornier looms, plant and machinery including spindles, capital work-in-progress, warehouses, godowns, depots, power lines, vehicles, other fixed assets but without being limited to factory licenses, brands, trademarks, patents, copyrights and other intellectual property rights, investments (including the investment in P.T. Gokak Indonesia), leases, tenancy rights, premises, hire purchase and lease arrangements, computers, office equipment, furniture, telephones, telexes, facsimile connections, communication facilities, electrical and other installations, inventories, current assets, sundry debtors, deposits, receivables, funds, cash, bank balances, accounts and all other rights, benefits of all agreements, subsidies, grants, taxes, tax credits (including but not limited to credits in respect of income tax, sales tax, value added tax, turnover tax, excise duty, service tax, etc), bills of exchange, letters of intent and loans and advances appearing in the books of accounts of FGL pertaining to or relating to the Textiles Division.

1.52 All liabilities present, future and the specified contingent liabilities including the liabilities of FGL allocable or pertaining to the business of Textiles Division including guarantees in respect of borrowings of P.T. Gokak Indonesia. For the purpose of this Scheme, it is clarified that liabilities allocable or pertaining to the Textiles Division shall include:

- (i) The liabilities which arise out of the activities or operations of the Textiles Division;
- (ii) The specific loans or borrowings raised, incurred and utilized solely for the activities or operations of the Textiles Division; and
- (iii) In cases, other than those referred to in Sub-Clauses (i) and (ii), so much of the amounts of general or multipurpose borrowings of FGL, allocable to the Textiles Division as stand in the same proportion which the value of the assets transferred to GTL under this Scheme bears to the total value of the assets of FGL immediately before the Demerger, as prescribed in the Income-tax Act, 1961.

1.53 Without prejudice to the generality of the provisions of Sub-Clause 1.6.1 and Sub-Clause 1.6.2, the Textiles Division shall include all rights and licenses and assignments and grants thereof, benefits of agreements, contracts and arrangements, powers, authorities, industrial and other licenses, municipal permissions, registrations, quotas, permits, allotments, approvals, export licenses, sanctions, remissions, special reservations, holidays, incentives, concessions and other authorizations, benefits, entitlements and incentives of any nature whatsoever including sales tax remissions and custom duty exemption certificates, consents, privileges, liberties, advantages, easements and all the right, title, interests, goodwill, benefits, entitlement and advantages and all other rights and claims of whatsoever nature and wheresoever situated belonging to or in the possession of or granted in favour of or enjoyed by FGL and / or to which FGL is entitled to in connection with or pertaining to or relating to the Textiles Division of whatsoever kind, nature or description held, applied for or as may be obtained thereafter and all respective books of accounts, papers, documents and records relating to the Textiles Division, and all earnest money and/or deposits including security deposits paid by FGL in connection with or relating to the Textiles Division.



1.54 All permanent employees of FGL employed in the Textiles Division as on the Effective Date and those permanent employees that are determined by the Board of Directors of FGL, to be substantially engaged in or in relation to the Textiles Division.

It is intended that the definition of Demerged Undertaking under this Sub-Clause would enable the transfer of all property, assets, liabilities, rights, obligations, entitlements and benefits (including under excise, sales-tax, etc. to which the Demerged Undertaking is entitled to in terms of the various statutes / schemes, etc. and accumulated loss and allowance for unabsorbed depreciation under income-tax) of the Demerged Undertaking to GTL pursuant to this Scheme, without any further act or deed.

1.55 "Effective Date" means the last of the dates on which the certified copy of the orders passed by the High Courts / National Company Law Tribunal sanctioning the Scheme are filed with the Registrar of Companies of Mumbai and with the Registrar of Companies of Karnataka by FGL and GTL, as the case may be, being not earlier than the Appointed Date. Any references in the Scheme to "upon the Scheme becoming effective" or "effectiveness of the Scheme" shall mean the "Effective Date".

1.56 "High Courts" shall mean the High Court of Judicature at Bombay and the High Court of Judicature at Karnataka collectively, to whom this Scheme of Arrangement in its present form is submitted for sanctioning under Sections 391 to 394 of the Act.

1.57 "IT Act" means the Income-tax Act, 1961 including any statutory modifications, re-enactments or amendments thereof for the time being in force.

1.58 "Karnataka High Court" means the High Court of Judicature at Karnataka to which this Scheme of Arrangement in its present form is submitted for sanctioning under Sections 391 to 394 of the Act.

- 1.10 "Record Date" means the date to be fixed jointly by the Boards of Directors of FGL and GTL, or Committees thereof, for the purpose of determining the names of the shareholders of FGL who shall be entitled to receive shares of GTL and to whom shares of GTL will be issued pursuant to this Scheme.
- 1.11 "Remaining Business" means all the business units, divisions and their respective assets and liabilities (including portion of general or multipurpose borrowings and accumulated and unabsorbed tax losses including accumulated and unabsorbed depreciation not allocated to the Demerged Undertaking) of FGL, other than those being transferred to the Demerged Undertaking.
- 1.12 "Resulting Company" or "Transferee Company" means GOKAK TEXTILES LIMITED ("GTL"), a company incorporated under the Companies Act, 1956 having its registered office at 2 / 6, Royal Park No. 34, Park Road, Bangalore-560051.
- 1.13 "Scheme" or "the Scheme" or "this Scheme" means this Scheme of Arrangement in accordance with Section 2(19AA) of the IT Act in its present form, together with all the schedules and annexures, which shall form part of this Scheme of Arrangement and shall be submitted to the High Courts / National Company Law Tribunal or with any modification(s) made under Clause 16 of this Scheme or with such other modifications/amendments as the High Courts / National Company Law Tribunal may direct.
- 1.14 All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the IT Act, the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye laws, as the case may be, including any statutory modification or re-enactment thereof from time to time.

2. OPERATIVE DATE

The provisions of this Scheme shall be operational and functional with effect from the Appointed Date.

SHARE CAPITAL

The authorized, issued, subscribed and paid up share capital of the Demerged Company as on September 30, 2006 is as under:

	(Amount in Rs.)
<u>Authorized capital</u>	
1,50,00,000 Equity Shares of Rs. 10 each	15,00,00,000
	<u>15,00,00,000</u>
<u>Issued, subscribed and fully paid-up</u>	
1,28,98,616 Equity Shares of Rs. 10 each	12,89,86,160
Total	<u>12,89,86,160</u>

As on date, there is no change in the issued, subscribed and paid-up capital of the Demerged Company. The Demerged Company shall not, pending the sanction of this Scheme, make any change in its share capital structure either by any increase, [by issue of equity shares (rights issue, preferential issue or otherwise), bonus shares, convertible debentures, convertible instruments or otherwise] decrease, reduction, reclassification, sub-division or consolidation, re-organisation, or in any other manner.

The authorized, issued, subscribed and paid up share capital of the Resulting Company is as under:

	(Amount in Rs.)
<u>Authorized capital</u>	
50,000 Equity Shares of Rs. 10 each	5,00,000
	<u>5,00,000</u>
<u>Issued, subscribed and fully paid-up</u>	
50,000 Equity Shares of Rs. 10 each	5,00,000

Total

5,00,000

The Resulting Company was incorporated under the Act on March 27, 2006. Pending sanction of this Scheme, the Resulting Company shall not make any change in its capital structure either by any increase, [by issue of equity shares (rights issue, preferential issue or otherwise), bonus shares, convertible debentures, convertible instruments or otherwise] decrease, reduction, reclassification, sub-division or consolidation, re-organisation, or in any other manner, except as may be expressly permitted under this Scheme or as may be required to give effect to the Scheme.

4. **AUTHORISED SHARE CAPITAL**

4.1 Upon coming into effect of the Scheme, the authorised share capital of the Resulting Company shall be increased from Rs 5,00,000 (Rupees five lacs) divided into 50,000 (Fifty thousand) equity shares of Rs. 10/- (Rupees ten) each to Rs. 7,00,00,000 (Rupees 70 crores) divided into 70,00,000 (Seventy lacs) equity shares of Rs. 10/- (Rupees ten) each.

4.2 The members of the Resulting Company shall resolve and accord all relevant consents under Sections 17, 31 and 94 of the Act or any other provisions of the Act to the extent the same may be considered applicable.

5. **TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING**

5.1 With effect from the Appointed Date, the Demerged Undertaking shall pursuant to the provisions of Sections 391 to 394 of the Act and all other applicable provisions of applicable laws, rules and regulations for the time being in force, without any further act or deed, stand transferred to and be vested, as a going concern, into the Resulting Company together with all the estate and interest of the Demerged Company therein, subject however, to all charges, liens, lis pendens, mortgages and encumbrances, if any, affecting the same or any part thereof. The transfer and vesting of the Demerged Undertaking shall be effected as follows:-

5.1.1 In the event that the Boards of Directors of the Demerged Company and the Resulting Company so desire, in respect of such of the assets of the Demerged Undertaking as are moveable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, the same shall, be transferred by the Demerged Company to the Resulting Company as provided in Sub-Clause 5.2.

5.1.2 In respect of any assets, other than those referred to in Sub-Clause 5.1.1 above, the same shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Resulting Company pursuant to the Scheme coming into effect.

In the event that the Boards of Directors of the Demerged Company and the Resulting Company so jointly decide as provided in Sub-Clause 5.1, the transfer and vesting of movable assets shall be affected as follows:

5.2.1 All the movable assets forming part of or comprised in the Demerged Undertaking or assets otherwise capable of transfer by manual delivery or by endorsement and delivery, including cash in hand shall be physically handed over by manual delivery to the Resulting Company to the end and intent that the property therein passes to the Resulting Company on such delivery, without requiring any deed or instrument of conveyance for the same and shall become the property of the Resulting Company accordingly.

5.2.2 In respect of movable assets, other than those specified in Sub-Clause 5.2.1 including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or value to be received, bank balances and deposits, if any, the Demerged Company shall give notice in such form as it may deem fit and proper to each party, debtor or depositor of the Demerged Company as the case may be, that pursuant to the Scheme coming into effect, the said debt, loan, advances, etc. be paid or made good or held on account of the Resulting Company as the person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realise the same stands extinguished, and that such rights to recover or realize the same shall vest in the Resulting Company. The Resulting Company may, if required, give notice in such form as it may deem fit and proper to each person,

debtor or depositor that pursuant to the Scheme coming into effect, the said person, debtor or depositor should pay the debt, loan or advance or make good the same or hold the same to the account of the Resulting Company and that the right of the Resulting Company to recover or realise the same is in substitution of the right of the Demerged Company.

- 5.3 With effect from the Appointed Date, the immovable property (more particularly described in the Schedule of this Scheme) relating to the Demerged Undertaking, and any documents of title/rights and easements in relation thereto shall be vested in and transferred to and/or be deemed to have been vested in and stand transferred to and shall belong to the Resulting Company. From the Appointed Date, the Resulting Company shall in relation to the properties of the Demerged Undertaking transferred to the Resulting Company under this Scheme, be liable for ground rent, municipal taxes and any other applicable cess, duties, levies, taxes and the like. The mutation of the title to the said immovable properties shall be made and duly recorded by the appropriate authorities pursuant to the Scheme, in accordance with the terms hereof without any further act or deed whatsoever, in favour of the Resulting Company.
- 5.4 Upon the coming into effect of this Scheme, all debts, liabilities, loans and obligations incurred, duties or obligations of any kind, nature or description (including contingent liabilities) of the Demerged Company (as on the Appointed Date) and relating to the Demerged Undertaking including general and multipurpose borrowings dealt with in accordance with Section 2(19AA) of the IT Act shall, without any further act or deed, stand transferred to and vested in and be deemed to be transferred and to be vested in the Resulting Company to the extent that they are outstanding as on the Effective Date and on the same terms and conditions as applicable to the Demerged Company, and shall become the debts, liabilities, loans, duties and obligations of the Resulting Company which shall meet, discharge and satisfy the same.
- 5.4.1 Where any of the debts, liabilities, loans and obligations incurred, duties and obligations of the Demerged Company as on the Appointed Date deemed to be transferred to and vested in the Resulting Company have been discharged by the Demerged Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Resulting Company.

5.4.2 All debts, liabilities, loans and obligations incurred, duties and obligations of the Demerged Company for the operations of the Demerged Undertaking after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been incurred for and on behalf of the Resulting Company in which the Demerged Undertaking shall vest in terms of this Scheme and to the extent they are outstanding on the Effective Date, shall also without any further act or deed, stand transferred to and vested in and be deemed to be transferred to and vested in the Resulting Company and shall become the debts, liabilities, loans, duties and obligations of the Resulting Company which shall meet discharge and satisfy the same. Provided however that no debts, liabilities, loans, duties and obligations shall have been assumed by the Demerged Company in relation to the Demerged Undertaking after the Appointed Date without the prior written consent of the Resulting Company.

5.5 The Demerger and the transfer and vesting of the assets comprised in the Demerged Undertaking to and in the Resulting Company under this Scheme shall be subject to the mortgages and charges, if any, affecting the same as hereinafter provided.

5.5.1 The existing securities, mortgages, charges, encumbrances or liens (the "Encumbrances") or those, if any created by the Demerged Company after the Appointed Date, in terms of this Scheme, over the assets comprised in the Demerged Undertaking or any part thereof transferred to the Resulting Company by virtue of this Scheme, shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they related or attached prior to the Effective Date and as are transferred to the Resulting Company, and such Encumbrances shall not relate or attach to any of the other assets of the Resulting Company.

5.5.2 In so far as any Encumbrances over the assets comprised in the Demerged Undertaking are security for liabilities of the Remaining Business retained with the Demerged Company and in so far as any Encumbrances over the assets comprised in the Remaining Business retained with the Demerged Company are security for liabilities of the Demerged Undertaking, the same shall, on the Effective Date, without any further act, instrument or deed be modified to the extent that all such

assets shall stand released and discharged from the obligations and security relating to the same and the Encumbrances shall only extend to and continue to operate against the assets retained with the Demerged Company and shall cease to operate against any of the assets transferred to the Resulting Company in terms of this Scheme. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above.

5.5.3 In so far as any Encumbrances over the assets comprised in the Remaining Business retained with the Demerged Company are security for liabilities of the Demerged Undertaking, it is clarified that the Resulting Company shall create adequate security equivalent to the value of the security over the assets of the Remaining Business in respect of the liabilities of the Demerged Undertaking and such security shall extend to and operate over the assets of the Demerged Undertaking that are being transferred to the Resulting Company pursuant to this Scheme.

5.5.4 Without prejudice to the provisions of Sub-Clauses 5.5, 5.5.1, 5.5.2 and 5.5.3 and upon the effectiveness of this Scheme, the Demerged Company and the Resulting Company shall execute any instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the relevant Registrar of Companies under the Act to give formal effect to the above provisions, if required.

5.5.5 It is expressly provided that, save as mentioned in this Scheme, no other term or condition of the liabilities transferred to the Resulting Company is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.

5.6 Subject to the necessary consents being obtained in accordance with the terms of this Scheme, the provisions of Sub-Clauses 5.5, 5.5.1, 5.5.2, 5.5.3 and 5.5.4 shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document.

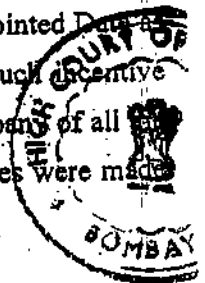
- 7 Upon the coming into effect of this Scheme and subject to the provisions of the IT Act, the accumulated loss and the allowance for unabsorbed depreciation of the Demerged Undertaking shall be transferred to the Resulting Company as follows:
- 5.7.1 The whole of such accumulated loss and allowance for unabsorbed depreciation as is directly relatable to the Demerged Undertaking;
- 5.7.2 Where the accumulated loss and allowance for unabsorbed depreciation is not directly relatable to the Demerged Undertaking, it shall be apportioned between the Demerged Company and the Resulting Company in the same proportion in which the assets of the undertakings have been retained by the Demerged Company and transferred to the Resulting Company under this Scheme and shall be deemed to be available for carry forward and set off in the hands of the Resulting Company in accordance with the provisions of Section 72A of the IT Act.
- 5.8 With effect from the Appointed Date, all permits, quotas, rights, entitlements, tenancies and licenses relating to brands, trademarks, patents, copy rights, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Demerged Undertaking to the benefit of which the Demerged Undertaking is and /or be eligible and which are subsisting or having effect immediately before the Appointed Date, shall be and remain in full force and effect in favour of the Resulting Company and may be enforced fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a beneficiary or obligee thereto.
- 5.9 With effect from the Appointed Date, any statutory licenses, permissions, approvals and/or consents held by the Demerged Company required to carry on operations of the Demerged Undertaking shall stand vested in or transferred to the Resulting Company without any further act or deed and shall be appropriately mutated by the statutory authorities or any other person concerned therewith in favour of the Resulting Company. The benefit of all statutory and regulatory permissions, factory licenses, environmental approvals and consents including the statutory licenses, permissions or approvals or consents required to carry on the operations of the Demerged Undertaking shall vest in and become available to the Resulting Company pursuant to the Scheme coming into effect. Any no-objection certificates, licenses, permissions, consents, approvals, authorizations, registrations or statutory rights as are jointly

held by the Demerged Undertaking and any other division of the Demerged Company shall be deemed to constitute separate licenses, permissions, no-objection certificates, consents, approvals, authorities, registrations or statutory rights and the relevant or concerned statutory authorities and licensors shall endorse and/or mutate or record the separation, upon the filing of the Scheme as sanctioned with such authorities and licensors after the same becomes effective, so as to facilitate the continuation of operations of the Demerged Undertaking in the Resulting Company without any let or hindrance from the Effective Date.

5.10 The entitlement to various benefits under incentive schemes and policies in relation to the Demerged Undertaking shall stand transferred to and be vested in and/or be deemed to have been transferred to and vested in the Resulting Company together with all benefits, entitlements and incentives of any nature whatsoever. Such entitlements shall include (but shall not limited to) sales tax concessions and incentives in relation to the Demerged Undertaking to be claimed by the Resulting Company with effect from the Appointed Date as if the Resulting Company was originally entitled to all such benefits under such incentive scheme and/or policies, subject to continued compliance by the Resulting Company of all terms and conditions subject to which the benefits under such incentive schemes were made available to the Demerged Company.

5.11 Since each of the permissions, approvals, consents, sanctions, remissions, special reservations, sales tax remissions, holidays, incentives, concessions and other authorizations relating to the Demerged Undertaking, shall stand transferred under this Scheme to the Resulting Company, the Resulting Company shall file the relevant intimations, if any, for the record of the statutory authorities who shall take them on file, pursuant to the Scheme coming into effect.

5.12 It is clarified that all the taxes and duties payable by the Demerged Company, relating to the Demerged Undertaking, from the Appointed Date onwards including all or as any refund and claims shall, for all purposes, be treated as the tax liabilities or refunds and claims of the Resulting Company. Accordingly, upon the Scheme becoming effective, the Demerged Company is expressly permitted to revise and the Resulting Company is expressly permitted to file their respective sales tax / value added tax returns, excise returns, service tax returns and other tax returns, and to claim refunds / credits, pursuant to the provisions of this Scheme.



ISSUE OF SHARES

- 5.1 Upon coming into effect of the Scheme, and in consideration for the transfer of and vesting of the Demerged Undertaking in the Resulting Company, the Resulting Company shall, without any further act or deed, issue and allot equity shares to the extent indicated below, to the shareholders of the Demerged Company holding fully paid-up equity shares in the Demerged Company and whose names appear in the Register of Members of the Demerged Company, on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of the Demerged Company in the following proportion viz.:
- “(one) fully paid up equity share of Rs 10 each of the Resulting Company shall be issued and allotted for (and not in exchange of) every 2 (two) equity shares of Rs 10 each held in the Demerged Company” (hereinafter referred to as “New Equity Shares”).
- 6.2 No coupons shall be issued in respect of fractional entitlements, if any, by the Resulting Company, to the members of the Demerged Company at the time of issue and allotment of New Equity Shares. The Board of Directors of the Resulting Company shall consolidate all fractional entitlements, if any, arising due to the transfer of the Demerged Undertaking under this Scheme and allot New Equity Shares in lieu thereof to a director or such other authorized representative(s) as the Board of Directors of the Resulting Company shall appoint in this behalf, who shall hold the New Equity Shares issued in the Resulting Company, in trust on behalf of the members entitled to fractional entitlements with the express understanding that such director(s) or other authorized representative(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 the Resulting Company, the net sale proceeds thereof, whereupon the Resulting Company shall distribute such net sale proceeds subject to taxes, if any, to the members in proportion to their respective fractional entitlements. The Board of Directors of the Resulting Company, if it deems necessary, in the interests of allottees, approve such other method in this behalf as it may, in its absolute discretion, deem fit.
- 6.3 The New Equity Shares shall be issued in dematerialized form to those equity shareholders who hold the shares of the Demerged Company in dematerialized form provided that they shall be required to provide details of their respective accounts with the depository participant

and such other confirmations as may be required. All those equity shareholders who hold shares of the Demerged Company in physical form shall be issued New Equity Shares in dematerialized form, provided that they provide details of their respective accounts with the depository participant. The shareholders who fail to provide such details shall be issued New Equity Shares in physical form unless otherwise communicated in writing by such shareholders on or before such date as may be determined by the Boards of Directors of the Demerged Company and the Resulting Company or by a Committee created thereof by mutual agreement of the Boards of Directors.

- 6.4 The Resulting Company shall, if and to the extent required, apply for and obtain any approvals from concerned regulatory authorities and undertake necessary compliances for the issue and allotment by the Resulting Company of New Equity Shares to the members of the Demerged Company under the Scheme.
- 6.5 The New Equity Shares to be issued to the members of the Demerged Company shall be subject to the Memorandum and Articles of Association of the Resulting Company and shall rank pari passu with the existing equity shares of the Resulting Company in all respects including dividend and interim dividend.
- 6.6 The New Equity Shares alongwith the existing share capital of the Resulting Company, subject to the execution of listing agreement and payment of the appropriate fees, will be listed and / or admitted to trading on the Bombay Stock Exchange. The Resulting Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said Stock Exchange. On such formalities being fulfilled the said Stock Exchange shall list and admit such equity shares for the purpose of trading.
- 6.7 The issue and allotment of New Equity Shares to the members of the Demerged Company, as provided in this Scheme, shall be made in compliance with the procedure laid down under Section 81(1A) and any other provisions of the Act.

7 ACCOUNTING TREATMENT IN THE BOOKS OF THE DEMERGED COMPANY

- 1 Upon the coming into effect of this Scheme the Demerged Company shall write-off the voluntary retirement compensation reflected as Miscellaneous Expenditure in its Balance Sheet as at 31st March 2006, and that incurred during the financial year beginning on April 1, 2006 and ending on March 31, 2007 and Impairment Provision required for the year ended March 31, 2007, by debiting it against the balance in "Amalgamation Reserve" in its Balance Sheet as at 31st March 2006. The aforesaid shall be given effect to in the financial statements of the Demerged Company for the year ending on March 31, 2007.

- 2 With effect from the Appointed Date, the accounts representing the assets and liabilities of the Demerged Undertaking shall stand closed on transfer to the Resulting Company. In so far as the accounts representing general or multipurpose borrowings are concerned, they shall stand reduced by the amounts transferred to the Resulting Company in accordance with the provisions of this Scheme. The difference between the amount of assets and liabilities so transferred and reduced shall be adjusted against the following balances appearing in the books of the Demerged Company, in the following order:
 - Amalgamation Reserve (balance remaining after giving effect to Clause 7.1 above);
 - Capital Reserve;
 - Securities Premium; and
 - General Reserve

- 7.3 With effect from the Appointed Date, the Demerged Company shall adjust the deferred tax asset and the deferred tax liability to give effect to the transfer of assets and liabilities of the Demerged Undertaking to the Resulting Company against the "General Reserve".

- 7.4 Upon the coming into effect of this Scheme, the Demerged Company shall write-off all expenses incurred in connection with this Scheme and matters incidental thereto, referred in Clause 19, against the "General Reserve".

8 ACCOUNTING TREATMENT IN THE BOOKS OF THE RESULTING COMPANY

- 8.1 With effect from the Appointed Date:

- 8.1.1 The Resulting Company shall record the assets and liabilities of the Demerged Undertaking vested in it in accordance with Clause 5, at their respective values (ignoring revaluation), as appearing in the books of account of the Demerged Company at the close of the business of the day immediately preceding the Appointed Date.
- 8.1.2 The Resulting Company shall credit the aggregate face value of the New Equity Shares of the Resulting Company issued by it to the members of the Demerged Company pursuant to this Scheme to the Share Capital Account in its books of account.
- 8.1.3 Any difference, whether an excess or a shortfall in the recorded value of assets in the books of account of the Resulting Company over recorded value of liabilities in the books of account of the Resulting Company and the face value of the New Equity Shares allotted by the Resulting Company under Clause 6 shall be recorded by the Resulting Company as a balance in the Profit and Loss Account to the maximum extent of twice the share capital of the Resulting Company pursuant to demerger and the balance in the General Reserve or shall be debited to Goodwill in the books of account, as the case may be.
- 8.1.4 The Resulting Company shall determine the deferred tax asset and the deferred tax liability as on April 1, 2007 based on the assets and liabilities of the Demerged Undertaking and adjust the same against the "General Reserve" or the "Goodwill", as the case may be.

9. CONDUCT OF BUSINESS OF THE DEMERGED UNDERTAKING

- 9.1 In case the Effective Date is after the Appointed Date, then during the period between the Appointed Date and the Effective Date:

9.1.1 The Demerged Company shall carry on and be deemed to have carried on its business and activities in relation to the Demerged Undertaking, and shall hold and deal with all assets and properties and stand possessed of all rights, title, interest and authorities of the Demerged Undertaking, for and on account of and in trust for the Resulting Company.

9.1.2 Any income or profit accruing or arising to the Demerged Company in relation to the Demerged Undertaking and all costs, charges, expenses, losses or taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax credit, taxes withheld / paid in a foreign country, etc), arising or incurred by the Demerged Company in relation to the Demerged Undertaking shall for all purposes be treated as the income, profits, costs, charges, expenses and losses, as the case may be, of the Resulting Company.

9.1.3 The Demerged Company shall not utilize the profits or income, if any, relating to the Demerged Undertaking for the purpose of declaring or paying any dividend or for any other purpose in respect of the period from and after the Appointed Date, without the prior written consent of the Resulting Company.

9.1.4 The Demerged Company shall not (without the prior, written consent of the Resulting Company) alienate, charge or otherwise deal with or dispose of the Demerged Undertaking or any part thereof except in the usual course of business or pursuant to any pre-existing obligation undertaken prior to the Appointed Date.

9.1.5 The Demerged Company shall carry on the business of the Demerged Undertaking with reasonable diligence and prudence, in the ordinary course of business, and the Demerged Company shall not, in any material respect, alter or expand the business of the Demerged Undertaking, other than such alterations or expansions as have already been commenced, except with the prior written consent of the Resulting Company and shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitment either for itself or on behalf of its subsidiaries or group companies or any third party, or sell,

transfer, alienate, charge, mortgage or encumber or deal with the Demerged Undertaking, save and except, in each case, in the following circumstances:

- (i) if the same is in the ordinary course of business as carried on by it as on the date of filing this Scheme with the High Courts/ National Company Law Tribunal; or
- (ii) if the same is expressly permitted by this Scheme; or
- (iii) if the written consent of the Resulting Company, as the case may be, has been obtained.

9.1.6 The Demerged Company 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 its employees in relation to the Demerged Undertaking.

9.2 The Demerged Company shall be entitled, pending the sanction of the Scheme by the High Courts/ National Company Law Tribunal, to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Resulting Company may require to own and carry on the business of the Demerged Undertaking.

9.3 With effect from the Effective Date, the Resulting Company shall commence and carry on and shall be authorized to carry on the businesses carried on by the Demerged Undertaking of the Demerged Company.

10 EMPLOYEES OF THE DEMERGED UNDERTAKING

10.1 All permanent employees of the Demerged Undertaking and those permanent employees that are determined by the Board of Directors of the Demerged Company, to be substantially engaged in or in relation to the Demerged Undertaking, in service on the Effective Date shall be deemed to have become the employees of the Resulting Company with effect from the Appointed Date without any interruption or break in their service as a result of the transfer

and vesting of the Demerged Undertaking to the Resulting Company. The terms and conditions of their employment with the Resulting Company with effect from the Effective Date shall not be less favourable than those applicable to them with reference to the Demerged Undertaking on the Effective Date.

0.2 The existing Provident Fund, Gratuity Fund, Superannuation Fund or any other Fund for the transferred employees of the Demerged Undertaking in terms of this Scheme shall be continued for the benefit of such employees on the same terms and conditions. With effect from the Effective Date, the Resulting Company shall make the necessary contribution for such employees taken over by the Resulting Company until the Resulting Company constitutes its own Provident Fund, Gratuity Fund, Superannuation Fund or any other Fund and obtain necessary approval for the same. Upon the Scheme being effective, the Resulting Company shall stand substituted for the Demerged Company for all purposes whatsoever related to the administration or operation of such Fund or in relation to the obligations to make a contribution to the said Funds in accordance with the provisions of the Fund or according to the terms provided in the respective Fund Deeds or other documents. The Resulting Company undertakes all the duties and obligations and assumes all the rights and powers of the Demerged Company, upon the Scheme being effective, in relation to aforesaid Funds of the Demerged Company in relation to the Demerged Undertaking. The services of the staff, workmen and other employees of the Demerged Undertaking will be treated as having been continuous for the purposes of the aforesaid Funds or provisions of any Funds for employees.

10.3 The Resulting Company undertakes to continue to abide by any agreement(s)/settlement(s) entered into with any trade unions / permanent employees by the Demerged Company in relation to the Demerged Undertaking. The Resulting Company agrees that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits, the past services of such permanent employees with the Demerged Company shall also be taken into account, and agrees and undertakes to pay the same as and when payable.

11 LEGAL AND OTHER PROCEEDINGS

11.1 Upon the Scheme becoming effective, all legal and other proceedings, including before any statutory or quasi-judicial authority or tribunal of whatsoever nature by or against the

Demerged Company pending and/or arising at the Appointed Date and relating to the Demerged Undertaking, shall be continued and enforced by or against the Resulting Company only, to the exclusion of the Demerged Company in the manner and to the same extent, as would have been continued and enforced by or against the Demerged Company. On and from the Effective Date, the Resulting Company shall and may, if required, initiate any legal proceedings in relation to the Demerged Undertaking.

11.2 In the event that the legal proceedings referred to above, require the Demerged Company and the Resulting Company to be jointly treated as parties thereto, the Resulting Company shall be added as party to such proceedings and shall prosecute or defend such proceedings in co-operation with the Demerged Company. In the event of any difference or difficulty in determining whether any specific legal or other proceeding relates to the Demerged Undertaking or not, the decision of the Board of Directors of the Demerged Company as to whether such proceeding relates to the Demerged Undertaking or not, shall be conclusive evidence of the relationship with Demerged Undertaking.

11.3 After the Appointed Date, in case the proceedings referred to in Sub-Clause 11.1 cannot be transferred for any reason, the Demerged Company shall defend the same at the cost of the Resulting Company, and the Resulting Company shall reimburse, indemnify and hold harmless the Demerged Company against all liabilities and obligations incurred by the Demerged Company in respect thereof.

12 CONTRACTS, DEEDS, ETC.

12.1 Notwithstanding anything contrary contained in this Scheme, any and all existing contracts, deeds, bonds, insurance policies, agreements and other instruments if any, of whatsoever nature relating to the Demerged Undertaking and to which the Demerged Company is party and subsisting or having effect on the Effective Date, shall be in full force and effect in favour of the Resulting Company and may be enforced by or against the Resulting Company as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee thereto, without any further act or deed.

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

12.3 Even after this Scheme becomes effective, the Resulting Company shall, as its own right, be entitled to realize all monies and complete and enforce all pending contracts and transactions in respect of the Demerged Undertaking in the name of the Demerged Company, in so far as may be necessary, until the transfer of rights and obligations of the Demerged Company to the Resulting Company under this Scheme is formally accepted by the third parties.

13 SAVING OF CONCLUDED TRANSACTIONS

13.1 The transfer and vesting of the properties, liabilities and obligations of the Demerged Undertaking pursuant to this Scheme shall not affect any transactions or proceedings already completed by the Demerged Company on or before the Appointed Date to the end and intent that, the Resulting Company accepts all acts, deeds and things done and executed by and/or on behalf of the Demerged Company in relation to the Demerged Undertaking which shall vest in the Resulting Company in terms of this Scheme as acts, deeds and things made, done and executed by and on behalf of the Resulting Company.

14 REMAINING BUSINESS

14.1 The Remaining Business shall continue to belong to and be vested in and be continued to be owned and managed by the Demerged Company. All legal or other proceedings by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted in future whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Business (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the Remaining Business) shall be continued and enforced by or against the Demerged Company.

14.2 With effect from the Appointed Date and upto and including the Effective Date:

14.2.1 the Demerged Company shall be deemed to have been carrying on all business and activities relating to the Remaining Business for and on its own behalf; and

14.2.2 all profits and cash accruing to the Demerged Company thereon or losses arising or incurred by it relating to the Remaining Business shall, for all purposes, be treated as the profits / cash or losses, as the case may be, of the Demerged Company.

15 APPLICATION TO HIGH COURTS/ NATIONAL COMPANY LAW TRIBUNAL

15.1 The Demerged Company and the Resulting Company shall with all reasonable dispatch make all necessary applications under Sections 391 to 394 of the Act and other applicable provisions of the Act to the High Courts/ National Company Law Tribunal for seeking approval of the Scheme.



16 MODIFICATIONS AND OTHER ISSUES RELATING TO THE SCHEME

16.1 The Demerged Company (by its Directors or its Committee thereof) and the Resulting Company (by its Directors or its Committee thereof) in their full and absolute discretion may assent to any modification(s) or amendment(s) in this Scheme which the High Courts / National Company Law Tribunal or such other appropriate authority and/or any other authorities may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/or carrying out the Scheme.

16.2 The Demerged Company (by its Directors or its Committee thereof) and the Resulting Company (by its Directors or its Committee thereof) are hereby authorized to give assent to any modification(s) or amendment(s) in the Scheme which may be considered necessary or desirable for any reason whatsoever and without prejudice to the generality of the foregoing,

any modification to the Scheme involving withdrawal of any of the parties to the Scheme at any time and for any reason whatsoever, the implementation of the Scheme shall not get adversely affected as a result of acceptance of any such modification by the Board of Directors or its Committee thereof of the Demerged Company or by the Board of Directors or its Committee thereof of the Resulting Company, who are hereby authorised to take such steps and to do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubt, difficulties or questions howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith.

16.3 If any question that may arise as to whether a specified asset or liability pertains to or does not pertain to the Demerged Undertaking or whether it arises out of the activities or operations of the Demerged Undertaking shall be decided by mutual agreement between the Boards of Directors of the Demerged Company and the Resulting Company.

16.4 In case any doubt or difference or issue shall arise between the parties hereto or any of their shareholders, creditors, employees and / or persons entitled to or claiming any right to any New Equity Shares in the Resulting Company, or to the construction thereof or as to any account, valuation or apportionment to be taken or made of any asset or liability transferred to the Resulting Company or as to anything else contained in or relating to or arising out of this Scheme, the same shall be decided jointly by the Boards of Directors of the Demerged Company and the Resulting Company, whose decision shall be final and binding on all concerned.

17 **CONDITIONALITY OF THE SCHEME**

17.1 This Scheme is and shall be conditional upon and subject to the approval by the requisite majorities of the shareholders and creditors of the Demerged Company and the shareholders of the Resulting Company and the sanctioning of this Scheme by the High Courts/ National Company Law Tribunal, whether with any modifications or amendments as the High Courts/ National Company Law Tribunal may deem fit or otherwise.

18 **REVOCATION AND SEVERABILITY**

- 18.1 In the event of any of the said sanctions and approvals referred to in Clause 17 not being obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the High Courts / National Company Law Tribunal or such other appropriate authority and/or order or orders not being passed as aforesaid before December 31, 2007 or such other date as may be mutually agreed upon by the respective Boards of Directors of the Demerged Company and the Resulting Company who are hereby empowered and authorised to agree to and extend the aforesaid period from time to time without any limitations in exercise of their powers through and by their respective delegate(s), this Scheme shall stand revoked, cancelled and be of no effect.
- 18.2 In the event of revocation under Sub-Clause 18.1, no rights and liabilities whatsoever shall accrue to or be incurred inter se to the Demerged Company and the Resulting Company or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, the Demerged Company shall bear all costs.
- 18.3 If any part of this Scheme hereof is invalid, ruled illegal by any Court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in the Scheme, as will best preserve for the parties the benefits and obligations of the Scheme, including but not limited to such part.
- 18.4 The Boards of Directors of the Demerged Company and the Resulting Company shall be entitled to revoke, cancel and declare the Scheme of no effect if the Boards of Directors are of view that the coming into effect of the Scheme could have adverse implications on the Demerged Company and/ or the Resulting Company.

19 COSTS, CHARGES & EXPENSES

19.1 All past, present and future costs, charges, taxes including duties such as stamp duty, levies and all other expenses, if any (save as expressly otherwise agreed) of the Demerged Company and the Resulting Company arising out of or incurred in connection with this Scheme and matters incidental thereto shall be borne by the Demerged Company.

20 INDEMNITY

20.1 After the Effective Date, the Resulting Company undertakes to keep harmless and indemnify and keep indemnified from time to time the Demerged Company from and against any and all debts, duties, liabilities, loans incurred, contingent liabilities and obligations of every kind, nature and description relating to the Demerged Undertaking including all demands, claims, suits, proceedings and the like (save and except all costs, charges and taxes referred to in Clause 19 and agreed to be borne and paid by the Demerged Company in full) which have, shall or may be made or instituted by any person, authority, government of India, firm, company, body corporate or organisation against the Demerged Company, directly relating to the Demerged Undertaking and / or against any financial liability/claim that may arise against Demerged Company by virtue of transfer and vesting of the Demerged Undertaking into the Resulting Company under and pursuant to this Scheme.

SCHEDULE

SCHEDULE OF IMMOVABLE PROPERTY OF THE DEMERGED UNDERTAKING

S No	Particulars (Description of the Asset, Location etc.)	Reference no.
1	Land at Gokak Falls, Dist. Belgaum, Karnataka State with buildings and structures thereon, comprised in Survey No.655/A, 655/B, 654B, 654A, 244B, 655B, 654B, 654/A/2, 654/A, 655B, 244A admeasuring 968.36 acres.	Annexure 1
2	Land at Village Marihal on Bagalkot Road, Dist. Belgaum, Karnataka State, with buildings and structures thereon comprised in Survey No. 5, 4/3, 4/2, 4/1, 15, 16/4, 16/3, 16/2, 16/1, 12, 13, 14 admeasuring 15 acres and 26 Gunthas.	Annexure 2
3	Land at Dhupdal, Dist. Belgaum, Karnataka State with buildings and structures thereon comprised in Survey No. 18 and 19B admeasuring 4.58 acres. (D.J.Madan Power House).	Annexure 3
4	Land at Banegaon Solapur, Survey No.142/7A (398/2), 38(981B), 38(981A), 37(96/1), 142/7B (162/2), 142/7B (298/1), 142/7A (162/1), 40 (100/1), admeasuring 57.98 acres.	Annexure 4
5	Residential apartment at High Point, Palace Road, Bangalore Karnataka, being apartment No. 3072 admeasuring, Super Built up area 1450 sq.ft.	Annexure 5
6	Residential flat at Bafna Court, 65 West Ponnurangam Road, R.S.Puram, Coimbatore 641 002, admeasuring 1500 sq.ft.	Annexure 6
7	Residential flat at Abar Co-Op. Hsg. Soc. Ltd., Flat No.401, 4 th floor, Andheri West, Mumbai	Annexure 7

Annexure 1

Land at Gokak Falls, Dist: Belgaum, Karnataka State with buildings and structures thereon, comprised in Survey No.655/A, 655/B, 654B, 654A, 244B, 655B, 654B, 654/A/2, 654/A, 655B, 244A admeasuring 968.36 acres.

Plot I : Portion of unassessed unculturable Government waste, Revision Survey No.244A of Gokak Taluka Gokak, measuring 312 acres, 10 gunthas.

- Bounded on the north by the high flood level line, Revision Survey Nos.243, 242 and 241 of the Village of Gokak.
- Bounded on the east by Revision Survey Nos.240, 238, 237, 234, 233 and 265 of Gokak.
- Bounded on the south by Revision Survey No.265 of Gokak, and Nos.654A and 655B of Konnur.
- Bounded on the west by portion of land covered with boulders and scrub at the foot of the precipice.

Plot II : Portion of unculturable unassessed Government waste, Revision Survey No.654B of the Village of Konnur, Taluka Gokak, measuring 267 acres, 24 gunthas.

- Bounded on North by River high flood level and Road from Konnur to Gokak running in between through the Land, and portion of Boundary covered by Konnur Survey No.654-A/2 and Temple Land Survey No.654-A2.
- Bounded on the east by Revision Survey No.244A of Gokak
- Bounded on the south by Revision Survey No.655B of Konnur.
- Bounded on the west by Revision Survey No.653 of Konnur.

Plot III : Unassessed unculturable Government waste, Revision Survey No.655B of the Village of Konnur, Taluka Gokak, measuring 369 acres, 34 gunthas.

- Bounded on the north by Revision Survey No.654B of Konnur.
- Bounded on the east by Revision Survey No.244A and 265B of Gokak.
- Bounded on the south by Revision Survey No.656 of Konnur.
- Bounded on the west by Revision Survey No.655A of Konnur.

Plot IV : Portion of unculturable unassessed Government waste, Revision Survey No.655A of Konnur, Taluka Gokak, measuring 3 acres and 26 gunthas.

- Bounded on the north by Survey No.654B of Konnur.
- Bounded on the east by Survey No.655B of Konnur.
- Bounded on the south by Survey No.656 of Konnur.
- Bounded on the west by Survey No.653 of Konnur.

Plot V : Portion of unculturable unassessed Government waste, Revision Survey No.654-A/2 of the Village Konnur, Taluka Gokak, measuring 15 acres and 22 gunthas.

- Bounded on the north by Survey No.654B of Konnur.
- Bounded on the east by Survey No.654B of Konnur..
- Bounded on the south by Road from Konnur to Gokak
- Bounded on the west by Survey No.654B of Konnur.

Annexure 2

Land at Village Marihal on Bagalkot Road, Dist. Belgaum, Karnataka State, with buildings and structures thereon comprised in Survey No. 5, 4/3, 4/2, 4/1, 15, 16/4, 16/3, 16/2, 16/1, 12, 13, 14 admeasuring 15 acres and 26 Gunthas.

District	Village	Survey No.	Measurement in Sq.Meters	Measurement in Acres A-G	Other Property to North	Other Property to South	Other Property to East	Other Property to West
BELGAUM	MARIHAL	5	19728 Sq.Mts	04-35	FS No301	RS No 12	RS No 4/3	RS No
BELGAUM	MARIHAL	4/3	7790 Sq.Mts.	01-37	FS No301	RS No 14	RS No 4/2	RS No
BELGAUM	MARIHAL	4/2	8599 Sq.Mts.	02-05	FS No301	RS No 15	RS No 4/1	RS No 4/3
BELGAUM	MARIHAL	4/1	9004 Sq.Mts.	02-09	FS No301	RS No 16/4	RS No 3	RS No 4/2
BELGAUM	MARIHAL	15	2529 Sq.Mts.	00-25	RS No 4/2	PWD-Road	RS No 16/4	RS No
BELGAUM	MARIHAL	16/4	1416 Sq.Mts.	00-14	RS No 4/1	PWD-Road	RS No 16/3	RS No
BELGAUM	MARIHAL	16/3	1821 Sq.Mts.	00-18	RS No 4/1	PWD-Road	RS No 16/2	RS No 16/4
BELGAUM	MARIHAL	16/2	1517 Sq.Mts.	00-15	RS No 4/1	PWD-Road	RS No 16/1	RS No 16/3
BELGAUM	MARIHAL	16/1	1618 Sq.Mts.	00-16	RS No 4/1	PWD-Road	RS No 3	RS No 16/2
BELGAUM	MARIHAL	12	2933 Sq.Mts.	00-29	RS No 5	PWD-Road	RS No 13	RS No 12
BELGAUM	MARIHAL	13	2225 Sq.Mts.	00-22	RS No 5	PWD-Road	RS No 14	RS No 12
BELGAUM	MARIHAL	14	4147 Sq.Mts.	01-01	RS No 4/3	PWD-Road	RS No 15	RS No 13

Total = 63332 Sq. Mts. Total = 15-26 Guntas

*FS = FOREST SURVEY
*RS = REVENUE SURVEY

Annexure 3

Land at Dhupdal, Dist. Belgaum, Karnataka State with buildings and structures thereon comprised in Survey No. 18 and 19B admeasuring 4.58 acres. (D.J.Madan Power House).

Land at Dhupdal Dist. Belgaum, Karnataka State with buildings and structures thereon (D.J. Madan Power House) ad-measuring 4 (four) Acre, 23 (Twenty three) gunthas or the go abouts alongside the Ghattaprabha Left Bank Canal, comprised in survey numbers 18 and 19B of Dhupdal village, Arabhavi, Hobli, Gokak Taluka, Belgaum District in the Registration Sub-District of Gokak and shown in RED colour in the map annexed hereto. An extent of 17.118 sq.mtrs., is within the canal area, which is shown as "Leading Channel Area" in the said plan and the rest on the embankment of Ghattaprabha Left Bank Canal.

(The exact area in each of the said survey numbers is not ascertainable).

EXHIBIT

Annexure 4

Land at Banegaon Solapur, Survey No.142/7A (398/2), 38(981B), 38(981A), 37(96/1), 142/7B (162/2), 142/7B (298/1), 142/7A (162/1), 40 (100/1), admeasuring 57.98 acres.

Sr. No.	Gat No.	Area	Area in Acre	Boundary to -			
				East	West	South	North
142/7A	398/2	2 Hectres 55 Ares	6.30	Gat No. 398/1	Karamba Mardi Road	Out of Gat No. 398/2	Banegaon Shiv
38	98/1B	2 Hectre 49 Ares	6.15	Agricultural Land Gat No.97	Agricultural Land Gat No:98/1A	Agricultural Land Gat No.99	Boundary of Village Mardi
38	98/1A	2 Hectre 49 Ares	6.15	Agricultural Land Gat No.98/1	Boundary of Karamba	Agricultural Land Gat No.99	Boundary of Village Mardi
37	96/1	4 Hectre 23 Ares	10.45	Gat No. 95	Gat No: 97	Gat No. 99 Pazar Talav	Mardi Shiv
142/7B	162/2	4 Hectres 6 Ares	10.03	Gat No. 161	Gat No. 162 /1	Banegaon Shiv	Gat No. 581
142/7B	398/1	2 Hectres 32 Ares	5.73	Gat No. 162/1	Gat No. 398/2	Banegaon Shiv	Mardi Karamba Road
142/7A	162/1	1 Hectre 70 Ares	4.20	Gat No. 162/2	Gat No. 398/1	Banegaon Shiv	Gat No. 581
40	100/1	3 Hectres 63 Ares	8.97	Remaining Agricultural Land of Gat No 100/1	Gat No. 99	Agricultural Land , Gat No.101, 102	Gat No. 94, 95

Annexure 5

Residential apartment at High Point, Palace Road, Bangalore Karnataka, being apartment No. 3072 admeasuring, Super Built up area 1450 sq.ft.

Residential apartment at High Point, Palace Road, Bangalore, Karnataka being apartment no.3072 admeasuring Super Builtup area 1450 sq. ft. situated on a portion of piece and parcel of freehold land and building bearing Door No.45 and 45/2, Palace Road, Bangalore-1, earlier known as "Ringwood" or "Kajee" now known as "Lalchizer" bounded on the North by properties known as "Hazelmere" and "Plashewydd", East by Palace Road, west by property being portion of 'Plashewydd" and South by property known as "Sandringham" and measuring 161 ft. 9" on the East, 353 1/2 plus 231 ft. on the North by 264 ft. on the West and 375 ft. on the South, in all about 1,08,800 sq.ft. or thereabouts, situate within the registration sub-district of Gandhinagar, Bangalore, Karnataka State.



Annexure 6

Residential flat at Bafna Court, 65 West Ponnurangam Road, R.S.Puram, Coimbatore 641 002, admeasuring 1500 sq.ft.

Residential flat No.11 on the First Floor, in A wing in the building known as Bafna Court, at 65 West Ponnurangam Road west, Coimbatore, 64/002 admeasuring 1500 sq.ft. located on a piece of land in Coimbatore Registration Dist. Coimbatore.

Sub District, Municipal Thirteenth Ward Ponnurangam Road West, R.S.Puram, Coimbatore, in "Q" Block, consolidated Site No.17 measuring 12150 sq.ft.

The Consolidated Site No.17 is made up to Old Site No.17 and Half of Site No.18. On the East of Site No.17 is T.S. 8/108 and that of Site No.18 is T.S.No.109 (T.S.No.8/109) - Door No.13/35 bounded by the following boundaries :

On the North of	Thirty Feet Road
On the East of	Remaining Half of Site Number 18.
On the South of	Half of Site Nos.7 & 8
On the West of	Site Number 16
Present Door No.28/35	- Present T.S.Number 8/288 part & 8/289

Measuring 67 1/2 Feet East to West
180 Feet North to South
TOTAL AREA 12150 square feet

600 (Six Hundred) square feet of land out of 12150 sq.ft. of land described herein is the PURCHASER'S undivided share of the land.

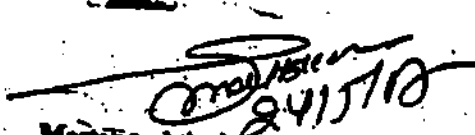


Annexure 7


Residential flat at Abar Co-Op. Hsg. Soc. Ltd., Flat No.401, 4th floor, Andheri West, Mumbai

Residential flat No.401 on the Fourth floor in the Building 'ABHAR' (wing A,B,C) situated on that piece or parcel of land admeasuring 2511 sq. metres or thereabouts designated as Plot No.4 bearing C.T.S. No.1175/5 of Village Versova, Taluka Andheri in Greater Bombay within the Registration District and Sub-District of Bombay City and Bombay Suburban and bounded as follows : On or towards the North by C.T.S. No.1175/4, On or towards the South by C.T.S. No.1175/6, On or towards the East partly by Plot No.1, C.T.S. No.1176 (pt.) and partly by Plot No.3, C.T.S.No.1176(pt.) and on or towards the West by road.

TRUE COPY


Mester and Assistant Prothonotary (Judl.)
Registrar, Original Side/
Prothonotary and Senior Master,
High Court, Bombay.

TRUE COPY

for 
Mr. PRAH LADGA

HIGH COURT

O.O.C.J

COM.PET. NO.201 OF 2007
CONNECTED WITH
COM. APP. NO. 87 OF 2007.

In the matter of the Companies Act,
1956;

And

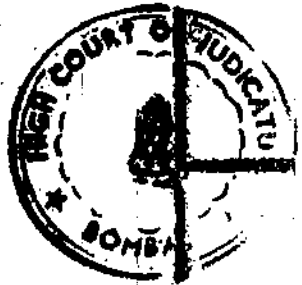
In the matter of Sections 391 to 394 of
the Companies Act, 1956;

And

In the matter of Forbes Gokak
Limited;

And

In the matter of Scheme of
Arrangement between Forbes Gokak
Limited, GOKAK TEXTILES
LIMITED; and their respective
Shareholders and Creditors for the
demerger of Textiles Division of
Forbes Gokak Limited to GOKAK
TEXTILES LIMITED.



Forbes Gokak Limited Petitioner/
Demerged Company

Authenticated Copy of the Order dated 4th May,
2007 along with the Scheme.

Dated this 24th day of May, 2007.

24/5/07
Engrossed on
Section Writer
Police
Examined by *[Signature]*
Compared with *[Signature]*
Ready on 24.5.07
Called on 24.5.07

Prem J. Ranga
Advocate for the Petitioner
Turner Morrison Building
4th floor, 16, Green Street
Mumbai- 400 023.

3827/07
Sgt. P. John
(2 copies)

Stamp duty of value of Rs. 63,69,675/- (Rupees Sixty Three Lakhs Sixty Nine Thousand Six Hundred and Seventy Five) only deposited in the State Bank of Mysore, Treasury Branch, Bangalore-1 vide challan bearing No. 23/5 dated 20.1.2009, as per Article 20(4) of the Karnataka Stamp Act, 1957.

**IN THE HIGH COURT OF KARNATAKA AT BANGALORE
(ORIGINAL JURISDICTION)
IN THE MATTER OF COMPANIES ACT, 1956
AND
IN THE MATTER OF SCHEME OF ARRANGEMENT BETWEEN
FORBES GOKAK LIMITED AND GOKAK TEXTILES LIMITED.**

**COMPANY PETITION NO.28 OF 2007
CONNECTED WITH
COMPANY APPLICATION NO. 164 OF 2007**

BETWEEN

GOKAK TEXTILES LIMITED,
REGD. 2 & 6 ROYAL PARK,
34, PARK ROAD,
BANGALORE-560 051.

... PETITIONER.

AND

NIL

...RESPONDENT

**BEFORE THE HON'BLE MR. JUSTICE N. KUMAR
DATED THIS THE 13th DAY OF JULY, 2007**

ORDER UNDER SECTION 391 TO 394

The above petition coming on for hearing on the 13th day of July, 2007,

upon reading the said petition, the order dated 21.2.2007, whereby this



[Signature]
High Court of Karnataka
Bangalore-560001.

---2
This Court
and Court ... do 132/07 read in
of affidavit ...

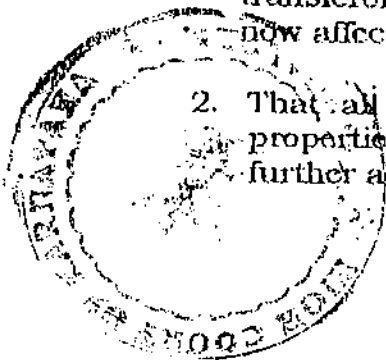
Hon'ble Court dispensed with the convening of the meetings of the shareholders, secured and unsecured creditors, for the purpose of considering, and if thought fit, approving, with or without modification, the scheme of arrangement proposed to be made between the company FORBES GOKAK LIMITED AND GOKAK TEXTILES LIMITED and annexed to the affidavit dated 19.2.2007, of Mr. Mritamoy Biswas- Constituted Attorney of Gokak Textiles Limited, filed on the 19th day of February, 2007, and upon hearing Sri. Saji P. John, Advocate for M/s SPJ Legal Advocates, for petitioner, and Smt. Latha Prasad - Central Government Counsel for the Registrar of Companies.

This Court doth hereby sanctioned the scheme of arrangement set forth in the Petition herein and in the schedule- I hereto, and doth hereby declare the same to be binding on the shareholders & creditors of the petitioner company and also on the said company,

THIS COURT DOTH ORDER

1. That all the property, rights and powers of the transferor company specified in the First, Second and Third parts of the schedule-II hereto be transferred without further act or deed to the transferee company and accordingly the same shall pursuant to Sections 391 to 394 of the Companies Act, 1956, be transferred to and vest in the transferee company 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 in respect of the Schedule properties of the Transferor company be transferred without further act or deed to the transferee company and accordingly the



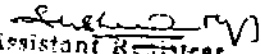
Sushil K. V.
Assistant Registrar,
High Court of Karnataka
Bangalore-560 001.

same shall pursuant to Section 394(2) of the companies act, 1956, be transferred to and become the liabilities and duties of the transferee company; and

3. That all proceedings now pending in respect of the Schedule properties by or against the Transferor company be continued by or against the transferee company; and
4. That the transferee company do without further application allot to such members of the transferor company, the shares in the transferee company to which they are entitled under the said Scheme of Arrangement;
5. That the petitioner company do within 30 days after the date of the order cause a certified copy of this order to be delivered to the Registrar of Companies in Karnataka, for registration and to take further action; and
6. That any person interested shall be at liberty to apply to the Court in the above matter for any directions that may be necessary.

SCHEDULE-I

--4


Assistant Registrar,
High Court of Karnataka
Bangalore-560 001.



HIGH COURT, BOMBAY

0077988

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY PETITION NO. 544 of 2009
CONNECTED WITH
COMPANY APPLICATION NO. 466 of 2009

**Volkart Fleming Shipping &
Services Limited**

...Petitioner/Demerged Company

WITH

COMPANY PETITION NO. 545 OF 2009
CONNECTED WITH
COMPANY APPLICATION NO.467 OF 2009

Forbes & Company Limited

...Petitioner / Resulting Company

IN THE MATTER of Scheme of Arrangement between Volkart Fleming Shipping & Services Limited and Forbes & Company Limited and their respective Shareholders and Creditors for the demerger and transfer of Shipping Agency Division of Volkart Fleming Shipping & Services Limited into Forbes & Company Limited

Ms. Renuka Shetty-i/b Chitnis & Co. for the Petitioners

Mr. M. S. Bhardwaj and Mr. N. D. Sharma i/b Mr. S. K. Mohopatra for Regional Director.



HIGH COURT, BOMBAY

0077987

CORAM: DR. D. Y. CHANDRACHUD J.

DATE: 6th November, 2009

PC:

1. Heard learned counsel for the Parties.
2. The sanction of this Court is sought under Sections 391 to 394 of the Companies Act, 1956 to the Scheme of Arrangement between Volkart Fleming Shipping & Services Limited and Forbes & Company Limited and their respective Shareholders and Creditors for the demerger and transfer of the Shipping Agency Division of Volkart Fleming Shipping & Services Limited, the Demerged/ Transferor Company into Forbes & Company Limited, the Resulting/ Transferee Company.
3. Counsel appearing on behalf of the Petitioner Companies has stated that they have complied with all requirements as per directions of this Court and they have filed necessary affidavits of compliance in the Court. Moreover, the Petitioner Companies also undertake to comply with all the statutory requirements, if any, as required under the Companies Act, 1956 and the Rules made thereunder.

4. The Regional Director has filed an Affidavit stating therein that the Scheme does not appear to be prejudicial to the interest of shareholders and public.
5. Upon perusal of the entire material placed on record, the Scheme appears to be fair and reasonable and is not violative of any provision of law and is not contrary to public policy. None of the Parties concerned have come forward to oppose the Scheme.
6. There is no objection to the Scheme and since all the requisite statutory compliances have been fulfilled, Company Petition No.544 of 2009 filed by the Demerged/ Transferor Company and Company Petition No.545 of 2009 filed by the Resulting/ Transferee Company are made absolute in terms of prayer clauses (a) to (c) of the respective Petition.
7. The Resulting Company to lodge a copy of this Order and the Scheme, duly authenticated by the Company Registrar High Court, Bombay, with the concerned Superintendent of Stamps for the purpose of adjudication of stamp duty payable, if any, on the same within 60 days from the date of the Order.
8. The Petitioners in both the Company Petitions to pay costs of Rs.7500/- each to the Regional Director. Costs to be paid within four weeks from today.



HIGH COURT, BOMBAY

0077985

9. Filing and issuance of the drawn up order is dispensed with.

10. All authorities concerned to act on a copy of this Order alongwith Scheme duly authenticated by the Company Registrar, High Court, Bombay.


DR. D. Y. CHANDRACHUD J.



TRUE COPY
Ant
Section Officer
High Court, Appellate Side
Bombay

TRUE-COPY
M. D. Narvekar
17/10/09
M. D. NARVEKAR
COMPANY REGISTRAR
HIGH COURT (O.S.)
BOMBAY

SCHEME OF ARRANGEMENT
BETWEEN
VOLKART FLEMING SHIPPING AND SERVICE LIMITED
AND
FORBES AND COMPANY LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS
UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956

 Volkart Fleming Shipping and Service Limited ("VFSSL"), particulars in respect of which are provided in sub-clause 1.3, is engaged in the business of i.) shipping agency and ii.) earning rental income by hiring out its real estate. VFSSL is a wholly owned subsidiary of Forbes and Company Limited ("FCL"). The Scheme of Arrangement provides for demerger of Shipping Agency Division of VFSSL into FCL pursuant to the relevant provisions of the Companies Act, 1956.

The nature of competition and risk involved in each of the businesses of VFSSL is distinct from each other and each business of VFSSL is capable of attracting strategic partners, investors and lenders. In order to enable distinct focus to the operation of shipping agency business of VFSSL, VFSSL proposes to re-organise and segregate by way of demerger its Shipping Agency Division to FCL. The Board of Directors of VFSSL are of the opinion that the transfer and vesting of the Shipping Agency Division of VFSSL into FCL by way of demerger, is in the interest of all concerned including the shareholders, creditors and employees as it would provide focused management orientation due to individual specialisation, leadership vision, capability for future growth and expansion and create a structure geared to take an advantage of growth opportunities.

This Scheme of Arrangement has been drawn up to comply with the conditions relating to "Demerger" as specified under Section 2(19AA) of the Income-tax Act, 1961. If any terms or provisions of the Scheme of Arrangement are found or interpreted to be inconsistent with the said provisions at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said section of the Income-tax Act, 1961 shall prevail and the Scheme of Arrangement shall stand modified to the extent determined necessary to comply with Section 2(19AA) of the Income-tax Act, 1961. Such modification will however not affect other parts of the Scheme of Arrangement.

1. DEFINITIONS

1.1 "Act" or "the Act" means the Companies Act, 1956 including any statutory modifications, re-enactments or amendments thereof for the time being in force.

1.2 "Appointed Date" means the 1st day of April 2008 such other date as may be approved by the Hon'ble High Court/National Company Law Tribunal.

1.3 "Demerged Company" or "Transferor Company" or "VFSSL", means Volkart Fleming Shipping and Service Limited, a company under the Companies Act, 1956 and having its registered office at 21, A.K. Nayak Marg, Fort, Mumbai 400 001.

1.4 "Demerged Undertaking" means the Shipping Agency Division of VFSSL, comprising of the business activity of shipping agency on commission and related activities, being carried on by VFSSL on a going concern basis, as on the Appointed Date, including in particular:

a) All assets wherever situated, whether moveable or immovable, real or personal in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including land, buildings, offices, plant and machinery, warehouses, godowns, depots, vehicles, other fixed assets, licenses, brands, trademarks, patents, copyrights and other intellectual property rights, investments, leases, tenancy rights, premises, hire purchase and lease arrangements, computers, office equipment, furniture, telephones, telexes, facsimile connections, communication facilities, electrical and other installations, current assets, sundry debtors, deposits, receivables, funds, cash, bank balances, accounts and all other rights, benefits of all agreements, subsidies, grants, taxes, tax credits, various exemption/ incentives granted under different schemes of the Central/ State Governments including carried forward losses of all types under the Income-tax Act, 1961 and other industrial and intellectual property, import quotas, import entitlements, right to use and avail of telephones, telex, facsimile and other communication facilities and all other interests, rights and power of every kind, nature and description, whatsoever, privileges, liberties, advantages, benefits, consents, sanctions and approvals (including but not limited to credits in respect of income-tax, sales tax, value added tax, turnover tax, excise duty, service tax, etc), bills of exchange, letters of intent and loans and advances appearing in the books of accounts of VFSSL pertaining to or relating to the Shipping Agency Division.

b) All liabilities present, future and the specified contingent liabilities of VFSSL allocable or pertaining to the business of Shipping Agency Division. For the purpose of this Scheme, it is clarified that liabilities allocable or pertaining to the Shipping Agency Division shall include:

(i) The liabilities which arise out of the activities or operations of the Shipping Agency Division;



- (ii) The specific loans or borrowings raised, incurred and utilized, if any solely for the activities or operations of the Shipping Agency Division; and
 - (iii) In cases, other than those referred to in sub-clauses (i) and (ii), so much of the amounts of general or multipurpose liabilities of VFSSL, allocable to the Shipping Agency Division as stand in the same proportion which the value of the assets transferred to FCL under this Scheme bears to the total value of the assets of VFSSL immediately before the Demerger, as prescribed under the Income-tax Act, 1961.
- c) Without prejudice to the generality of the provisions of sub clauses above, the Shipping Agency Division shall include all rights and licenses, all assignments and grants thereof, benefits of agreements, contracts and arrangements, powers, authorities, municipal permissions, registrations, quotas, permits, allotments, approvals, export licenses, sanctions, remissions, special reservations, holidays, incentives, concessions and other authorizations, benefits, entitlements and incentives of any nature whatsoever including sales tax remissions and custom duty exemption certificates, consents, privileges, liberties, advantages, easements and all the right, title, interests, goodwill, benefits, entitlement and advantages and all other rights and claims of whatsoever nature and wheresoever situated belonging to or in the possession of or granted in favour of or enjoyed by VFSSL and / or to which VFSSL is entitled to in connection with or pertaining to or relatable to the Shipping Agency Division, all respective books of account, papers, documents and records relating to the Shipping Agency Division, and all deposits including security deposits paid by VFSSL in connection with or relating to the Shipping Agency Division.
- d) All permanent employees of VFSSL employed in the Shipping Agency Division as on the Effective Date and those employees that are determined by the Board of Directors of VFSSL, to be substantially engaged in or in relation to the Shipping Agency Division.

It is intended that the definition of Demerged Undertaking under this sub-clause would enable the transfer of all property, assets, liabilities, rights, obligations, entitlements and benefits (including under income-tax, sales tax, value added tax, turnover tax, excise duty, service tax, etc. to which the Demerged Undertaking is entitled to in terms of the various statutes / schemes, etc. and accumulated loss and allowance for unabsorbed depreciation under Income-tax Act, 1961) of the Demerged Undertaking to FCL pursuant to this Scheme, without any further act or deed.

- 5 "Effective Date" means the date on which the certified copy of the order passed by the High Court / National Company Law Tribunal sanctioning the Scheme is filed with the Registrar of Companies, Maharashtra at Mumbai.

- 1.6 "High Court" shall mean the High Court of Judicature at Bombay,
- 1.7 "Remaining Business" means all the business units, divisions and their respective assets and liabilities (including portion of general or multipurpose borrowings and accumulated and unabsorbed tax losses including accumulated and unabsorbed depreciation not allocated to the Demerged Undertaking) of VFSSL, other than those being transferred with the Demerged Undertaking.
- 1.8 "Resulting Company" or "Transferee Company" or "FCL" means, a company incorporated under the Companies Act, 1956 having its registered office at Forbes Building, Charanjit Rai Marg, Fort., Mumbai 400001.
- 1.9 "Scheme" or "the Scheme" or "this Scheme" means this Scheme of Arrangement in its present form, together with all the schedules and annexures, which shall form part of this Scheme of Arrangement or with any modification(s) made under clause 15 of this Scheme.
- 1.10 All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Income-tax Act, 1961, the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye laws, as the case may be, including any statutory modification or re-enactment thereof from time to time.

2. DATE OF TAKING EFFECT

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

3. SHARE CAPITAL

- 3.1 The authorized, issued, subscribed and paid up share capital of the Demerged Company as on March 31, 2008 is as under:

	(Amount in Rs.)
<u>Authorized capital</u>	
1,00,000 Equity Shares of Rs. 100 each	1,00,00,000.
	1,00,00,000.
<u>Issued, subscribed and fully paid-up</u>	
60,000 Equity Shares of Rs. 100 each	60,00,000

Total

60,00,000

As on date, there is no change in the issued, subscribed and paid-up capital of the Demerged Company. The Demerged Company shall not, pending the sanction of this Scheme, make any change in its share capital structure either by any increase, (by issue of equity shares (rights issue, preferential issue or otherwise), bonus shares, convertible debentures, convertible instruments or otherwise) decrease, reduction, reclassification, sub-division or consolidation, re-organisation, or in any other manner.

3.2 The authorized, issued, subscribed and paid up share capital of the Resulting Company as on March 31, 2008 is as under:

(Amount in Rs.)

Authorized capital

1,50,00,000 Equity Shares of Rs. 10 each

15,00,00,000

15,00,00,000

Issued, subscribed and fully paid-up

1,28,98,616 Equity Shares of Rs. 10 each

12,89,86,160

Total

12,89,86,160



As on date, there is no change in the issued, subscribed and paid-up capital of the Resulting Company.

4. **TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING**

4.1 With effect from the Appointed Date, the Demerged Undertaking shall pursuant to the provisions of Sections 391 to 394 of the Act and all other applicable provisions of applicable laws, rules and regulations for the time being in force, without any further act or deed, stand transferred to and be vested, as a going concern, into the Resulting Company together with all the Interest of the Demerged Company therein, subject however, to all charges, liens, mortgages and encumbrances, if any, affecting the same or any part thereof. The transfer and vesting of the Demerged Undertaking shall be effected as follows:-

4.1.1 All the moveable assets including cash in hand of the Demerged Undertaking capable of being passed by manual delivery or by endorsement shall be physically handed over by manual delivery or endorsement and delivery, to the end and intent that the ownership and property therein passes to the Resulting Company on such

handing over in pursuance of the provisions of Section 394 of the Act (as an integral part of the Undertaking). Such delivery and transfer shall be made on a date to be mutually agreed upon between the respective Board of Directors of Resulting Company and the Demerged Company.

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4.1.2 In respect of any assets, other than those referred to in sub-clause 4.1.1 above including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or value to be received, bank balances and deposits, if any, the following modus operandi for intimating to third parties shall, to the extent possible, be followed:

a) The Resulting Company shall give notice in such form as it may deem fit and proper to each party, debtor or depositor of the Demerged Company as the case may be, that pursuant to the Scheme coming into effect, the said debt, loan, advances, etc. be paid or made good or held on account of the Resulting Company as the person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realise the same stands extinguished, and that such rights to recover or realize the same shall vest in the Resulting Company.

b) The Demerged Company may, if required, give notice in such form as it may deem fit and proper to each person, debtor or depositor that pursuant to the Scheme coming into effect, the said person, debtor or depositor should pay the debt, loan or advance or make good the same or hold the same to the account of the Resulting Company and that the right of the Resulting Company to recover or realise the same is in substitution of the right of the Demerged Company.



4.1.3 Upon the coming into effect of this Scheme, all debts, liabilities, loans and obligations incurred, duties or obligations of any kind, nature or description (including contingent liabilities) of the Demerged Company (as on the Appointed Date) and relating to the Demerged Undertaking including general and multipurpose borrowings dealt with in accordance with Section 2(19AA) of the Income Tax Act, 1961 shall, without any further act or deed, stand transferred to and vested in and be deemed to be transferred to and vested in the Resulting Company to the extent that they are outstanding as on the Effective Date and on the same terms and conditions as applicable to the Demerged Company, and shall become the debts, liabilities, loans, duties and obligations of the Resulting Company which shall meet, discharge and satisfy the same and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of any of the liabilities which have arisen in order to give effect to the provisions of this clause.

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4.1.4 Where any of the debts, liabilities, loans and obligations incurred, duties and obligations of the Demerged Undertaking of Demerged Company as on the Appointed Date deemed to be transferred to and vested in the Resulting Company have been discharged by the Demerged Company after the Appointed Date and prior

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adequate security equivalent to the value of the security over the assets of the Remaining Business in respect of the liabilities of the Demerged Undertaking and such security shall extend to and operate over the assets of the Demerged Undertaking that are being transferred to the Resulting Company pursuant to this Scheme.

4.1.10 Without prejudice to the above and upon the effectiveness of this Scheme, the Demerged Company and the Resulting Company shall execute any instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the relevant Registrar of Companies under the Act to give formal effect to the above provisions, if required.

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4.1.11 It is expressly provided that, save as mentioned in this Scheme, no other term or condition of the liabilities transferred to the Resulting Company is modified by virtue of this Scheme, except to the extent that such amendment is required by necessary implication.

4.1.12 Subject to the necessary consents being obtained in accordance with the terms of this Scheme, the provisions of above sub-clauses shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document.

4.1.13 With effect from the Appointed Date, all permits, quotas, rights, entitlements, tenancies and licenses relating to brands, trademarks, patents, copy rights, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Demerged Undertaking to the benefit of which the Demerged Undertaking is and/or be eligible and which are subsisting or having effect immediately before the Appointed Date, shall be and remain in full force and effect in favour of the Resulting Company and may be enforced fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a beneficiary or obligee thereto.



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4.1.14 With effect from the Appointed Date, any statutory licenses, permissions, approvals and/or consents held by the Demerged Company required to carry on operations of the Demerged Undertaking shall stand vested in or transferred to the Resulting Company without any further act or deed and shall be appropriately mutated by the statutory authorities or any other person concerned therewith in favour of the Resulting Company. The benefit of all statutory and regulatory permissions, licenses, environmental approvals and consents including the statutory licenses, permissions or approvals or consents required to carry on the operations of the Demerged Undertaking shall vest in and become available to the Resulting Company pursuant to the Scheme coming into effect. Any no-objection certificates, licenses, permissions, consents, approvals, authorizations, registrations or statutory rights as are jointly held by the Demerged Undertaking and any other division of the Demerged Company shall be deemed to constitute separate licenses, permissions, no-objection certificates, consents, approvals, authorities, registrations or statutory

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to the Effective Date, such discharge shall be deemed to have been for and on account of the Resulting Company.

4.1.5 All debts, liabilities, loans and obligations incurred, duties and obligations of the Demerged Company for the operations of the Demerged Undertaking after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been incurred for and on behalf of the Resulting Company in which the Demerged Undertaking shall vest in terms of this Scheme and to the extent they are outstanding on the Effective Date, shall also without any further act or deed, stand transferred to and vested in and be deemed to be transferred to and vested in the Resulting Company and shall become the debts, liabilities, loans, duties and obligations of the Resulting Company which shall meet, discharge and satisfy the same. Provided however that no debts, liabilities, loans, duties and obligations shall have been assumed by the Demerged Company in relation to the Demerged Undertaking after the Appointed Date without the prior written consent of the Resulting Company otherwise than in the ordinary course of business.

4.1.6 The Demerger and the transfer and vesting of the assets comprised in the Demerged Undertaking to and in the Resulting Company under this Scheme shall be subject to the mortgages and charges, if any, affecting the same as hereinafter provided.

4.1.7 The existing securities, mortgages, charges, encumbrances or liens (the "Encumbrances") or those, if any created by the Demerged Company after the Appointed Date, in terms of this Scheme, over the assets comprised in the Demerged Undertaking, or any part thereof transferred to the Resulting Company by virtue of this Scheme, shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they related or attached prior to the Effective Date and as are transferred to the Resulting Company, and such Encumbrances shall not relate or attach to any of the other assets of the Resulting Company.

4.1.8 In so far as any Encumbrances over the assets comprised in the Demerged Undertaking are security for liabilities of the Remaining Business retained with the Demerged Company and in so far as any Encumbrances over the assets comprised in the Remaining Business retained with the Demerged Company are security for liabilities of the Demerged Undertaking, the same shall, on the Effective Date, without any further act, instrument or deed be modified to the extent that all such assets shall stand released and discharged from the obligations and security relating to the same and the Encumbrances shall only extend to and continue to operate against the assets retained with the Demerged Company and shall cease to operate against any of the assets transferred to the Resulting Company in terms of this Scheme. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above.

4.1.9 In so far as any Encumbrances over the assets comprised in the Remaining Business retained with the Demerged Company are security for liabilities of the Demerged Undertaking, it is clarified that the Resulting Company shall create

rights and the relevant or concerned statutory authorities and licensors shall endorse and/or mutate or record the separation, upon the filing of the Scheme as sanctioned with such authorities and licensors after the same becomes effective, so as to facilitate the continuation of operations of the Demerged Undertaking in the Resulting Company without any let or hindrance from the Effective Date.

4.1.15 The entitlement to various benefits under incentive schemes and policies in relation to the Demerged Undertaking shall stand transferred to and be vested in and/or be deemed to have been transferred to and vested in the Resulting Company together with all benefits, entitlements and incentives of any nature whatsoever. Such entitlements shall include (but shall not be limited to) income-tax, sales tax, value added tax, turnover tax, excise duty, service tax, customs and other and incentives in relation to the Demerged Undertaking to be claimed by the Resulting Company with effect from the Appointed Date as if the Resulting Company was originally entitled to all such benefits under such incentive scheme and/or policies, subject to continued compliance by the Resulting Company of all the terms and conditions subject to which the benefits under such incentive schemes were made available to the Demerged Company.



4.1.16 Since each of the permissions, approvals, consents, sanctions, remissions, special reservations, tax remissions (including remittance under income-tax, sales tax, value added tax, turnover tax, excise duty, service tax, customs), holidays, incentives, concessions and other authorizations relating to the Demerged Undertaking, shall stand transferred under this Scheme to the Resulting Company, the Resulting Company shall file the relevant intimations, if any, for the record of the statutory authorities who shall take them on file, pursuant to the Scheme coming into effect.

4.1.17 It is clarified that all the taxes and duties payable by the Demerged Company, relating to the Demerged Undertaking, from the Appointed Date onwards including all or as any refund and claims shall, for all purposes, be treated as the tax liabilities or refunds and claims of the Resulting Company. Accordingly, upon the Scheme becoming effective, the Demerged Company is expressly permitted to revise and the Resulting Company is expressly permitted to file their respective income-tax, sales tax / value added tax returns, excise returns, service tax returns and other tax returns, and to claim refunds / credits, pursuant to the provisions of this Scheme.

5. LEGAL AND OTHER PROCEEDINGS

5.1 Upon the Scheme becoming effective, all legal and other proceedings, including before any statutory or quasi-judicial authority or tribunal of whatsoever nature by or against the Demerged Company pending and/or arising at the Appointed Date and relating to the Demerged Undertaking, shall be continued and enforced by or against the Resulting Company only, to the exclusion of the Demerged Company in the manner and to the same extent as would have been continued and enforced by or

against the Demerged Company. On and from the Effective Date, the Resulting Company shall and may, if required, initiate any legal proceedings in relation to the Demerged Undertaking.

- 5.2 In the event that the legal proceedings referred to above, require the Demerged Company and the Resulting Company to be jointly treated as parties thereto, the Resulting Company shall be added as party to such proceedings and shall prosecute or defend such proceedings in co-operation with the Demerged Company. In the event of any difference or difficulty in determining whether any specific legal or other proceeding relates to the Demerged Undertaking or not, the decision of the Board of Directors of the Demerged Company as to whether such proceeding relates to the Demerged Undertaking or not, shall be conclusive evidence of the relationship with Demerged Undertaking.
- 5.3 After the Appointed Date, in case the proceedings referred to in sub-clause 5.1 cannot be transferred for any reason, the Demerged Company shall defend the same at the cost of the Resulting Company, and the Resulting Company shall reimburse, indemnify and hold harmless the Demerged Company against all liabilities and obligations incurred by the Demerged Company in respect thereof.

6. CONTRACTS, DEEDS, ETC.

- 6.1 Notwithstanding anything contrary contained in this Scheme, any and all existing contracts, deeds, bonds, agreements and other instruments if any, of whatsoever nature relating to the Demerged Undertaking and to which the Demerged Company is party and subsisting or having effect on the Effective Date, shall be in full force and effect in favour of the Resulting Company and may be enforced by or against the Resulting Company as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee thereto, without any further act or deed.
- 6.2 The Resulting Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Demerged Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary. The Resulting Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Demerged Company and to implement or carry out all formalities required on the part of the Demerged Company to give effect to the provisions of this Scheme.
- 6.3 Even after this Scheme becomes effective, the Resulting Company shall, as its own right, be entitled to realize all monies and complete and enforce all pending contracts and transactions in respect of the Demerged Undertaking in the name of the Demerged Company, in so far as may be necessary, until the transfer of rights and

the Demerged Company, upon the Scheme being effective, in relation to aforesaid funds of the Demerged Company in relation to the Demerged Undertaking. The services of the staff, workmen and other employees of the Demerged Undertaking will be treated as having been continuous for the purposes of the aforesaid funds or provisions of any funds for employees.

- 8.3 The Resulting Company undertakes to continue to abide by any agreement(s)/settlement(s) entered into with any trade unions / permanent employees by the Demerged Company in relation to the Demerged Undertaking. The Resulting Company agrees that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits, the past services of such permanent employees with the Demerged Company shall also be taken into account, and agrees and undertakes to pay the same as and when payable.

9. CONDUCT OF BUSINESS OF THE DEMERGED UNDERTAKING FROM APPOINTED DATE TILL EFFECTIVE DATE

- 9.1 The Demerged Company shall carry on and be deemed to have carried on its business and activities in relation to the Demerged Undertaking, and shall hold and deal with all assets and properties and stand possessed of all rights, title, interest and authorities of the Demerged Undertaking, for and on account of and in trust for the Resulting Company.

- 9.2 Any income or profit accruing or arising to the Demerged Company in relation to the Demerged Undertaking and all costs, charges, expenses, losses or taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax credit, taxes withheld / paid in a foreign country, etc), arising or incurred by the Demerged Company in relation to the Demerged Undertaking shall for all purposes be treated as the income, profits, costs, charges, expenses and losses, as the case may be, of the Resulting Company.

- 9.3 The Demerged Company shall not utilize the profits or income, if any, relating to the Demerged Undertaking for the purpose of declaring or paying any dividend or for any other purpose in respect of the period from and after the Appointed Date, without the prior written consent of the Resulting Company.

- 9.4 The Demerged Company shall not (without the prior, written consent of the Resulting Company) alienate, charge or otherwise deal with or dispose of the Demerged Undertaking or any part thereof except in the usual course of business or pursuant to any pre-existing obligation undertaken prior to the Appointed Date.

- 9.5 The Demerged Company shall carry on the business of the Demerged Undertaking with reasonable diligence and prudence, in the ordinary course of business, and the Demerged Company shall not, in any material respect, alter or expand the business of the Demerged Undertaking, other than such alterations or expansions as have



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obligations of the Demerged Company to the Resulting Company under this Scheme is formally accepted by the third parties.

7. SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the properties, liabilities and obligations of the Demerged Undertaking pursuant to this Scheme shall not affect any transactions or proceedings already completed by the Demerged Company on or before the Appointed Date to the end and intent that, the Resulting Company accepts all acts, deeds and things done and executed by and/or on behalf of the Demerged Company in relation to the Demerged Undertaking which shall vest in the Resulting Company in terms of this Scheme as acts, deeds and things made, done and executed by and on behalf of the Resulting Company.

8. EMPLOYEES OF THE DEMERGED UNDERTAKING

All employees of the Demerged Undertaking and those employees that are determined by the Board of Directors of the Demerged Company, to be substantially engaged in or in relation to the Demerged Undertaking, in service on the Effective Date shall be deemed to have become the employees of the Resulting Company with effect from the Appointed Date without any interruption or break in their service as a result of the transfer and vesting of the Demerged Undertaking to the Resulting Company. The terms and conditions of their employment with the Resulting Company with effect from the Effective Date shall not be less favourable than those applicable to them with reference to the Demerged Undertaking on the Effective Date.

- 8.2 The existing Provident fund, Gratuity fund, Superannuation fund or any other fund for the transferred employees of the Demerged Undertaking in terms of this Scheme shall be continued for the benefit of such employees on the same terms and conditions. With effect from the Effective Date, the Resulting Company shall make the necessary contribution for such employees taken over by the Resulting Company until the Resulting Company constitutes its own Provident fund, Gratuity fund, Superannuation fund or any other fund and obtain necessary approval for the same. Upon the Scheme being effective, the Resulting Company shall stand substituted for the Demerged Company for all purposes whatsoever related to the administration or operation of such fund or in relation to the obligations to make a contribution to the said funds in accordance with the provisions of the fund or according to the terms provided in the respective fund deeds or other documents. The Resulting Company undertakes all the duties and obligations and assumes all the rights and powers of

already been commenced, except with the prior written consent of the Resulting Company and shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitment either for itself or on behalf of its subsidiaries or group companies or any third party, or sell, transfer, alienate, charge, mortgage or encumber, or deal with the Demerged Undertaking, save and except, in each case, in the following circumstances:

- a) if the same is in the ordinary course of business as carried on by it as on the date of filing this Scheme with the High Court/ National Company Law Tribunal; or
- b) if the same is expressly permitted by this Scheme; or
- c) if the written consent of the Resulting Company, as the case may be, has been obtained.

9.6 The Demerged Company 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 its employees in relation to the Demerged Undertaking.

9.7 The Demerged Company shall be entitled, pending the sanction of the Scheme by the High Court/ National Company Law Tribunal, to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Resulting Company may require to own and carry on the business of the Demerged Undertaking.

With effect from the Effective Date, the Resulting Company shall commence and carry on and shall be authorized to carry on the businesses carried on by the Demerged Undertaking of the Demerged Company.

10. REMAINING BUSINESS

10.1 The Remaining Business shall continue to belong to and be vested in and be continued to be owned and managed by the Demerged Company. All legal or other proceedings by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted in future whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Business (including those relating to any property, right, power, liability obligation or duties of the Demerged Company in respect of the Remaining Business) shall be continued and enforced by or against the Demerged Company.

10.2 With effect from the Appointed Date and upto and including the Effective Date:

10.2.1 The Demerged Company shall be deemed to have been carrying on all business and activities relating to the Remaining Business for and on its own behalf; and

10.2.2 All profits and cash accruing to the Demerged Company thereon or losses arising or incurred by it relating to the Remaining Business shall, for all purposes, be treated as the profits / cash or losses, as the case may be, of the Demerged Company.

11. ISSUE OF SHARES

The Demerged Company is a Wholly Owned Subsidiary of the Resulting Company and its entire share capital is held by the Resulting Company and its nominees. Accordingly, there would be no issue of shares of Resulting Company to the shareholders of the Demerged Company.

12. ACCOUNTING TREATMENT IN THE BOOKS OF THE DEMERGED COMPANY

On Scheme becoming effective, the Demerged Company shall account for the Scheme and its effects in its books of account with effect from the Appointed Date as under:

12.1 Upon the coming into effect of this Scheme the Demerged Company shall write-off the voluntary retirement compensation reflected as Miscellaneous Expenditure in its Balance Sheet as at 31st March 2008 by debiting it against the balance in "General Reserve" in its Balance Sheet as at 31st March 2008. The aforesaid shall be given effect to in the financial statements of the Demerged Company for the year ending on March 31, 2009.

12.2 The accounts representing the assets and liabilities of the Demerged Undertaking shall stand closed on transfer to the Resulting Company. In so far as the accounts representing general or multipurpose borrowings are concerned, they shall stand reduced by the amounts transferred to the Resulting Company in accordance with the provisions of this Scheme. The difference between the amount of assets and liabilities so transferred and reduced shall be adjusted against the balances appearing in the books of the Demerged Company, in General Reserve and Profit and Loss Account.

12.3 With effect from the Appointed Date, the Demerged Company shall adjust the deferred tax asset and the deferred tax liability to give effect to the transfer of assets and liabilities of the Demerged Undertaking to the Resulting Company against the "General Reserve".

12.4 Upon the coming into effect of this Scheme, the Demerged Company shall write-off all expenses incurred in connection with this Scheme and matters incidental thereto, referred in clause 17, against the "General Reserve" or the charge the same against Profit and Loss Account.



13. ACCOUNTING TREATMENT IN THE BOOKS OF THE RESULTING COMPANY

On Scheme becoming effective, the Resulting Company shall account for the Scheme and its effects in its books of account with effect from the Appointed Date as under:

- 13.1 The Resulting Company shall record the assets and liabilities of the Demerged Undertaking vested in it in accordance with clause 4, at their respective values (ignoring revaluation), as appearing in the books of account of the Demerged Company at the close of the business of the day immediately preceding the Appointed Date.
- 13.2 Any difference, whether an excess or a shortfall in the recorded value of assets in the books of account of the Resulting Company over recorded value of liabilities in the books of account of the Resulting Company shall be recorded by the Resulting Company as in the General Reserve.
- 13.3 The Resulting Company shall determine the deferred tax asset and the deferred tax liability as on April 1, 2008 based on the assets and liabilities of the Demerged Undertaking and adjust the same in the "General Reserve".



APPLICATION TO HIGH COURTS/ NATIONAL COMPANY LAW TRIBUNAL

- 14.1 The Demerged Company and the Resulting Company shall with all reasonable dispatch make all necessary applications under Sections 391 to 394 of the Act and other applicable provisions of the Act to the High Court/ National Company Law Tribunal seeking orders for dispensing with or convening, holding and conducting of the meetings of the respective classes of the members and/or creditors of Resulting Company and the Demerged Company as may be directed by the High Court / National Company Law Tribunal.
- 14.2 On the Scheme being agreed to by the requisite majorities of the classes of the members and/or creditors of the Resulting Company and the Demerged Company as directed by the High Court / National Company Law Tribunal, the Resulting Company and the Demerged Company shall, with all reasonable dispatch, apply to the High Court / National Company Law Tribunal for sanctioning the Scheme of Arrangement under Sections 391 and 394 of the Act, and for such other order or orders, as the said High Court/ National Company Law Tribunal may deem fit for carrying this Scheme into effect.

15. MODIFICATIONS AND OTHER ISSUES RELATING TO THE SCHEME

15.1 The Demerged Company (by its Directors or its Committee thereof) and the Resulting Company (by its Directors or its Committee thereof) in their full and absolute discretion may assent to any modification(s) or amendment(s) in this Scheme which the High Court / National Company Law Tribunal or such other appropriate authority and/or any other authorities may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/or carrying out the Scheme.

15.2 The Demerged Company (by its Directors or its Committee thereof) and the Resulting Company (by its Directors or its Committee thereof) are hereby authorized to give assent to any modification(s) or amendment(s) in the Scheme which may be considered necessary or desirable for any reason whatsoever and without prejudice to the generality of the foregoing, any modification to the Scheme involving withdrawal of any of the parties to the Scheme at any time and for any reason whatsoever, the implementation of the Scheme shall not get adversely affected as a result of acceptance of any such modification by the Board of Directors or its Committee thereof of the Demerged Company or by the Board of Directors or its Committee thereof of the Resulting Company, who are hereby authorised to take such steps and to do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubt, difficulties or questions whether by reason of any orders of the High Courts/ National Company Law Tribunal or of any directive or orders of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith.

15.3 If any question that may arise as to whether a specified asset or liability pertains to or does not pertain to the Demerged Undertaking or whether it arises out of the activities or operations of the Demerged Undertaking shall be decided by mutual agreement between the Boards of Directors of the Demerged Company and the Resulting Company.

15.4 The Boards of Directors of the Demerged Company hereby authorise the Board of Directors of the Resulting Company or any committee thereof to give assent to any modification(s) or amendment(s) in the Scheme which may be considered necessary or desirable for any reason whatsoever and without prejudice to the generality of the foregoing, any modification to the Scheme involving withdrawal of any of the parties to the Scheme at any time and for any reason whatsoever, the implementation of the Scheme shall not get adversely affected as a result of acceptance of any such modification by the Board of the Resulting Company and the Board of the Resulting Company be and is hereby authorised by the Boards of Directors of the Demerged Companies to take such steps and to do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubt, difficulties or questions anywise howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith.

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16. **CONDITIONALITY OF THE SCHEME**

16.1 This Scheme is and shall be conditional upon and subject to the approval by the requisite majorities of the shareholders and creditors of the Demerged Company and the shareholders and creditors of the Resulting Company.

16.2 The scheme being approved by the High Court/ National Company Law Tribunal,

16.3 The sanction or approval of all persons or authorities concerned under any law or of the Central Government or any other Agency, Department or Authorities concerned being obtained and granted in respect of any of the matters in respect of which such sanction or approval is required

The certified copies of the Orders of the High Court being filed with the Registrars of Companies of Maharashtra at Mumbai under Section 391 to 394 and other applicable provisions of the Act.

17. **COSTS, CHARGES & EXPENSES**

All costs, charges and expenses, including stamp duty and registration charges, if any, of or in respect of any deed, document, instrument or Orders of the High Court of Judicature at Mumbai in relation to or connection with negotiations leading up to this Scheme and of carrying out and implementing the terms and provisions of this Scheme shall be paid by the Demerged Company.

18. **REVOCATION AND SEVERABILITY**

18.1 In the event of any of the said sanctions and approvals referred to in clause 16 not being obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the High Court/ National Company Law Tribunal or such other appropriate authority and/or order or orders not being passed as aforesaid before December 31, 2009 or such other date as may be mutually agreed upon by the respective Boards of Directors of the Demerged Company and the Resulting Company who are hereby empowered and authorised to agree to and extend the aforesaid period from time to time without any limitations in exercise of their powers through and by their respective delegate(s), this Scheme shall stand revoked, cancelled and be of no effect.

18.2 In the event of revocation under sub-clause 18.1, no rights and liabilities whatsoever shall accrue to or be incurred inter se to the Demerged Company and the Resulting

Company or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, the Resulting Company shall bear all costs.

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

18.4 The Boards of Directors of the Demerged Company and the Resulting Company shall be entitled to revoke, cancel and declare the Scheme of no effect if the Boards of Directors are of view that the coming into effect of the Scheme could have adverse implications on the Demerged Company and/ or the Resulting Company.

19. INDEMNITY

After the Effective Date, the Resulting Company undertakes to keep harmless and indemnify and keep indemnified from time to time the Demerged Company from and against any and all debts, duties, liabilities, loans incurred, contingent liabilities and obligations of every kind, nature and description relating to the Demerged Undertaking including all demands, claims, suits, proceedings and the like (save and except all costs, charges and taxes referred to in clause 17 and agreed to be borne and paid by the Demerged Company in full) which have, shall or may be made or instituted by any person, authority, government of India, firm, company, body corporate or organisation against the Demerged Company, directly relating to the Demerged Undertaking and / or against any financial liability/claim that may arise against Demerged Company by virtue of transfer and vesting of the Demerged Undertaking into the Resulting Company under and pursuant to this Scheme.

TRUE-COPY
[Signature]
M. D. NARIVEKAR
COMPANY REGISTRAR
HIGH COURT (O.S.)
BOMBAY

TRUE COPY
[Signature]
(Sole Proprietor)
CHITNIS & CO.
ADVOCATES





IN THE HIGH COURT OF JUDICATURE AT
BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY PETITION NO. 544 of 2009

CONNECTED WITH

COMPANY APPLICATION NO. 466 of
2009

Volkart Fleming Shipping & Services
Limited ... Petitioner/ Demerged
Company

WITH

COMPANY PETITION NO. 545 OF 2009.

CONNECTED WITH

COMPANY APPLICATION NO.467 OF
2009

Forbes & Company Limited
... Petitioner / Resulting Company

IN THE MATTER of Scheme of Arrangement
between Volkart Fleming Shipping & Services
Limited and Forbes & Company Limited and
their respective Shareholders and Creditors for
the demerger and transfer of Shipping Agency
Division of Volkart Fleming Shipping &
Services Limited into Forbes & Company
Limited

Order dated 6th November, 2009, sanctioning
the Scheme of Amalgamation annexed as
Exhibit "A" to the Petition filed by the
Petitioners

Dated this day of November, 2009

Applied on 12/11/2009
Engrossed on 12/11/2009
Section Writer
Folio
Examined by D.D. Mangal
Compared with
Ready on
Delivered on

M/s. Chitnis & Co.
Advocates for the Petitioners.
1st Floor, 3/B Ismail Building,
381, Dr. D. N. Road, Fort,
Mumbai 400 0236

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-IV

CP (CAA)/209/MB-IV/2021

In

CA(CAA)/55/MB-IV/2021

In the matter of

The Companies Act, 2013

AND

In the matter of

Sections 230 to 232 of

The Companies Act, 2013

And

other applicable provisions of

The Companies Act, 2013 read with

Companies (Compromises, Arrangements
and Amalgamation) Rules, 2016

AND

In the matter of

Composite Scheme of Arrangement for

Merger of

Aquaignis Technologies Private Limited

(The Transferor Company 1' for Part II of
the Scheme or 'First Applicant Company')

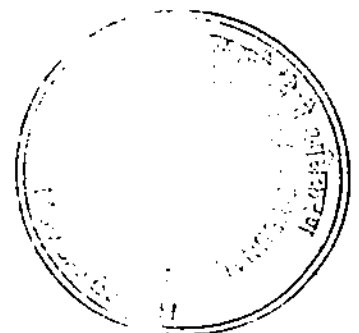
And

Enro Forbes Financial Services Limited

(The Transferor Company 2' for Part II of
the Scheme or 'Second Applicant

Company')

With



Eureka Forbes Limited

(The Transferee Company 1' for Part II of
the Scheme or 'Transferor Company 3' for
Part III of The Scheme or 'Third Applicant
Company')

followed by merger of

**EFL with and into Forbes & Company
Limited**

('FCL' or 'Transferee Company 2' for Part
III of the Scheme or 'Demerged Company'
for Part IV of the Scheme or 'Fourth
Applicant Company')

And demerger of the demerged undertaking
(as defined in the scheme) of FCL

Into

Forbes Enviro Solutions Limited

('FESL' or 'Resulting Company' for Part
IV of the Scheme or 'Fifth Applicant
Company')

And

Their respective Shareholders
('The Scheme' or 'This Scheme')

Aquaignis Technologies Private Limited
[CIN: U31908MH2012PTC331823]

...First Applicant Company/
Transferor Company No.1

Euro Forbes Financial Services Limited
[CIN: U67190MH2011PLC214424]

...Second Applicant Company/
Transferor Company No.2/



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Eureka Forbes Limited,
[CIN: U27109MH1931PLC353890]

...Third Applicant Company
Transferor Company No.3/
Transferee Company No.1

Forbes & Company Limited,
[CIN: L17110MH1919PLC000628]

...Fourth Applicant Company/
Transferee Company No.2/
Demerged Company

Forbes Enviro Solutions Limited,
[CIN: L17110MH1919PLC000628]

...Fifth Applicant Company
Resulting Company

(Collectively known as Applicant Companies)

Order Delivered on:25.01.2022

Coram:

Mr. Rajesh Sharma
Hon'ble Member (Technical)

Mr. Kishore Vemulapalli
Hon'ble Member (Judicial)

Appearances (via videoconferencing)

For the Petitioner Companies:

Mr. Ashish Kamata/wHarsh
Rupareliai/b M/s ARCH and
Associates, Advocates.

For the Regional Director (WR):
Director.

Ms. Rupa Sutar, Deputy

For Central GST

: Ms. Maya Majumdar, Advocate.

ORDER

Per: Rajesh Sharma, Member (Technical)

1. The Bench is convened through video conferencing today.



2. Heard Learned Counsel for Petitioner Companies. No objector has come before the Tribunal to oppose the petition and nor has any party controverted any averments made in the petition.
3. The sanction of this Tribunal is sought under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Act") and in the matter of Composite Scheme of Arrangement for merger of Aquaignis Technologies Private Limited ('ATPL' or 'the Transferor Company 1' for Part II of the Scheme or 'First Petitioner Company') and Euro Forbes Financial Services Limited ('EFFSL' or 'the Transferor Company 2' for Part II of the Scheme or 'Second Petitioner Company') with and into Eureka Forbes Limited ('EFL' or 'Transferee Company 1' for Part II of the Scheme or 'Transferor Company 3' for Part III of the Scheme or 'Third Petitioner Company') followed by merger of EFL with and into Forbes & Company Limited ('FCL' or 'Transferee Company 2' for Part III of the Scheme or 'Demerged Company' for Part IV of the Scheme or 'Fourth Petitioner Company') and demerger of the demerged undertaking (as defined in the scheme) of FCL into Forbes Enviro Solutions Limited ('FESL' or 'Resulting Company' for Part IV of the Scheme or 'Fifth Petitioner Company') and their respective Shareholders ('Scheme').
4. The Learned Counsel for the Petitioner Companies submits that First Petitioner Company is engaged in manufacturing of electric water purifiers, no operation in the Second Petitioner Company, Third Petitioner Company is engaged in manufacturing, selling, renting and servicing of vacuum cleaners, water filter cum purifiers, water and waste water treatment plant, trading in electronic air cleaning systems, small household appliances, digital security system and fire extinguishers, Fourth Petitioner Company is engaged in the business of providing engineering services, which primarily



includes products such as threading tools and carbide tools, real-estate activities of developing properties under real estate projects and Fifth Petitioner Company is engaged in the business of manufacturing of RO systems, Water Treatment Plants (WTP), Sewage Treatment Plants (STP), Effluent Treatment Plant (ETP) and AMC Contracts, trading of spares and drinking water (PDW).

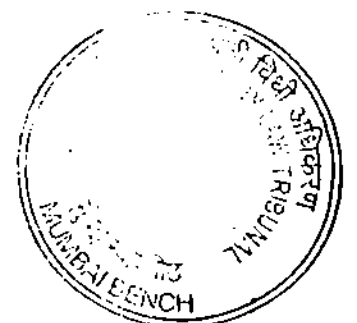
5. The Learned Counsel for the Petitioner Companies submits that the rationale mentioned in the Scheme is as under:

A. Part II of the Scheme of Arrangement would facilitate as under:

- i. EFL owns 100% of the equity share capital in ATPL and EFFSL and all the companies are part of Shapoorji Pallonji Group ("SP Group").
- ii. ATPL is engaged in business complementary to the business of EFL and Merger of ATPL into EFL would benefit EFL in expansion of water purifier business with reduction in administrative costs in addition to consolidation and simplification of group structure. Currently, no business operations are carried out in EFFSL and accordingly, Merger of EFFSL into EFL would benefit simplification and consolidation of group structure and facilitate management in achieving administrative efficiency at SP Group level.

B. Part III and Part IV of the Scheme would facilitate as under:

- i. FCL and EFL are companies belonging to the SP Group. FCL owns 100% share capital of EFL, and EFL in turn holds 100% of the share capital of ATPL, EFFSL and FESL.



-
- ii. Both FCL and EFL, are also operating companies engaged into varied businesses. The nature of risk, competition, challenges, opportunities and business methods for the business carried on by EFL is separate and distinct from the business carried on by FCL. The business carried on by FCL and EFL are capable of attracting separate set of investors, strategic partners, lenders and other stakeholders. There is also a difference in the manner in which the business of FCL and EFL are required to be handled and managed. In order to lend greater / enhanced focus to the operations of the business of EFL, it is proposed to re-organize / restructure the group structure via this Scheme.
- C. The proposed restructuring pursuant to this Scheme is expected, inter-alia, to result in the following benefits:
- i. Consolidation and simplification of group structure and reduction of administrative costs by Merger of ATPL and EFFSL into EFL and EFL into FCL;
 - ii. Segregation of business of EFL into FESL in the manner provided in this Scheme;
 - iii. Unlock the value for the shareholders of FCL by listing of the shares of FESL;
 - iv. Allowing managements of the each of FCL and FESL/EFL to pursue independent growth strategies;
 - v. Allow in creating the ability to achieve valuation based on respective risk-return profile and cash flows, attracting the right investors and thus enhancing flexibility in accessing capital;



IN THE NATIONAL COMPANY LAW TRIBUNAL
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In

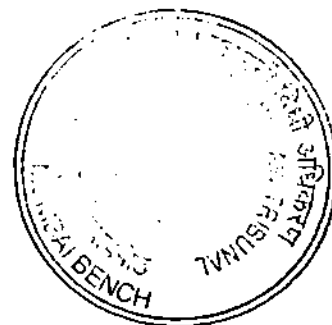
CA(CAA)/55/MB-IV/2021

- vi. Provide scope of separate companies for independent collaboration and expansion.

The Scheme is in the interest of the shareholders, creditors, lenders and various other stakeholders of the respective companies. It is not prejudicial to the interests of shareholders, creditors, lenders and various other stakeholders of the respective companies.

6. All the Petitioner Companies have approved the Scheme by passing their respective Board Resolutions dated September 8, 2020 and have approached the Tribunal for sanction of the Scheme. Further, the Board of Directors vide resolution passed by circulation dated October 10, 2021 had modified the Scheme and the modified scheme was duly approved by the shareholders and creditors in their respective court convened meeting held in accordance with directions of the Hon'ble Tribunal.
7. The Hon'ble NCLT vide its order dated October 6, 2021 has directed following with respect to meeting of Equity Shareholders and Creditors of the Applicant Companies.

Sr no	Name of the Company	Meeting of equity shareholders	Date of Meeting of the Secured Creditors	Date of Meeting of the Unsecured Creditors	Result
1	ATPL	Dispensed	November 22, 2021	November 22, 2021	Scheme was approved the by Equity Shareholders of Fourth Petitioner Company and creditors
2	EFFSL	Dispensed	No Creditors and therefore no meetings were held		
3	EFL	Dispensed	November 22, 2021	November 22, 2021	
4	FCL	November 22, 2021	November 22, 2021	November 22, 2021	



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5	FESL	Dispensed	No Secured Creditors and therefore no meeting were held	November 22, 2021	of the respective Companies.
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8. With respect to directions in CA (CAA)/55/MB-IV/ 2021 dated 6th October 2021 of this Hon'ble Tribunal for the Secured Creditors of the respective Petitioner Companies, the Learned Counsel for the Petitioner Companies submits that Petitioner Companies had sent notices to all the Secured Creditors of the First, Third and Fourth Petitioner Company as on 31st March 2021 and in case of the Second Petitioner Company and Fifth Petitioner Company, there are no Secured Creditors as on 31st March 2021. In case of the First Petitioner Company and the Third Petitioner Company, all the Secured Creditors as on 31st March 2021 attended the meeting of Secured Creditors held in accordance with directions of the Hon'ble Tribunal on 22nd November 2021 and casted their vote through remote e-voting in favour of the Scheme. In case of the Fourth Petitioner Company, the Learned Counsel for the Petitioner Companies submits that it has 5 (Five) Secured Creditors as on 31st March 2021 out of which 3 (Three) Secured Creditors had casted their vote through remote e-voting in favour of the Scheme and the 2 (Two) Secured Creditors have given their consent through email. The Learned Counsel of the Petitioner Company submits that all the Secured Creditors of the respective Petitioner Companies have given their unanimous approval to the Scheme through voting in favour at the respective meetings and through e-mail. In this regard, the respective Petitioner Companies have also filed an Affidavit on 16th December 2021 with the Hon'ble Tribunal.

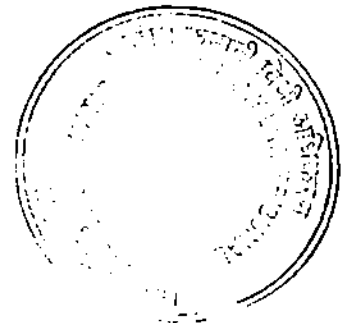


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In
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9. The Learned Counsel for the Petitioner Companies submits that the present Petition has been filed in consonance with the order delivered on October 6, 2021 passed by this Tribunal in CA(CAA)/55/MB/2021.
10. The Learned Counsel for the Petitioner Companies states that the Petitioner Companies have complied with all requirements as per directions of this Tribunal and they have filed necessary Affidavits of Compliance with this Tribunal. Moreover, Petitioner Companies undertake to comply with all statutory requirements, if any, as required under the Companies Act, 2013 and the relevant Rules made there under. The said undertaking is accepted.
11. The Regional Director, Western Region has filed its report dated December 14, 2021 ("Report") praying that this Tribunal may pass such orders as it thinks fit, save and except as stated in paragraphs IV (a) to (l) and in response to the observations of the Regional Director, the Petitioner Companies have filed their responses vide its Affidavit in reply to the Observations of the Regional Director dated 15th December 2021 as under:

Para No.	Regional Director Report / Observation dated 14 th December 2021	Response from the Petitioner Companies
IV(a)	<i>In compliance of AS-14 (IND AS-103) the Transferee Company shall pass such accounting entries which are necessary in connection with the scheme to comply with other applicable Accounting Standards such as AS-5 (IND</i>	It is submitted that in addition to compliance with Indian Accounting Standard (Ind AS) 103, Business Combinations, the Third Petitioner Company, Fourth Petitioner Company and Fifth Petitioner Company, being the respective Transferee Company / Resulting Company for the Scheme undertakes to



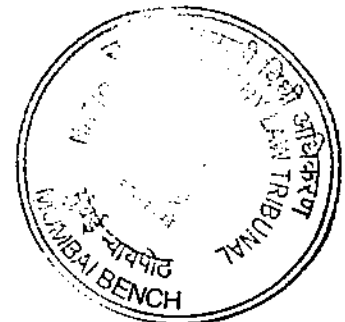
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	<i>AS-8) etc.</i>	pass such accounting entries which are necessary to comply with all other applicable Accounting Standards such as IND AS-8 etc for the purpose of giving effect to the present Scheme.
IV(b)	<i>The Petitioners under provisions of section 230(5) of the Companies Act, 2013 have to serve notices to concerned authorities which are likely to be affected by Amalgamation. Further, the approval of the scheme by this Hon'ble Tribunal may not deter such authorities to deal with any of the issues arising after giving effect to the scheme. The decision of such Authorities is binding on the Petitioner Company(s)</i>	<p>It is submitted that the Petitioner Companies have served notices to the concerned authorities as per the provisions of section 230(5) of the Companies Act, 2013. A copy of the Affidavit of Service dated October 25, 2021 filed by the Fourth Petitioner Company and Affidavit of Service dated October 26, 2021 filed by the other Petitioner Companies with this Hon'ble Tribunal which was already annexed as Annexure 30, Annexure 31, Annexure 35, Annexure 40 and Annexure 42 of the main Company Petition.</p> <p>Further, it is submitted that the approval of the Scheme by this Hon'ble Tribunal may not deter the authorities to deal with any of the issues arising after giving effect to the Scheme.</p>
IV(c)	<i>Hon'ble NCLT may kindly direct the petitioners to file an affidavit to the extent that the Scheme enclosed to Company</i>	It is submitted that as mentioned in Para 33 of the main Company Petition filed by the Petitioner Companies, the Petitioner Companies have modified the Scheme,



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<p><i>Application & Company Petition, are one and same and there is no discrepancy/ any change/ changes made, for changes if any, liberty be given to Central Government to file further report if any required.</i></p>	<p>vide board resolution (through circulation), dated October 10, 2021, annexed as Annexure 22 to the main Company Scheme Petition. Further, the Petitioner Companies have filed an affidavit dated 20th October, 2021 with the Hon'ble Tribunal on 21st October, 2021. It is further submitted that in terms of Para 11 of Part 1-A of the Master Circular on Scheme of Arrangements (SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated 22nd December, 2020) issued by SEBI, the Fourth Petitioner Company had sought specific consent to the amendment to the Scheme from the BSE / SEBI. A copy of the Observation letter/ No Objection letter dated November 23, 2021 received from BSE Limited is annexed as Annexure 23 to the main Company Petition.</p> <p>It is further submitted that a copy of the modified Scheme as approved by the Board of the Petitioner Companies on October 10, 2021 and a copy of the Scheme after incorporating the comments received from BSE Limited is annexed as Annexure 24 and Annexure 25 to the main Company</p>
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In
CA(CAA)/55/MB-IV/2021

		<p>Petition. Further, the Notices sent to the respective shareholders and creditors for the court convened meetings as per the directions of the NCLT and regulatory authorities were filed along with the modified Scheme. The modified scheme was duly approved by the shareholders and creditors in their respective court convened meeting held in accordance with directions of the Hon'ble Tribunal.</p>
IV(d)	<p><i>As per Definition of the Scheme,</i></p> <p><i>"Appointed Date" means the Effective Date or the first day of the calendar month immediately succeeding the month in which the Effective Date occurs, as may be decided by the Board.</i></p> <p><i>"Effective Date" means the last of the dates on which the conditions specified in Clause 41 are complied with. Any references in this Scheme to the date of "coming into effect of this scheme" or</i></p>	<p>It is submitted that "Appointed Date" means the Effective Date or the first day of the calendar month immediately succeeding the month in which the Effective Date occurs, as may be decided by the Board and "Effective Date" means the last of the dates on which the conditions specified in Clause 41 are complied with. Any references in this Scheme to the date of "coming into effect of this scheme" or "effectiveness of this scheme" or "Scheme taking effect" shall mean the Effective Date. Para 41 of the Scheme is reproduced as under:</p> <p>"41. SCHEME CONDITIONAL ON APPROVALS / SANCTIONS</p>



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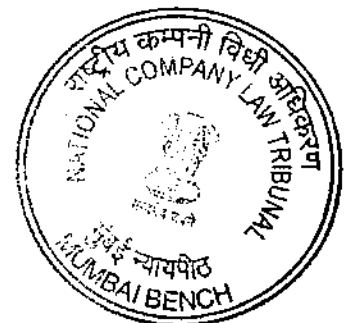
<p><i>"effectiveness of this scheme" or "Scheme taking effect" shall mean the Effective Date.</i></p> <p><i>Further, the Petitioners may be asked to comply with the requirements and clarified vide circular no. F. No. 7/12/2019/CL-1 dated 21.08.2019 issued by the Ministry of Corporate Affairs.</i></p>	<p>The Scheme is conditional upon and subject to:</p> <p>41.1. The approval by the requisite majorities of the respective members and / or creditors (including but not limited to secured and unsecured) of ATPL, EFFSL, EFL, FCL and FESL, as required under the Act and directed by the NCLT.</p> <p>41.2. The sanction or approval of the authorities concerned being obtained and granted in respect of any of the matters for which such sanction or approval being required.</p> <p>41.3. The sanction of the Scheme by the NCLT under Sections 230 to 232 of the Act and other applicable provisions of the Act.</p> <p>41.4. The requisite orders of the NCLT being obtained for sanctioning the Scheme under Section 230 read with Section 232 of the Act being filed with the concerned Registrar of Companies."</p> <p>Further, as per the General Circular No.09/2019 (F. No. 7/12/2019/CL-1)</p>
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IN THE NATIONAL COMPANY LAW TRIBUNAL
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		<p>dated August 21, 2019 issued by the Ministry of Corporate Affairs, it is clarified that the Appointed Date under section 232(6) of the Companies Act, 2013 can be tied to the occurrence of an event or fulfilment of any preconditions as may be agreed between the parties. The Petitioner Companies hereby undertakes to comply with the requirements of the General Circular No.09/2019 (F. No. 7/12/2019/CL-1) dated August 21, 2019 issued by the Ministry of Corporate Affairs in relation to the Appointed Date and the Effective Date.</p>
IV(e)	<p><i>Petitioner Company have to undertake to comply with section 232(3)(i) of Companies Act, 2013, where the transferor company is dissolved, the fee, if any paid by the transferee company on its authorized capital which shall be set-off against any fees payable by the transferee company on its authorized capital subsequent to the amalgamation and therefore, petitioners to affirm that they</i></p>	<p>It is submitted that the Petitioner Companies hereby undertakes to comply with the provisions of section 232(3)(i) of the Companies Act, 2013 regarding set-off of fees paid by the Transferor Companies against any fees payable by the Transferee Company on its authorized capital subsequent to the Scheme.</p>



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	<i>comply the provisions of the section.</i>	
IV(f)	<p><i>As per Clause 6, 18 and 30 of the Scheme,</i></p> <p>CHANGE IN OBJECT CLAUSE OF EFL</p> <p><i>With effect from the Appointed Date, and upon the Scheme becoming effective, the main object clause of the Memorandum of Association of EFL shall be altered and amended, without any further act or deed, to include the objects as required for the purpose of carrying on the business activities of ATPL and EFFSL.</i></p> <p><i>With effect from the Appointed Date, and upon the Scheme becoming effective, the main object clause of the Memorandum of Association of FCL shall be altered and amended, without any further</i></p>	<p>The change in object clause of the respective Petitioner Companies shall be effected as an integral part of the Scheme. The Petitioner Companies hereby undertakes to comply with the provisions of Section 13 and Section 14 of the Companies Act, 2013 and applicable rules and regulations and undertakes to file e-Form MGT 14 for giving effect to such change in object clause.</p>



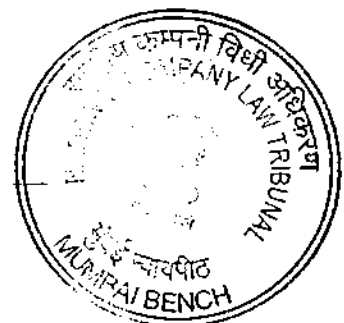
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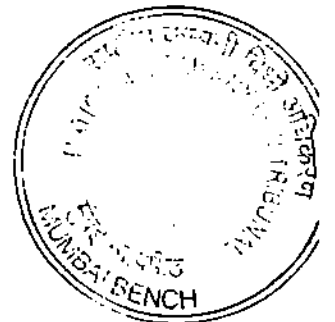
<p><i>act or deed, to include the objects as required for the purpose of carrying on the business activities EFL.</i></p> <p><i>With effect from the Appointed Date, and upon the Scheme becoming effective, the main object clause of the Memorandum of Association of FESL shall be altered and amended, without any further act or deed, to include the objects as required for the purpose of carrying on the business activities of FCL in relation to the Demerged Undertaking</i></p> <p><i>Petitioner Company shall undertake to comply with the provisions of Section 13 and 14 of the Companies Act, 2013 and other applicable provisions of the Act.</i></p> <p><i>The Hon'ble NCLT may kindly direct the Petitioner</i></p>	
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	<i>Companies to file Form MGT-14 for change of object clause.</i>	
IV(g)	<p><i>Clause 38 of the Scheme:</i></p> <p>CHANGE OF NAME OF FESL:</p> <p><i>Upon this scheme becoming effective, without any further act, instrument or deed, the name of FESL shall be changed to "Eureka Forbes Limited". Further, the name "Forbes Enviro Solutions Limited" wherever occurs in the memorandum of association and articles of association of FESL shall be substituted by such name.</i></p> <p><i>The approval and consent of this scheme by the shareholders of FESL shall be deemed to be the approval of shareholders by way of special resolution under section 13 of the Companies Act, 2013 for change of name of FESL as</i></p>	<p>In so far as observations made in paragraph IV(g) of the Report of the Regional Director is concerned, the Petitioner Companies states that the Business Undertaking of the Third Petitioner Company i.e., Eureka Forbes Limited, will be merged with Fourth Petitioner Company upon effectiveness of Part III of the Scheme. Further upon effectiveness of Part IV of the Scheme, demerged undertaking (as defined in the Scheme) of Fourth Petitioner Company will be transferred to the Fifth Petitioner Company. The name of the Third Petitioner Company carries a legacy of over decades in the field of manufacturing, selling, renting and servicing of vacuum cleaners, water filter cum purifiers, water and waste water treatment plant, trading in electronic air cleaning systems, small household appliances, digital security system and fire extinguishers, etc. The Demerged Undertaking of the Fourth Petitioner Company proposed to be transferred to the Fifth Petitioner Company</p>



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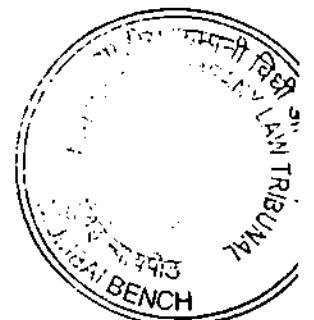
<p><i>contemplated herein and shall be deemed to be sufficient for the purpose of effecting the amendments in the memorandum of association and articles of association of FESL in relation to the change of name of FESL in accordance with provisions of the Companies Act, 2013.</i></p> <p><i>The sanction of this scheme by the NCLT shall be deemed and no further resolution(s) would be required to be separately passed to be complying with the provisions of the Companies Act, 2013, for the purpose of effecting the change in name of FESL.</i></p> <p><i>The Board of Directors and the shareholders of EFL shall not have any objection to the adoption and use of the name "Eureka Forbes Limited" by FESL pursuant to the scheme.</i></p> <p><i>That the adoption of new</i></p>	<p>comprises of manufacturing, selling, renting and servicing of vacuum cleaners, water filter cum purifiers, water and waste water treatment plant, trading in electronic air cleaning systems, small household appliances, digital security system and fire extinguishers, etc, which are over the years marketed under the name of the Third Petitioner Company.</p> <p>The Petitioner Companies further state that the change of name of Fifth Petitioner Company to "Eureka Forbes Limited" would only be beneficial and in the interest of the shareholders, creditors and general public who purchase the products of the Third Petitioner Company since the Demerged Undertaking of the Fourth Petitioner Company, being the business carried by Third Petitioner Company, shall be carried on by the Fifth Petitioner Company upon coming into effect of this Scheme.</p> <p>It is further submitted that the name of the Fifth Petitioner Company shall be independently changed to Eureka Forbes Limited and the Fifth Petitioner Company</p>
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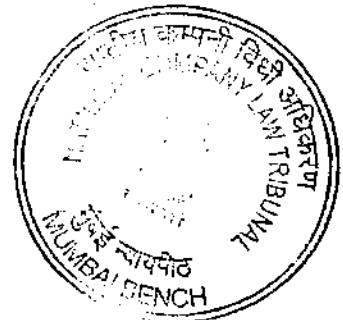
<p><i>name of Demerged Company & Amalgamated Company shall create confusion in the minds of general public and other stakeholders. Besides it will also create confusion with the regulators like Income Tax, GST, MCA etc which give impression that Petitioner Company is still in existence however it is not in existence.</i></p> <p><i>Further, as per clause 8(2)(8) of the Companies (Incorporation) Rules, 2014, "The names released on change of name by any company shall remain in data base and shall not be allowed to be taken by any other company including the group company of the company who has changed the name for a period of three years from the date of change subject to specific direction from the competent authority in the course of compromise,</i></p>	<p>undertakes to comply with the directions of the concerned Registrar of Companies in this matter.</p> <p>Without prejudice to the above, Rule 8(2)(8) of the Companies (Incorporation) Rules, 2014 provides for "subject to directions of the competent authority under the Scheme of Compromise or Arrangement", the Petitioner Companies would like to place reliance on judgements wherein it was held that it is a settled law that Chapter V and erstwhile provisions of Sections 391-394 of the Companies Act, 1956 (corresponding to present provisions of Section 230-232 of the Companies Act, 2013) is a complete code by itself on the subject of arrangement/ compromise and reconstruction. Further, the Judicial Precedents have held that Chapter V is a complete code by itself on the subject of arrangement/compromise and reconstruction comprehensive enough to include a change in the name consequent on the amalgamation or arrangement. Further, the reliance is placed on the following judgements:</p>
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<p><i>arrangement and amalgamation.</i></p> <p><i>The Hon'ble NCLT may not allow the change of name of the Petitioner Company.</i></p> <p><i>Petitioner Company have to amend the Scheme accordingly.</i></p> <p><i>In this regards, Petitioner Companies have to undertake to comply with the Provisions of Section 13, 14 of the Companies Act, 2013 and application of other provisions and rules.</i></p>	<ul style="list-style-type: none">• Hon'ble Bombay High Court judgement in the matter of PMP Auto Industries Limited (1994) 80 Comp Cases 289 (Bom.)• Hon'ble Bombay High Court judgement in the matter of Vasant Investment Corporation Limited V/s. Official Liquidator, Colaba Land and Mill Co. Limited (1961) 51 Company Cases 20• Hon'ble Madras High Court judgement in the matter of Regional Director V/s. Michelin India Private Limited and Michelin India Tamil Nadu Tyres Private Limited in C.P. 391 and 392 of 2014• Hon'ble NCLT, Mumbai Bench Order in the matter of Scheme of Arrangement between Sunways (India) Private Limited and Sunways Laboratories Private Limited in C.P./ (C.A.A.) / 3 / MB / 2021 <p>Further, the Petitioner Companies submits that the reliance is also placed on Order of Hon'ble National Company Law Appellate Tribunal, Principal Bench, New Delhi in the matter of Ambuja Cements Limited in Company Appeal No. 19 of 2021, wherein</p>
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		<p>principles laid down relied down in the Hon'ble Supreme Court in the matter of 'Gammon India Ltd.' vs. 'Commissioner of Customs' Mumbai in (2011) 12 SCC 499, to show that the precedent law must be followed by all concerned, deviation from the same should be only on a procedure known to law. The key principles followed by the Hon'ble NCLAT are as follows:</p> <ul style="list-style-type: none">• Precedents which enunciate rules of law, form the foundation of administration of justice under our system. This is a fundamental principle which every presiding officer of a judicial forum ought to know, because consistency in interpretation of law alone can lead to public confidence in our judicial system.• Precedent law must be followed by all concerned; any deviation from the same should only be vide a lawful procedure.• A coordinate Bench of a court cannot pronounce judgment contrary to declaration of law made by another Bench. It can only refer it to a larger Bench if it disagrees with the earlier pronouncement. <p>Placing reliance on the above judicial</p>
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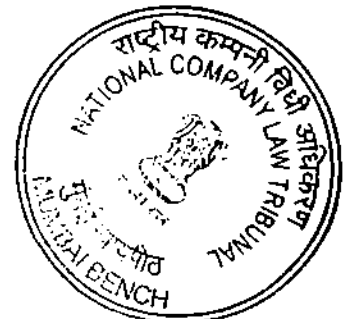
		<p>pronouncements, the Petitioner Companies submits that the change of name of the Fifth Petitioner as a part of this Scheme of Arrangement be allowed as it shall be in the best interest of shareholders, creditors and general public since the Third Petitioner Company is engaged in the business of manufacturing, selling, renting and servicing of vacuum cleaners, water filter cum purifiers, water and waste water treatment plant, trading in electronic air cleaning systems, small household appliances, digital security system and fire extinguishers, etc. The Petitioner Companies hereby undertakes to comply with the provisions of Section 13 and Section 14 of the Companies Act, 2013 and applicable rules and regulations for giving effect to such change of name of the Fifth Petitioner Company as a part of this Scheme.</p>
IV(h)	<p><i>Clause 10, 22, 34 of the Scheme: -</i></p> <p>ACCOUNTING TREATMENT</p> <p><i>EFL shall account for amalgamation of ATPL and EFFSL in its books of</i></p>	<p>It is submitted that the Composite Scheme of Arrangement shall be accounted for by the Petitioner Companies in its books of accounts as per Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS") as notified under Section 133 of the Companies Act, 2013 and the clarifications</p>



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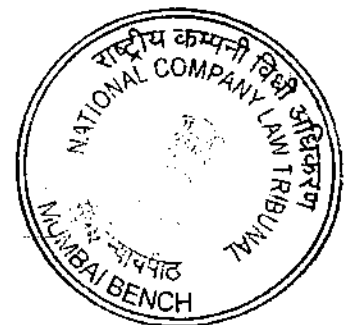
<p><i>accounts as per Appendix C to Ind AS 103, Business Combination of entities under common control, prescribed under the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS"), as amended, as notified under Section 133 of the Companies Act, 2013 and other generally accepted accounting principles in India.</i></p> <p><i>All assets and liabilities of ATPL and EFFSL, shall be recorded in the books of accounts of EFL at their existing carrying amounts and in the same form in which they appeared in the consolidated financial statement of EFL.</i></p> <p><i>The identity of the reserves pertaining to ATPL and EFFSL shall be preserved and shall appear in the merged financial statements of EFL in</i></p>	<p>issued by the Institute of Chartered Accountants of India from time to time and in accordance with this Scheme and undertakes that the Capital Reserve or any other reserves arising from such accounting for the Scheme, if any, shall be governed by the provisions of the Companies Act, 2013 and shall not be available for distribution of dividend.</p>
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<p><i>the same form in which they appeared in the consolidated financial statements of EFL and it shall be aggregated with the corresponding balance appearing in the financial statements of EFL.</i></p> <p><i>To the extent that there are inter-company loans, deposits, obligations, balances or other outstanding including any interest thereon, as between the ATPL, EFFSL and EFL, the obligations in respect thereof shall come to an end and there shall be no liability in that behalf and corresponding effect shall be given in the books of account and records of EFL for the reduction of such assets or liabilities as the case may be.</i></p> <p><i>Pursuant to the scheme becoming effective, no shares of EFL shall be issued and allotted in respect of shares</i></p>	
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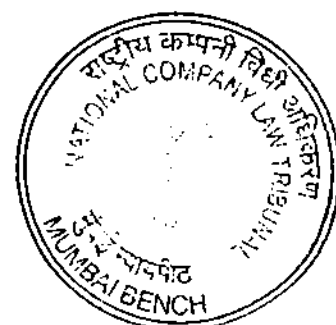
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held by it in ATPL and EFFSL and the investment in the shares of the ATPL and EFFSL appearing in the books of account of EFL shall stand cancelled.

The financial information in the financial statement of EFL in respect of prior period, would be restated as if the business combination had occurred from the beginning of preceding period in the financial statements, irrespective of the actual date of the combination.

**ACCOUNTING
TREATMENT**

FCL shall account for amalgamation of EFL in its books of accounts as per Appendix C to Ind AS 103, Business Combination of entities under common control, prescribed under the Companies (Indian



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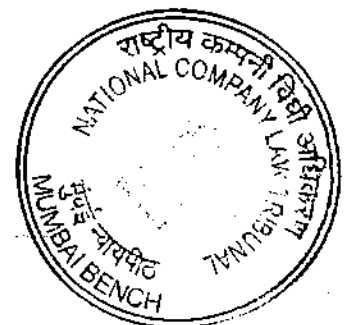
Accounting Standards) Rules, 2015 ("Ind AS") as notified under Section 133 of the Companies Act, 2013 and the clarifications issued by the Institute of Chartered Accountants of India. The amalgamation shall be accounted by FCL on the date as determined in accordance with Ind AS.

**ACCOUNTING
TREATMENT**

Upon the Scheme becoming effective, FESL and FCL shall account for Demerger in their respective books of account as under:

In the books of FESL,

FESL shall give effect to the accounting treatment in its books of account in accordance with the "Acquisition Method" of accounting under IndAS 103 (Accounting for Business



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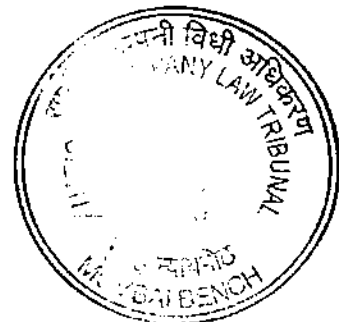
	<p><i>Combinations) and any other relevant Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 read with section 133 of the Companies Act, 2013, and generally accounted accounting principles in India, as amended from time to time.</i></p> <p><i>In the books of FCL</i></p> <p><i>FCL shall account for transfer of Demerged Undertaking to FESL in its books of accounts as per Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS") as notified under Section 133 of the Companies Act, 2013 and the clarifications issued by the Institute of Chartered Accountants of India and on the date as determined in accordance with Ind AS.</i></p>	
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	<p><i>Petitioner Companies have to undertake that the surplus shall be credited to Capital Reserve Account arising out of amalgamation and deficits shall be debited to Goodwill Account.</i></p> <p><i>Further Petitioner Companies have to undertake those reserves shall not be available for distribution of dividend.</i></p>	
IV(i)	<p><i>As per clause 36 of the Scheme: -</i></p> <p>REDUCTION IN PAID UP SHARE CAPITAL FESL AND CANCELLATION OF INTER-COMPANY INVESTMENTS</p> <p><i>The existing share capital i.e. shares held by the shareholders of FESL viz. FCL (upon Part III of the Scheme becoming effective) prior to Part IV of the Scheme becoming effective shall stand cancelled without any further</i></p>	<p>It is submitted that the reduction of existing share capital of the Fifth Petitioner Company is effected as an integral part of the Scheme under Sections 230 to 232 of the Companies Act, 2013 and the approvals accorded to the Scheme by the Shareholders of the respective Petitioner Companies shall be construed or deemed to be the consent required under the provisions of Section 66 of the Companies Act, 2013 and therefore, no separate compliance shall be required under Section 66 of the Companies Act, 2013.</p> <p>Further, it is submitted that the reduction of existing equity share capital of the Fifth</p>



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<p><i>application, act, instrument or deed, as an integral part of this Scheme.</i></p> <p><i>The share certificate(s) in relation to the shares held by the existing shareholders of FESL (i.e. FCL), shall, without any further application, act, instrument or deed, be deemed to have been automatically cancelled and no new share certificates will be issued by FESL, in lieu of share certificates already held by existing shareholders of FESL in FESL.</i></p> <p><i>The said cancellation of investments held by FCL in FESL and the said reduction in the share capital of FESL shall be debited/ credited to capital reserve in the books of FESL and shall be effected as an integral part of the Scheme and the orders of the NCLT sanctioning the Scheme shall</i></p>	<p>Petitioner Company (i.e., the equity shares held by the Fourth Petitioner Company in the Fifth Petitioner Company) is being undertaken to mirror the shareholding pattern of Fourth Petitioner Company and the Fifth Petitioner Company (i.e., the Resulting Company) pursuant to the demerger in order to achieve a simplified shareholding structure and reduce the shareholding tiers. The cancellation of shares held by the Holding Company in its wholly-owned subsidiary as a part of the Scheme will not be detrimental to the interests of the stakeholders of the Fourth Petitioner Company and would rather result in value creation for the shareholders of the Petitioner Companies.</p>
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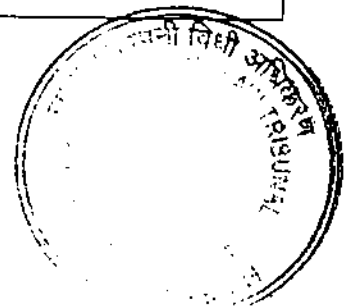
	<p><i>be deemed to be an order under section 66 of the Act confirming the reduction and no separate sanction under section 66 of the Act will be necessary.</i></p> <p><i>Notwithstanding the reduction of capital of FESL, FESL shall not be required to add "And Reduced" as suffix to its name.</i></p> <p><i>In this regards, Petitioner Companies have to undertake to comply with the Provisions of Section 66 of the Companies Act, 2013 and application of other provisions and rules.</i></p>	
IV(j)	<p><i>Observation from BSE :-</i> <i>BSE has submitted observation vide its letter dated 23.11.2021 which are as follows:</i></p> <p><i>"Company shall ensure that the Provision of Para 33.7 of</i></p>	<p>The Petitioner Companies here by submits that they had carried out changes suggested BSE in its observation and Para 33.7 was deleted. Further, the Scheme after incorporating the comments received from BSE Limited was attached as Annexure 25 to the main Company Petition.</p>



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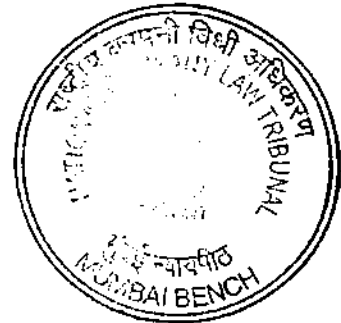
	<p><i>the draft scheme is deleted"</i></p> <p><i>"Company shall ensure that it follows the process of listing of scheme of Forbes Enviro Solutions Limited and open offer as per the stipulated Provisions"</i></p> <p><i>Hon'ble NCLT may consider the observations pointed out by BSE.</i></p>	<p>Further, the respective Petitioner Company undertakes to follow the process of listing of shares of Forbes Enviro Solutions Limited and open offer as per the stipulated provisions of the relevant law, wherever applicable.</p>
IV(k)	<p><u>STATUS OF ROC REPORT:</u></p> <p><i>ROC, Mumbai Report dated 07.12.2021 has interalia mentioned that there are no prosecution, no technical scrutiny, no inquiry, no inspection and no complaints pending against Petitioner Companies.</i></p> <p><i>Further mentioned that :</i></p> <p><i>1. Interest of the Creditors should be protected.</i></p> <p><i>2. The Transferor Company No. 3 & Resulting Company</i></p>	<p>The Petitioner Companies hereby undertakes that the interest of the creditors shall be duly protected under scheme.</p> <p>The Petitioner Companies further submits upon the Scheme becoming effective, the open charges in the name of the Third Petitioner Company shall be transferred and continue to be operative and effective in the name of the Fifth Petitioner Company and are duly covered under the Scheme.</p>



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	<p><i>has huge number of open charges.</i></p> <p><i>Hon'ble Tribunal may consider the observations pointed out by ROC, Mumbai in their report and decide the matter on merits.</i></p>	
IV(1)	<p><i>In response to the notice to Income Tax department, they have issued letter to the Petitioner Company dated 26.10.2021.</i></p> <p><i>Hon'ble NCLT may kindly direct the Petitioner Companies to comply with the instructions of IT and obtain NOC from IT as may be required.</i></p>	<p>It is submitted that the Fourth Petitioner Company had served notices upon the respective income tax department on October 20, 2021 in accordance with directions of this Hon'ble Tribunal and received letter from income tax department on October 26, 2021 seeking detail(s) / information(s). The Fourth Petitioner Company hereby submits that they have filed response to the detail(s) / information(s) called for by the respective Income Tax department on November 3, 2021 and December 13, 2021. The copy of acknowledgement for responses submitted with the Income tax Department are annexed herewith as Annexure A1 & A2 to this Affidavit. Further, it is submitted that the approval of the Scheme by this Hon'ble Tribunal may not deter the Income-tax authorities to deal with any of the issues</p>



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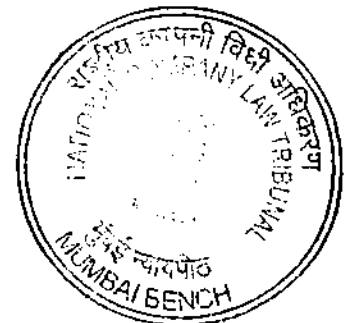
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	arising after giving effect to the Scheme.
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12. The Regional Director has filed its supplementary report dated December 16, 2021 and has stated that *"the Company in its affidavit in Rejoinder dated 15.12.2021 has submitted replies on all the observations made by the Regional Director in its Report / Representation dated 14.12.2021, in para IV(a) to (l), which appears to be satisfactory, except (g). Copy of Affidavit in Rejoinder of the Company is enclosed herewith and marked as Annexure - 'A'. The Directorate reiterates the submission made in its representation dated 14.12.2021"*. The clarifications and undertakings given by the Petitioner Companies are accepted by this Tribunal.
13. The Third Petitioner Company and Fifth Petitioner Company have received notice/ letter from GST authorities on November 23, 2021, November 11, 2021 seeking clarifications. The Third Petitioner Company and the Fifth Petitioner Company hereby submits that they have filed response by way of an Affidavit to the said notice/ letter on December 14, 2021 before this Tribunal. Further, it is submitted that the approval of the Scheme by this Tribunal may not deter respective GST authorities to deal with any of the issues arising after giving effect to the Scheme.
14. The Fourth Petitioner Company has received notice from the Income Tax Department on October 26, 2021 seeking certain detail(s) / information(s). The Fourth Petitioner Company hereby submits that they have filed response to the detail(s) / information(s) called for by the Income Tax department on November 3, 2021 and December 13, 2021. Further, it is submitted that the approval of the Scheme by this Tribunal may not deter the Income-tax authorities to deal with any of the issues arising after giving effect to the Scheme.



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15. The Official Liquidator, High Court, Bombay, has filed his report dated December 14, 2021; inter alia, stating therein that the affairs of the Petitioner Companies have been conducted in a proper manner, not prejudicial to the interest of the shareholders of First Petitioner Company, Second Petitioner Company, Third Petitioner Company and that the First Petitioner Company, Second Petitioner Company and Third Petitioner Company may be ordered to be dissolved without winding up by this Tribunal.
16. From the material on record, the Scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy. Upon effectiveness of the Part II of the Scheme all the assets and properties comprised in the First Petitioner Company and Second Petitioner Company of whatsoever nature and wheresoever situated, shall, under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act or deed, be and stand transferred to and vested in the Third Petitioner Company or be deemed to be transferred to and vested in Third Petitioner Company as a going concern so as to become the assets and properties of Third Petitioner Company. Upon effectiveness of the Part III of the Scheme all the assets and properties comprised in the Third Petitioner Company of whatsoever nature and wheresoever situated, shall, under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act or deed, be and stand transferred to and vested in the Fourth Petitioner Company or be deemed to be transferred to and vested in Fourth Petitioner Company as a going concern so as to become the assets and properties of Fourth Petitioner Company Further, upon the coming into effect of this Scheme and with effect from the Appointed Date, all liabilities relating to and comprised in the Third Petitioner Company including all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities



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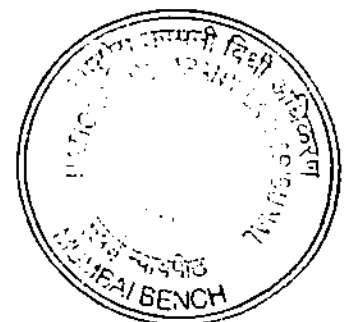
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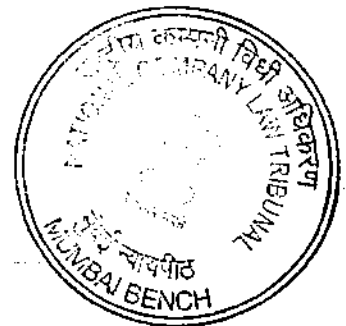
(including contingent liabilities), duties and obligations and undertakings of Third Petitioner Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized for its business activities and operations shall, pursuant to the sanction of this Scheme by the Tribunal under and in accordance with the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be transferred to and vested in or be deemed to have been transferred to and vested in Fourth Petitioner Company, along with any charge, encumbrance, lien or security thereon, and the same shall be assumed by Fourth Petitioner Company to the extent they are outstanding as on the Effective Date so as to become as and from the Appointed Date the liabilities of Fourth Petitioner Company on the same terms and conditions as were applicable to Third Petitioner Company and the Fourth Petitioner Company shall meet, discharge and satisfy the same and further 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 liabilities have arisen in order to give effect to the provisions of this Clause.

17. Upon effectiveness of Part IV of the Scheme, all the assets and properties comprising Demerged Undertaking (defined in the Scheme) of the Fourth Petitioner Company of whatsoever nature and wheresoever situated, shall, under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act or deed, be and stand transferred to and vested in the Fifth Petitioner Company or be deemed to be transferred to and vested in Fifth Petitioner Company as a going concern so as to become the assets and properties of Fifth Petitioner Company. Further, upon the coming into effect of this Scheme and with effect from the Appointed Date, all liabilities relating to and comprised in the Demerged undertaking of Fourth Petitioner Company including all secured and



unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations and undertakings of Demerged Undertaking of Fourth Petitioner Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized for its business activities and operations shall, pursuant to the sanction of this Scheme by the Tribunal under and in accordance with the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be transferred to and vested in or be deemed to have been transferred to and vested in Fifth Petitioner Company, along with any charge, encumbrance, lien or security thereon, and the same shall be assumed by Fifth Petitioner Company to the extent they are outstanding as on the Effective Date so as to become as and from the Appointed Date the liabilities of Fifth Petitioner Company on the same terms and conditions as were applicable to Demerged Undertaking of Fourth Petitioner Company, and Fifth Petitioner Company shall meet, discharge and satisfy the same and further 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 liabilities have arisen in order to give effect to the provisions of this Clause.

18. Upon effectiveness of the Scheme the name of the Fifth Petitioner Company i.e. "Forbes Enviro Solutions Limited" shall be changed to Eureka Forbes Limited. Further, the name "Forbes Enviro Solutions Limited" wherever occurs in the memorandum of association and articles of association of FESL shall be substituted by such name.
19. As consideration under the Scheme for Part II of the Scheme, the Third Petitioner Company shall not discharge any consideration since, First and



Second Petitioner Company are wholly-owned subsidiaries of the Third Petitioner Company.

20. As consideration under the Scheme for Part III of the Scheme, the Fourth Petitioner Company shall not discharge any consideration since, Third Petitioner Company is a wholly-owned subsidiary of the Fourth Petitioner Company.
21. As consideration under the Scheme for Part IV of the Scheme, the Fifth Petitioner Company shall issue and allot 15 (Fifteen) fully paid-up Equity Shares of INR 10/-each of Fifth Petitioner Company shall be issued and allotted to the Equity Shareholders of Fourth Petitioner Company, against 1(One) fully paid-up Equity Shares of INR 10/- each held by them in Fourth Petitioner Company.
22. Since all the requisite statutory compliances have been fulfilled, CP(CAA)/209/MB-IV/2021 is made absolute in terms of the prayer clauses of the said Company Scheme Petition.
23. The modified Scheme of Arrangement annexed at Annexure 25 to the Petition is hereby sanctioned with the Appointed Date as defined in Clause 1.3 of the Scheme. It shall be binding on the Petitioner Companies involved in the Scheme and all concerned including their respective Shareholders, Secured Creditors, Unsecured Creditors/Trade Creditors and Employees.
24. The Petitioner Companies are directed to file a copy of this Order along with a copy of the Scheme with the concerned Registrar of Companies, electronically along with e-form INC-28 within 30 days from the date of receipt of the Order along with a copy of the Scheme duly certified by the Deputy Director or Assistant Registrar, of the National Company Law Tribunal, Mumbai Bench.



IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-IV

CP (CAA)/209/MB-IV/2021
In
CA(CAA)/55/MB-IV/2021

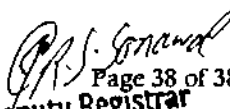
25. On filing of this Order with the concerned Registrar of Companies as instructed in paragraph 24 above, the First Petitioner Company, Second Petitioner Company and Third Petitioner Company shall stand dissolved without being wound-up.
26. The Petitioner Companies to lodge a copy of this Order along with the Scheme duly authenticated/certified by the Deputy Director or the Assistant Registrar, of this Tribunal with the concerned Superintendent of Stamps for the purpose of adjudication of stamp duty payable, if any, within 60 working days from the date of receipt of the certified Order from the Registry of this Tribunal.
27. All concerned regulatory authorities to act on a copy of this Order along with Scheme duly certified by the Deputy Director or the Assistant Registrar of this Tribunal.
28. Any person interested is at liberty to apply to this Tribunal in the above matters for any directions that may be necessary.
29. Any concerned Authorities are at liberty to approach this Tribunal for any further clarification as may be necessary.
30. Ordered accordingly.

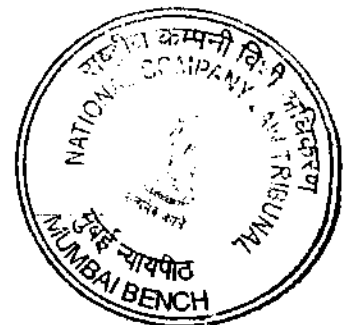
Sd/-

Certified True Copy
Kishore Vemulapalli
Member (Judicial)
25.01.2022
Date of Application
Number of Pages 38
190
Fee Paid Rs.
Applicant called for collection copy on 31.01.2022
Copy prepared on 31.01.2022
Copy issued on 31.01.2022

Sd/-

Rajesh Sharma
Member (Technical)


Page 38 of 38
Deputy Registrar
National Company Law Tribunal, Mumbai Bench



COMPOSITE SCHEME OF ARRANGEMENT

UNDER SECTION 232 READ WITH SECTION 230 OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND RULES FRAMED THEREUNDER

BETWEEN

AQUAIGNIS TECHNOLOGIES PRIVATE LIMITED

("ATPL" or "Transferor Company 1" for Part II of the Scheme)

AND

EURO FORBES FINANCIAL SERVICES LIMITED

("EFFSL" or "Transferor Company 2" for Part II of the Scheme)

AND

EUREKA FORBES LIMITED

("EFL" or "Transferee Company 1" for Part II of the Scheme or "Transferor Company 3" for Part III of the Scheme)

AND

FORBES & COMPANY LIMITED

("FCL" or "Transferee Company 2" for Part III of the Scheme or "Demerged Company" for Part IV of the Scheme)

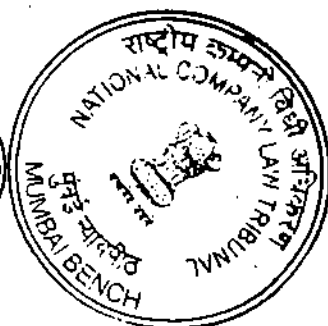
AND

FORBES ENVIRO SOLUTIONS LIMITED

("FESL" or "Resulting Company" for Part IV of the Scheme)

AND

THEIR RESPECTIVE SHAREHOLDERS



A. PREAMBLE

This Composite Scheme of Arrangement ("Scheme") is presented under Section 232 read with Section 230 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder for:

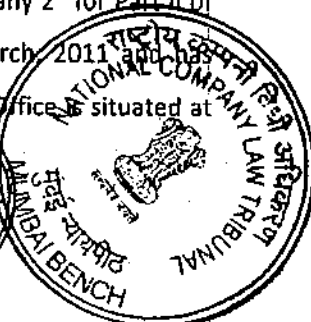
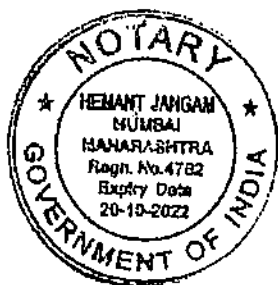
- Amalgamation and vesting of Aquaignis Technologies Private Limited ("ATPL" or "the Transferor Company 1" for Part II of the Scheme) and Euro Forbes Financial Services Limited ("EFFSL" or "the Transferor Company 2" for Part II of the Scheme) with and into Eureka Forbes Limited ("EFL" or "the Transferee Company 1" for Part II of the Scheme or "the Transferor Company 3" for Part III of the Scheme) (hereinafter referred to as "Part II of the Scheme"); and
- Upon Part II of the Scheme becoming effective, Amalgamation and vesting of EFL with and into Forbes & Company Limited ("FCL" or "Transferee Company 2" for Part III of the Scheme or "Demerged Company" for Part IV of the Scheme) (hereinafter referred to as "Part III of the Scheme"); and
- Upon Part III of the Scheme becoming effective, Demerger and vesting of Demerged Undertaking (hereinafter defined) of FCL into Forbes Enviro Solutions Limited ("FESL" or "Resulting Company" for Part IV of the Scheme), on a going concern basis (hereinafter referred to as "Part IV of the Scheme"),

in the present form or with such alterations / modifications, as may be approved or imposed or directed by National Company Law Tribunal ("NCLT").

B. DESCRIPTION OF COMPANIES

Aquaignis Technologies Private Limited ("ATPL" or "the Transferor Company 1" for Part II of the Scheme) was incorporated in the state of Uttarakhand, i.e. within the jurisdiction of Registrar of Companies Uttarakhand on 1st November, 2012 and has Corporate Identity Number U31908MH2012PTC331823. The Registered Office is situated at B1/B2, 7th Floor, 701, Marathon Innova, Off. Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400 013 and having PAN AALCA0739N and email ID of its authorised representative is dshinde@eurekaforbes.co.in.

Euro Forbes Financial Services Limited ("EFFSL" or "the Transferor Company 2" for Part II of the Scheme) was incorporated in the state of Maharashtra on 7th March, 2011 and has Corporate Identity Number U67190MH2011PLC214424. The Registered Office is situated at

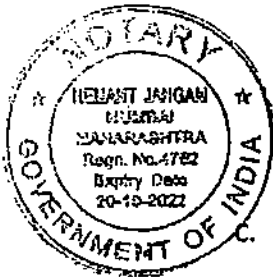


B1/B2, 7th Floor, 701, Marathon Innova, Off Ganpatrao Kadam Marg, Lower Parel, Mumbai 400013 and having PAN AACCE7797B and email ID of its authorised representative is dshinde@eurekaforbes.co.in.

Eureka Forbes Limited ("EFL" or "the Transferee Company 1" for Part II of the Scheme or "the Transferor Company 3" for Part III of the Scheme), was incorporated in the state of West Bengal in the name and style 'M/s Samuel Osborn (India) Limited on 5th February, 1931. On 12th April, 1982, name of the Company was changed to its current name 'Eureka Forbes Limited'. The Registered Office of the Company was shifted from the State of West Bengal to the State of Maharashtra w.e.f. 21-01-2021 and is now situated at B1/B2, 701, 7th Floor, Marathon Innova, Off Ganpatrao Kadam Marg, Lower Parel, Mumbai 400013. The Company has Corporate Identity Number - U27109MH1931PLC353890, PAN - AAACE5767F and email ID of its authorised representative is dshinde@eurekaforbes.co.in.

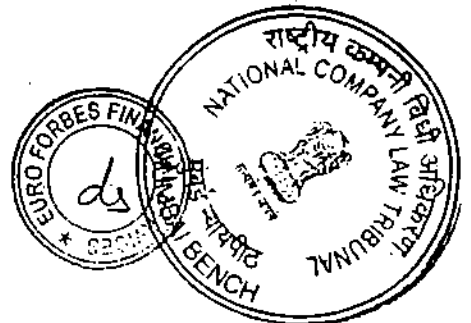
Forbes & Company Limited ("FCL" or "Transferee Company 2" for Part III of the Scheme and "Demerged Company" for Part IV of the Scheme), was incorporated in the State of Maharashtra on 18th November, 1919 as 'The Gokak Mills Limited' under the Indian Companies Act, 1913. Thereafter, in terms of Section 21 of the Companies Act 1956, the name was changed to Gokak Patel Volkart Limited on 31st December, 1973. Further, on 28th September, 1992, its name was changed to 'Forbes Gokak Limited' and finally, on 25th October, 2007, it was changed to its current name 'Forbes & Company Limited'. It has its Corporate Identity Number as L17110MH1919PLC000628. The Registered Office is situated at Forbes Building, Charanjit Rai Marg, Fort, Mumbai 400 001 and having PAN AAACF1765A and Email ID of its authorised representative is pankaj.khattar@forbes.co.in.

Forbes Enviro Solutions Limited ("FESL" or "Resulting Company" for Part IV of the Scheme), was incorporated as a public limited company in the State of Maharashtra on 26th November 2008 as 'Forbes Water Limited'. On 4th August, 2009, name of the Company changed to its current name 'Forbes Enviro Solutions Limited'. It has Corporate Identity Number U27310MH2008PLC188478. The Registered Office is situated at B1/B2, 7th Floor, 701, Marathon Innova, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400013 and having PAN AABCF3759R and email ID of its authorised representative is dshinde@eurekaforbes.co.in.



RATIONALE OF THE SCHEME

1. Background



Aquagnis Technologies Private Limited, a company in which EFL holds 100% stake, is, inter-alia, engaged in manufacturing of electric water purifiers. The manufacturing facilities are situated at Lal Tappar Industrial Area in the state of Uttarakhand.

Euro Forbes Financial Services Limited, a company in which EFL holds 100% stake. Currently, there are no operations being carried out in Euro Forbes Financial Services Limited.

Eureka Forbes Limited, a company in which FCL holds 100% stake, is inter-alia engaged in manufacturing, selling, renting and servicing of vacuum cleaners, water filter cum purifiers, water and waste water treatment plant, trading in electronic air cleaning systems, small household appliances, digital security system and fire extinguishers, etc.

Forbes & Company Limited, a company listed on the Stock Exchange, is a company engaged in the business of providing engineering services, which primarily includes products such as threading tools and carbide tools. It is also engaged in real-estate activities of developing properties under real estate projects.

Forbes Enviro Solutions Limited, a wholly owned subsidiary of Eureka Forbes Limited, has main objects of the business of manufacturing of RO systems, Water Treatment Plants (WTP), Sewage Treatment Plants (STP), Effluent Treatment Plant (ETP) and AMC Contracts, trading of spares and drinking water (PDW).

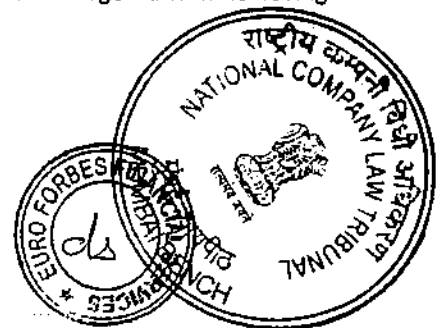
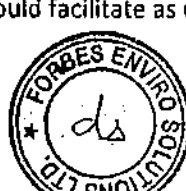
All the companies are part of Shapoorji Pallonji Group ("SP Group").

2. Rationale for the Scheme

2.1. Part II of the Scheme of Arrangement would facilitate as under:

- (a) EFL owns 100% of the equity share capital in ATPL and EFFSL and all the companies are part of Shapoorji Pallonji Group ("SP Group").
- (b) ATPL is engaged in business complementary to the business of EFL and Merger of ATPL into EFL would benefit EFL in expansion of water purifier business with reduction in administrative costs in addition to consolidation and simplification of group structure. Currently, no business operations are carried out in EFFSL and accordingly, Merger of EFFSL into EFL would benefit simplification and consolidation of group structure and facilitate management in achieving administrative efficiency at SP Group level.

2.2. Part III and Part IV of the Scheme would facilitate as under:



- (a) FCL and EFL are companies belonging to the SP Group. FCL owns 100% share capital of EFL, and EFL in turn holds 100% of the share capital of ATPL, EFFSL and FESL.
- (b) Both FCL and EFL, are also operating companies engaged into varied businesses. The nature of risk, competition, challenges, opportunities and business methods for the business carried on by EFL is separate and distinct from the business carried on by FCL. The business carried on by FCL and EFL are capable of attracting separate set of investors, strategic partners, lenders and other stakeholders. There is also a difference in the manner in which the business of FCL and EFL are required to be handled and managed. In order to lend greater / enhanced focus to the operations of the business of EFL, it is proposed to re-organize / restructure the group structure via this Scheme.

2.3. The proposed restructuring pursuant to this Scheme is expected, inter-alia, to result in the following benefits:

- i. Consolidation and simplification of group structure and reduction of administrative costs by Merger of ATPL and EFFSL into EFL and EFL into FCL;
- ii. Segregation of business of EFL into FESL in the manner provided in this Scheme;
- iii. Unlock the value for the shareholders of FCL by listing of the shares of FESL;
- iv. Allowing managements of the each of FCL and FESL/EFL to pursue independent growth strategies;
- v. Allow in creating the ability to achieve valuation based on respective risk-return profile and cash flows, attracting the right investors and thus enhancing flexibility in accessing capital;
- vi. Provide scope of separate companies for independent collaboration and expansion.

The Scheme is in the interest of the shareholders, creditors, lenders and various other stakeholders of the respective companies. It is not prejudicial to the interests of shareholders, creditors, lenders and various other stakeholders of the respective companies.

D. PARTS OF THE SCHEME

This Scheme is divided into the following parts:



Part I deals with the definitions of the terms used in this Scheme and the Share Capital;

Part II deals with Amalgamation and vesting of Aquaignis Technologies Private Limited and Euro Forbes Financial Services Limited with and into Eureka Forbes Limited;

Part III deals with Amalgamation and vesting of Eureka Forbes Limited (upon Part II of the Scheme becoming effective) with and into Forbes & Company Limited;

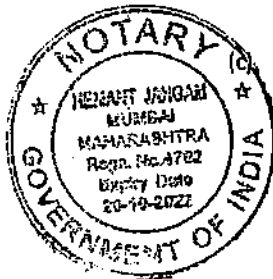
Part IV deals with Demerger and vesting of Demerged Undertaking (hereinafter defined) of Forbes & Company Limited (upon Part III of the Scheme becoming effective) into Forbes Enviro Solutions Limited, on a going concern basis and simultaneous name change of FESL to EFL; and

Part V deals with the General Terms and Conditions.

E. SEQUENCE OF EFFECTIVENESS OF THE SCHEME

Upon the Scheme becoming effective, with effect from the Appointed Date, the following shall be deemed to have occurred and become effective and operative only in the order mentioned hereunder:

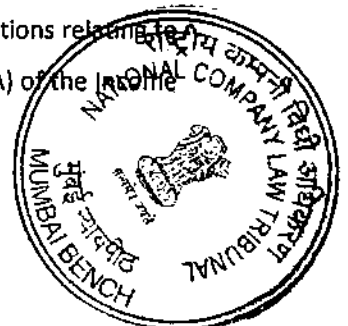
- (a) Part II which provides for Amalgamation and vesting of Aquaignis Technologies Private Limited and Euro Forbes Financial Services Limited with and into Eureka Forbes Limited, shall be operative prior to coming effect of Part III; and
- (b) Part III which provides for Amalgamation and vesting of Eureka Forbes Limited (upon Part II of the Scheme becoming effective) with and into Forbes & Company Limited, shall be operative prior to coming effect of Part IV; and



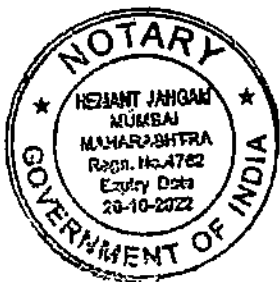
(c) Part IV which provides for Demerger and vesting of Demerged Undertaking (hereinafter defined) of Forbes & Company Limited (upon Part III of the Scheme becoming effective) into Forbes Enviro Solutions Limited, on a going concern basis shall take effect immediately after coming into effect of Part III of the Scheme.

F. TREATMENT OF THE SCHEME FOR THE PURPOSES OF INCOME TAX ACT, 1961

The provisions of this Scheme have been drawn up to comply with the conditions relating to "Amalgamation" and "Demerger" as defined under section 2(1B) and 2(19AA) of the Income Tax Act, 1961.



Tax Act, 1961, respectively. If, at a later date, any of the terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of section 2(1B) and 2(19AA) of the Income Tax Act, 1961, including as a result of an amendment of law or enactment of new legislation or any other reason whatsoever, the provisions of section 2(1B) and 2(19AA) of the Income Tax Act, 1961, or a corresponding provisions of any amended or newly enacted law, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with section 2(1B) and 2(19AA) of the Income Tax Act, 1961. Such modifications, if required to be made will, however, not affect the other provisions (including those relating to accounting treatment) of the Scheme.

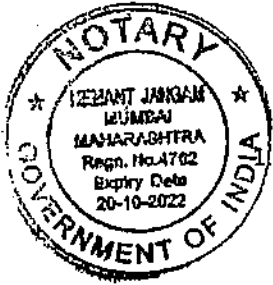


PART I
DEFINITIONS AND INTERPRETATION

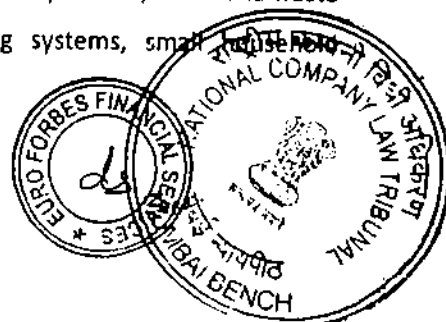
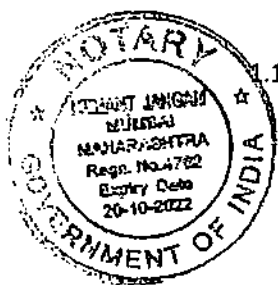
1. DEFINITIONS

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

- 1.1. "Act" means the Companies Act, 1956 and/or Companies Act, 2013, to the extent its provisions relevant for this Scheme are notified and ordinances, rules and regulations made thereunder and shall include any statutory modifications, re-enactment or amendment thereof for the time being in force.
- 1.2. "Amalgamation" or "Merger" means amalgamation/merger of ATPL and EFFSL into EFL and amalgamation/merger of EFL into FCL in accordance with provisions of Section 2(1B) of the Income Tax Act, 1961.
- 1.3. "Appointed Date" means the Effective Date or the first day of the calendar month immediately succeeding the month in which the Effective Date occurs, as may be decided by the Board.
- 1.4. "ATPL" or "Transferor Company 1" means Aquaignis Technologies Private Limited having its Corporate Identity Number as U31908MH2012PTC331823, the Registered Office is situated at 81/B2, 7th Floor, 701, Marathon Innova, Off. Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400 013 and having PAN – AALCA0739N and Email ID of its authorised representative is dshinde@eurekaforbes.co.in.
- 1.5. "Board of Directors" or "Board" means the Board of Directors of ATPL, EFFSL, EFL, FCL and FESL, as the case may be, and shall include a duly constituted committee thereof.
- 1.6. "Demerger" means the transfer by way of demerger in accordance with the provisions of Section 2(19AA) of the Income Tax Act, 1961 of the Demerged Undertaking into FESL.
- 1.7. "Effective Date" means the last of the dates on which the conditions specified in Clause 41 are complied with. Any references in this Scheme to the date of "coming into effect of this scheme" or "effectiveness of this scheme" or "Scheme taking effect" shall mean the Effective Date.

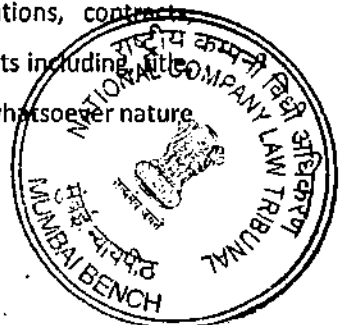
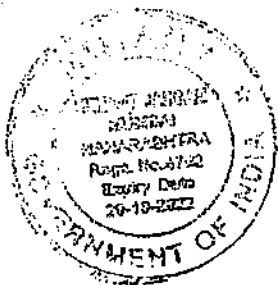


- 1.8. "EFL" or "Transferee Company 1" or "Transferor Company 3" means Eureka Forbes Limited. The Registered Office of the Company was shifted from the State of West Bengal to the State of Maharashtra w.e.f. 21-01-2021 and is now situated at B1/B2, 701, 7th Floor, Marathon Innova, Off Ganpatrao Kadam Marg, Lower Parel, Mumbai 400013. The Company has Corporate Identity Number - U27109MH1931PLC353890, PAN – AAACE5767F and email ID of its authorised representative is dshinde@eurekaforbes.co.in.
- 1.9. "EFESL" or "Transferor Company 2" means Euro Forbes Financial Services Limited having its Corporate Identity Number as U67190MH2011PLC214424, the Registered Office is situated at B1/B2, 7th Floor, 701, Marathon Innova, Off Ganpatrao Kadam Marg, Lower Parel, Mumbai 400013 and having PAN – AACCE7797B and Email ID of its authorised representative is dshinde@eurekaforbes.co.in.
- 1.10. "Encumbrance" means any options, pledge, mortgage, lien, security, interest, claim, charge, pre-emptive right, easement, limitation, attachment, restraint or any other encumbrance of any kind or nature whatsoever, and the term "Encumbered" shall be construed accordingly.
- 1.11. "FCL" or "Transferee Company 2" or "Demerged Company" means Forbes & Company Limited having its Corporate Identity Number as L17110MH1919PLC000628, the Registered Office is situated at Forbes Building, Charanjit Rai Marg, Fort Mumbai 400001 and having PAN AAACF1765A and Email ID of its authorised representative is pankaj.khattar@forbes.co.in
- 1.12. "FESL" or "Resulting Company" means Forbes Enviro Solutions Limited having its Corporate Identity Number as U27310MH2008PLC188478, the Registered Office is situated at B1/B2, 7th Floor, 701, Marathon Innova, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400013 and having PAN – AABCF3759R and Email ID of its authorised representative is dshinde@eurekaforbes.co.in.
- 1.13. "Governmental Authority" means any applicable Central, State or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction and shall include any other authority which supersedes the existing authority.
- 1.14. "Health, Hygiene, Safety Products and Services Undertaking or Health and Safety Solutions Undertaking" or "Demerged Undertaking" shall mean the business of manufacturing, selling, renting and servicing of vacuum cleaners, water filter cum purifiers, water and waste water treatment plant, trading in electronic air cleaning systems, smart home devices



appliances, digital security system, air-conditioners and all kinds of electrical & non electrical appliances etc. which is being carried on by Eureka Forbes Limited at present as a going concern (and which shall vest with FCL as a result of Part III of this Scheme becoming effective), all its assets, rights, licenses and powers, and all its debts, outstanding, liabilities, duties, obligations and employees as on the Appointed Date including, but not limited to, the following:

- (a) All the assets and properties whether movable or immovable (as per Annexure 1), tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent pertaining to EFL (and which shall vest with FCL as a result of Part III of this Scheme becoming effective), whether situated in India or abroad, including, but not limited to all the interests, of whatever nature and wheresoever situated, plant and machinery, freehold land, leasehold land, tenancy rights, if any, buildings and structures, offices, residential and other premises, capital work in progress, development capital work in progress, furniture, fixtures, office equipment, appliances, accessories, power lines, depots, deposits, all stocks, assets, investments of all kinds including shares (including but not limited to equity shares/preference shares in subsidiaries/joint ventures in India or outside India (as per Annexure 2, unless sold, liquidated or otherwise disposed off prior to the Scheme becoming effective), but excluding any and all investments, interests and exposure in FESL, FFSPL, Forbes Concept Hospitality Services Private Limited ("FCHSPL") and the Lux Group, investment in scrips, stocks, bonds, debenture stock, units or pass through certificates, cash balances with banks, loans, advances, contingent rights or benefits, receivables, benefit of any deposits, financial assets, leases, and hire purchase contracts and assets, lending contracts, benefit of any security arrangements, reversions, powers, authorities, allotments, approvals, permits and consents, quotas, rights, entitlements, contracts including the joint operating agreements/operating agreement, unencumbered ownership of right, title and interest in relation to the trademark "Forbes" in classes 7, 11 and 21 held by EFL and FCL (provided that this shall not include the right to use the trademark "Forbes" in relation to 3D printing, medical implants, ventilators, electric vehicles, machine and machine tools, motors and engines, machine coupling and transmission components, such other existing products of FCL as may be agreed in writing by, amongst others, the Board of FCL and FESL), licenses (industrial and otherwise), municipal permissions, tenancies in relation to the office and/or residential properties for the employees or other persons, guest houses, godowns, warehouses, leases, licenses, fixed and other assets, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights including, title interests, other benefits (including Tax benefits) and advantages of whatsoever nature

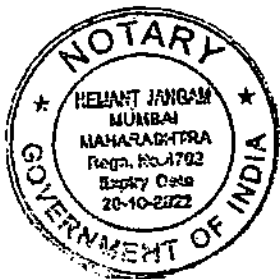


and wheresoever situated belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by EFL (and which shall vest with FCL as a result of Part III of this Scheme becoming effective) relating to its business, authorisations, permits, approvals, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of all agreements, all records, files, papers, computer programmes, computer software, manuals, data, catalogues, sales and advertising materials, lists and other details of present and former customers and suppliers, customer credit information, customer and supplier pricing information and other records in connection with or relating to EFL (and which shall vest with FCL as a result of Part III of this Scheme becoming effective) or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the EFL (and which shall vest with FCL as a result of Part III of this Scheme becoming effective) in each case, whether in India or abroad other than the investments and assets pertaining to the Lux Group, FESL, FFSP and FCHSPL and other than any right, title and interest in relation to the trademark "Forbes" in the classes set out in Annexure 4. Notwithstanding anything contained in this Scheme, it is hereby clarified that all the assets of the Demerged Undertaking which shall vest with FESL by virtue of the Scheme shall be transferred free and clear of from any and all Encumbrances pertaining to or in connection with the business of FCL other than the Demerged Undertaking.

For the purpose of this clause and the Scheme, Lux Group shall mean investments by EFL, including in equity shares and preference shares, stock and other securities or by way of loans and advances (including outstanding interest), and all amounts, including corporate guarantees (including any recoverable amount upon invocation of corporate guarantees, if any), contingent liabilities, trade payables and trade receivables, in each case, pertaining to the companies mentioned as per Annexure 3.

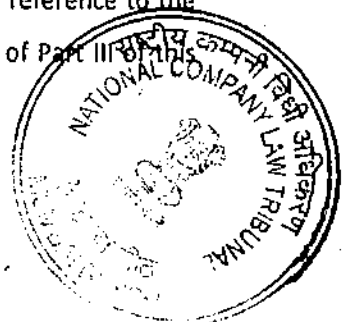
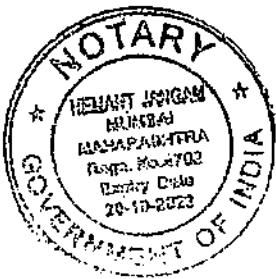
(b) All agreements, rights, contracts, entitlements, licenses, permits, permissions, incentives, approvals, registrations, Tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges and claims as to any patents, trademarks, designs, quotas, rights, engagements, arrangements, authorities, allotments, security arrangements, benefits of any guarantees, reversions, powers and all other approvals of every kind, nature and description whatsoever relating to the EFL's (and which shall vest with FCL as a result of Part III of this Scheme becoming effective) business activities and operations.

(c) All intellectual property rights including but without being limited to trade and service



names and marks, patents, copyrights, know-how, technical know-how, franchise and other intellectual property rights of any nature whatsoever, engineering and process information, software licenses (whether proprietary or otherwise), drawings, records, files, books, papers, computer programmes, manuals, data, catalogues, sales and advertising material, lists of present and former customers and suppliers, customer credit information, customer pricing information, other customer information and all other records and documents, whether in physical or electronic form, relating to the business activities and operations of EFL (and which shall vest with FCL as a result of Part III of this Scheme becoming effective).

- (d) Amounts claimed in respect of EFL (and which shall vest with FCL as a result of Part III of this Scheme becoming effective), if any, whether or not so recorded in the books of account of the EFL from any Governmental Authority, under any law, act, scheme or rule, as refund of any Tax, duty, cess or of any excess payment.
- (e) Rights to any claim not preferred or made by EFL (and which shall vest with FCL as a result of Part III of this Scheme becoming effective) in respect of any refund of Tax, duty, cess or other charge, including any erroneous or excess payment thereof made by EFL and any interest thereon, if any, under any law, act, rule or scheme, and in respect of set-off, carry forward of un-absorbed losses, deferred revenue expenditure, deduction, exemption, rebate, allowance, MAT credit, CENVAT/ GST input credit, amortization benefit, etc. whether under the Income Tax Act, 1961, the rules and regulations thereunder, or Tax Laws of other countries, or any other or like benefits under the said acts or under and in accordance with any law or act, whether in India or anywhere outside India.
- (f) All debts (secured and unsecured), liabilities including contingent liabilities, duties, leases of EFL (and which shall vest with FCL as a result of Part III of this Scheme becoming effective) and all other obligations of whatsoever kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized, in each case, other than any and all debts (secured and unsecured), liabilities, payables, obligations or claims pertaining to the Lux Group, FESL, FFSPL and FCHSPL. Provided that if there exists any reference in the security documents or arrangements entered into by EFL (and which shall vest with FCL as a result of Part III of this Scheme becoming effective) under which the assets of EFL (and which shall vest with FCL as a result of Part III of this Scheme becoming effective) stand offered as a security for any financial assistance or obligation, the said reference shall be construed as a reference to the assets pertaining to EFL (and which shall vest with FCL as a result of Part III of this Scheme becoming effective).



Scheme becoming effective) vested in FESL by the virtue of the Scheme.

- (g) All other obligations of whatsoever kind, including liabilities of EFL (and which shall vest with FCL as a result of Part III of this Scheme becoming effective) with regard to their employees, or the employees of any of their subsidiaries, with respect to the payment of gratuity, pension benefits and the provident fund or other compensation or benefits, if any, whether in the event of resignation, death, voluntary retirement or retrenchment or otherwise;
- (h) All permanent and temporary employees engaged by EFL at various locations as on the Effective Date.
- (i) All legal or other proceedings of whatsoever nature that pertain to EFL (and which shall vest with FCL as a result of Part III of this Scheme becoming effective).

It is hereby clarified that where any question that may arise as to whether a specific asset, whether tangible or intangible or liability or contracts or employee, pertains or does not pertain to the Demerged Undertaking, if any, or whether it arises out of the activities or operations of the Demerged Undertaking, if any, shall be mutually decided by the Boards of FCL and FESL, or any committee constituted thereof.

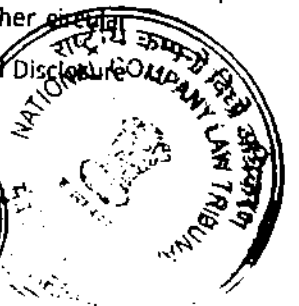
1.15. "NCLT" means the National Company Law Tribunal(s) having jurisdiction over ATPL, EFFSL, EFL, FCL and FESL.

1.16. "Record Date" shall mean the date to be fixed by the Board of Directors of FESL and FCL for the purpose of issue of shares of FESL to the shareholders of the FCL.

1.17. "Remaining Business" means all the undertakings, businesses, activities, operations, assets and liabilities of FCL other than those comprised in the Demerged Undertaking.

1.18. "Scheme" or "the Scheme" or "this Scheme" means this Composite Scheme of Arrangement, in its present form as submitted to the NCLT for approval, with or without any modifications pursuant to clause 40 of this Scheme, as may be approved or imposed or directed by the NCLT or any other appropriate authority.

1.19. "SEBI Circular" means circulars issued by SEBI being Circular CFD/DIL3/CIR/2017/21 dated 10th March, 2017 and any amendments or modifications thereof, and any other circulars issued pursuant to Regulations 11, 37 and 94 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;



1.20. "Stock Exchange" means BSE Limited.

1.21. "Taxation" or "Tax" or "Taxes" means all forms of taxes and statutory, governmental, state, provincial, local government or municipal impositions, duties, contribution and levies and whether levied by reference to income, profit, book profits, gains, net wealth, asset values, turnover, added value or otherwise and shall further include payments in respect of or on account of Tax, whether by way of deduction at source, advance tax, minimum alternate tax or otherwise or attributable directly or primarily to ATPL, EFFSL, EFL, FCL and FESL, as the case may be, or any other person and all penalties, charges, costs and interest relating thereto;

1.22. "Tax Laws" means all the applicable laws, acts, rules and regulations dealing with Taxes including but not limited to the any tax liability under the Income-tax Act, 1961, Customs Act 1962, Central Excise Act, 1944, Goods and Services Tax Act, 2017, State Value Added Tax laws, Central Sales Tax Act, 1956 or other applicable laws/ regulations dealing with taxes/ duties/ levies of similar nature;

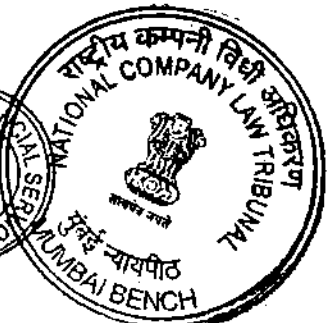
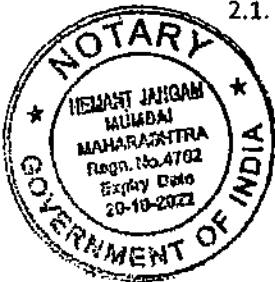
1.23. "Transition period" means period starting from the date immediately after the Appointed Date till the Effective Date.

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

2. SHARE CAPITAL

2.1. The share capital structure of ATPL as on 31st March, 2020 is as under –

Share Capital	Amount (INR)
Authorized Share Capital	
75,00,000 Equity Shares of INR 10 each	7,50,00,000
TOTAL	7,50,00,000
Issued, subscribed and paid-up Share Capital	
58,55,734 Equity Shares of INR 10 each	5,85,57,340
TOTAL	5,85,57,340



There is no change in the authorised, issued, subscribed and paid-up share capital of ATPL from 31st March, 2020 till the date of approval of the scheme by the Board of Directors of ATPL on 8th September, 2020. Entire share capital of ATPL is held by EFL.

2.2. The share capital structure of EFFSL as on 31st March, 2020 is as under –

Share Capital	Amount (INR)
Authorized Share Capital	
50,000 Equity Shares of INR 10 each	5,00,000
TOTAL	5,00,000
Issued, subscribed and paid-up Share Capital	
50,000 Equity Shares of INR 10 each	5,00,000
TOTAL	5,00,000

There is no change in the authorised, issued, subscribed and paid-up share capital of EFFSL from 31st March, 2020 till the date of approval of the scheme by the Board of Directors of EFFSL on 8th September, 2020. Entire share capital of EFFSL is held by EFL.

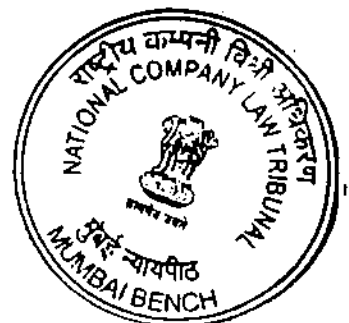
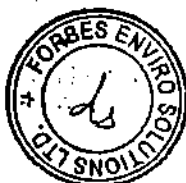
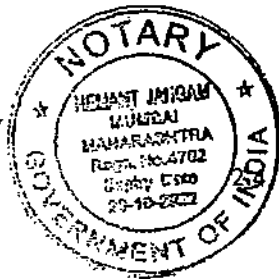
2.3. The share capital structure of EFL as on 31st March, 2020 is as under –

Share Capital	Amount (INR)
Authorized Share Capital	
2,05,00,000 Equity Shares of INR 10 each	20,50,00,000
TOTAL	20,50,00,000
Issued, subscribed and paid-up Share Capital	
37,78,000 Equity Shares of INR 10 each	3,77,80,000
TOTAL	3,77,80,000

There is no change in the authorised, issued, subscribed and paid-up share capital of EFL from 31st March, 2020 till the date of approval of the scheme by the Board of Directors of EFL on 8th September, 2020. Entire share capital of EFL is held by FCL.

The share capital structure of FCL as on 31st March, 2020 is as under –

Share Capital	Amount (INR)
Authorized Share Capital	
1,50,00,000 Equity Shares of INR 10 each	15,00,00,000
TOTAL	15,00,00,000



Share Capital	Amount (INR)
Issued, subscribed and paid-up Share Capital 1,28,98,616 Equity Shares of INR 10 each	12,89,86,160
TOTAL	12,89,86,160

There is no change in the authorised, issued, subscribed and paid-up share capital of FCL from 31st March, 2020 till the date of approval of the scheme by the Board of Directors of FCL on 8th September, 2020.

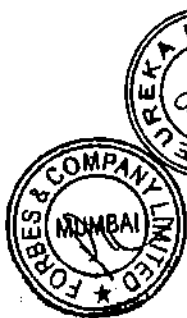
2.5. The share capital structure of FESL as on 31st March, 2020 is as under –

Share Capital	Amount (INR)
Authorized Share Capital 50,00,000 Equity Shares of INR 10 each	5,00,00,000
TOTAL	5,00,00,000
Issued, subscribed and paid-up Share Capital 48,27,263 Equity Shares of INR 10 each	4,82,72,630
TOTAL	4,82,72,630

There is no change in the authorised, issued, subscribed and paid-up share capital of FESL from 31st March, 2020 till the date of approval of the scheme by the Board of Directors of FESL on 8th September, 2020. Entire share capital of FESL is held by EFL.

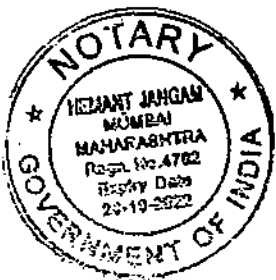
3. DATE OF TAKING EFFECT AND OPERATIVE DATE

3.1. The Scheme shall be effective in its present form or with any modification(s) approved or imposed or directed by the NCLT or any other appropriate authority and shall become effective from the Appointed Date as defined in Section 232(6) of the Act in terms of clause 1.3 mentioned above.



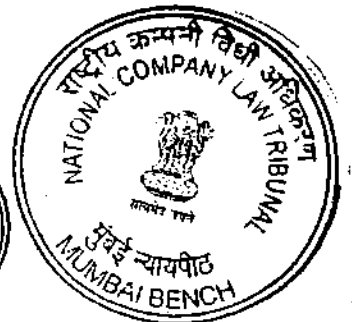
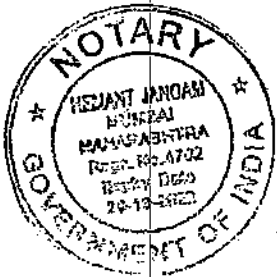
**PART II – AMALGAMATION AND VESTING OF AQUAIGNIS TECHNOLOGIES PRIVATE LIMITED
AND EURO FORBES FINANCIAL SERVICES LIMITED WITH AND INTO EUREKA FORBES LIMITED**

4. AMALGAMATION AND VESTING OF ASSETS AND LIABILITIES OF ATPL AND EFFSL WITH AND INTO EFL
- 4.1 With effect from the Appointed Date and upon the Scheme becoming effective, ATPL and EFFSL as going concerns, along with all their assets, liabilities, contracts, employees, licences, records, approvals, etc. being integral parts of ATPL and EFFSL shall, without any further act, instrument or deed, stand amalgamated with and be vested in or be deemed to have been vested in EFL as a going concern so as to become as and from the Appointed Date, the undertaking of EFL by virtue of and in the manner provided in this Scheme.
- 4.2 Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, upon this Scheme becoming effective and with effect from the Appointed Date:
- a) All the properties and assets of ATPL and EFFSL respectively, whether movable, immovable tangible or intangible, balance in bank, cash or investments and other assets of whatsoever nature and Tax credits, quotas, rights, consents, entitlements, licenses, certificates, permits, and facilities of every kind and description whatsoever for all intents and purposes, permissions under Tax Laws, incentives, if any, without any further act or deed so as to become the business, properties and assets of EFL.
- b) All the movable assets of ATPL and EFFSL respectively, or assets otherwise capable of transfer by manual delivery or by endorsement and delivery, including cash in hand, shall be physically handed over by manual delivery or by endorsement and delivery, to EFL to the end and intent that the property therein passes to EFL on such manual delivery or endorsement and delivery, without requiring any deed or instrument of conveyance for the same and shall become the property of EFL accordingly.
- c) All other movable properties of ATPL and EFFSL, respectively, mutual funds, bonds and any other securities, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, pursuant to the orders of this Scheme becoming effective and by operation of law become the properties of EFL, and the title thereof together with all rights, interests or obligations thereon shall be deemed to have been mutated and recorded as that of EFL. All investments of ATPL and

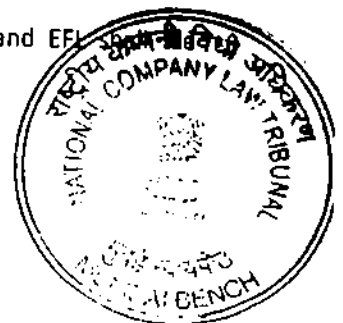
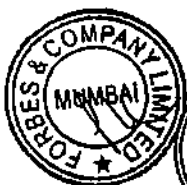


EFFSL shall be recorded in the name of EFL by operation of law as transmission in favour of EFL as a successor in interest and any documents of title in the name of ATPL and EFFSL shall also be deemed to have been mutated and recorded in the name of EFL to the same extent and manner as originally held by ATPL and EFFSL respectively and enabling the ownership, right, title and interest therein as if EFL was originally ATPL and EFFSL. EFL shall subsequent to this Scheme becoming effective be entitled to the delivery and possession of all documents of title of such movable property in this regard;

- d) All the consents, permissions, licenses, certificates, insurance covers, clearances, authorities, power of attorneys given by, issued to or executed in favour of ATPL and EFFSL, as the case may be, shall stand vested in or transferred automatically to EFL without any further act or deed and shall be appropriately mutated by the authorities concerned therewith in favour of EFL as if the same were originally given by, issued to executed in favour of EFL and EFL shall be bound by the terms thereof, the obligations and duties thereunder and the rights and benefits under the same shall be available to EFL. The benefit of all statutory and regulatory permissions including the statutory or other licenses, tax registrations, permits, permissions or approvals or consents required to carry on the operations of ATPL and EFFSL shall automatically and without any other order to this effect, vest into and become available to EFL pursuant to this Scheme becoming effective in accordance with the terms thereof.
- e) All debts, liabilities, contingent liabilities, duties, Taxes (including any advance taxes paid, TDS deducted on behalf of ATPL and EFFSL, etc.), liabilities, and obligations of ATPL and EFFSL, respectively, as on the Appointed Date, whether provided for or not, in the books of accounts of ATPL and EFFSL, respectively, and all other liabilities which may accrue or arise after the Appointed Date but which relates to the Transition period, shall, pursuant to this Scheme becoming effective as per the order of the NCLT or such other competent authority, as may be applicable under Section 232 and other applicable provisions of the Act, and without any further act or deed, be vested or deemed to be vested in and be assumed by EFL, so as to become as from the Appointed Date the debts, liabilities, contingent liabilities, Taxes, duties and obligations of EFL on the same terms and conditions as were applicable to ATPL and EFFSL, respectively.
- f) EFL, may, at any time after this Scheme coming into effect, if required under law or otherwise, execute deeds of confirmation in favour of any other party with which ATPL and EFFSL, respectively has a contract or arrangement, or give any such writing or do any such things, as may be necessary, to give effect to the above.



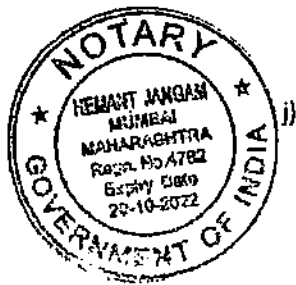
- g) In so far as loans and borrowings of ATPL and EFFSL, respectively pertaining to the loans and liabilities, which are to be vested to EFL shall, without any further act or deed, become loans and borrowings of EFL, and all rights, powers, duties and obligations in relation thereto shall be and stand vested in and shall be exercised by or against EFL as if it had entered into such loans and incurred such borrowings. Thus, the primary obligation to redeem or repay such liabilities upon the Scheme becoming effective shall be that of EFL.
- h) The vesting of the assets comprised in ATPL and EFFSL, respectively, to EFL under this Scheme shall be subject to the mortgages and charges, if any, affecting the same as hereinafter provided.
- i. The securities, mortgages, charges, Encumbrances or liens, if any, created by ATPL and EFFSL, respectively, if any, after the Appointed Date and during the Transition period, in terms of this Scheme, over the assets comprised in ATPL and EFFSL, respectively, or any part thereof, shall be vested in EFL by virtue of this Scheme, and the same shall, after the Transition period, continue to relate and attach to such assets or any part thereof to which they relate or attached prior to the Transition period and are vested with EFL, and such Encumbrances shall not relate or attach to any of the other assets, of ATPL and EFFSL, respectively.
 - ii. In so far as the existing Encumbrances of ATPL and EFFSL, respectively, if any, in respect of the loans, borrowings, debts, liabilities, is concerned, such Encumbrance shall, without any further act, instrument or deed be modified and shall be extended to and shall operate only over the assets comprised in ATPL and EFFSL, respectively which have been Encumbered in respect of the transferred liabilities as transferred to EFL pursuant to this Scheme. Provided that if any of the assets comprised in ATPL and EFFSL, respectively, which are being transferred to EFL pursuant to this Scheme have not been Encumbered in respect of the transferred liabilities, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above.
 - iii. In so far as the existing securities, if any in respect of the loans or borrowings of ATPL and EFFSL, respectively and other liabilities relating to ATPL and EFFSL are concerned, such securities shall, without any further act, instrument or deed be continued with EFL. ATPL and EFFSL, as the case may be, and EFL



necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.

- iv. The foregoing provisions insofar as they relate to the vesting of liabilities with EFL shall operate, notwithstanding anything to the contrary contained in any deed or writing or the terms of sanction or issue or any security documents, all of which instruments shall stand modified and/or superseded by the foregoing provisions.
- i) With effect from the Appointed Date and during the Transition period, subject to the other provisions of the Scheme, all approvals, quotas, rights, consents, entitlements, licenses, certificates, permits, and facilities of every kind and description whatsoever, privileges, deeds, bonds, quality certifications and approvals, powers of attorneys, agreements and other instruments of whatsoever nature in relation to ATPL and EFFSL, as the case may be, is a party, or the benefit to which ATPL and EFFSL may be eligible, subsisting or operative immediately on or before the Effective Date, shall be in full force and effect be transferred in favour of EFL and may be enforced fully and effectively as if instead of ATPL and EFFSL, as the case may be, EFL had been a party or beneficiary thereto, so as to enable continuation of operations of ATPL and EFFSL, respectively by EFL without any hindrance or disruption after the Transition period. EFL shall enter into and/or issue and/or execute deeds, writings, endorsements or confirmation or enter into any agreement, confirmations or novation's to which ATPL and EFFSL will, if necessary, also be a party, in order to give formal effect to the provisions of this Scheme, if so required or if it becomes necessary. Further, EFL shall be deemed to be authorized to execute any such deeds, writings, endorsements or confirmations on behalf of ATPL and EFFSL and and to implement or carry out all formalities required on the part of ATPL and EFFSL to give effect to the provisions of this Scheme. In case a question arises as to whether a specific asset or liability or contracts or employee, pertains or does not pertain to ATPL and EFFSL or whether it arises out of the activities or operations of ATPL and EFFSL shall be decided by the Board of ATPL and EFFSL, or any committee constituted thereof. A certificate issued by the Board of Directors or the committee thereof in this respect shall be a conclusive evidence of the matter.

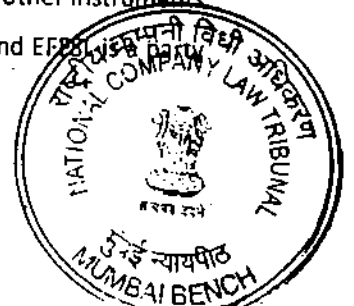
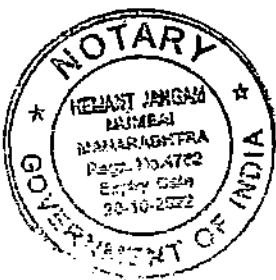
With effect from the Appointed Date and upon the Scheme becoming effective, the entitlement to various benefits under incentive schemes and policies, if any, in relation to ATPL and EFFSL shall stand vested in and/or be deemed to have been vested in EFL together with all benefits and entitlements of any nature whatsoever. Such benefits and entitlements shall include Tax benefits under Tax Laws in the nature of exemption, deferment, refunds and incentives in relation to ATPL and EFFSL to be claimed by EFL with effect from the Appointed Date as if EFL were originally entitled to all such benefits



and entitlements under such scheme and/or policies, subject to continued compliance by EFL of all the terms and conditions subject to which the benefits and entitlements under such incentive schemes were made available to ATPL and EFFSL. EFL shall be entitled to such benefits and entitlements in its name, without any additional liabilities or expenses whatsoever.

- k) Taxes as per Tax Laws of ATPL and EFFSL to the extent not provided for or covered by Tax provision in the accounts made as on the date immediately preceding the Appointed Date related to ATPL and EFFSL shall be vested with EFL.
- l) All Taxes paid or payable by ATPL and EFFSL in respect of the operations and/ or the profits of ATPL and EFFSL before the Appointed Date shall be on account of ATPL and EFFSL and in so far as it relates to the Tax payment whether by way of deduction at source, advance tax or otherwise howsoever, by ATPL and EFFSL, respectively in respect of the profits or activities or operations of ATPL and EFFSL after the Appointed Date, the same shall be deemed to be the corresponding item paid by EFL and shall in all proceedings be dealt with accordingly.
- m) On and from the Appointed Date, if any Certificate for Tax Deducted at Source or any other Tax credit certificate relating to ATPL and EFFSL is received in the name of ATPL and EFFSL, it shall be deemed to have been received by EFL, which alone shall be entitled to claim credit for such Tax deducted or paid.
- n) Upon the Scheme becoming effective, ATPL, and EFFSL shall have right to revise their respective returns filed under Tax Laws, along with prescribed forms, filings and annexures under the Tax Laws and claim refunds and / or credit for Taxes paid and for matters incidental thereto, if required, to give effect to the provisions of the Scheme;
- o) On and from the Appointed Date, the benefit of all balances relating to Taxes under the Tax Laws being balances pertaining to ATPL and EFFSL, if any, shall stand vested in EFL as if the transaction giving rise to the said balance or credit was a transaction carried out by EFL. The liabilities of ATPL and EFFSL as on the Appointed Date shall stand vested in EFL, save as otherwise in respect of the liabilities which were met by ATPL and EFFSL during the Transition period, which shall be construed to have been met by EFL as if the transaction giving rise to the said liability was a transaction carried out by EFL.
- p) Upon the coming into effect of the Scheme, and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments

of whatsoever nature in relation to ATPL and EFFSL, to which ATPL and EFFSL were party

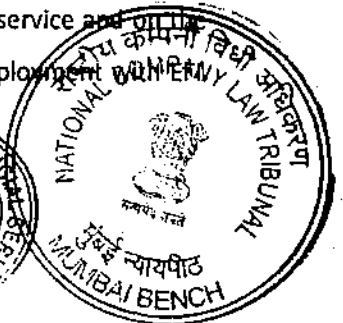


or to the benefit of which ATPL and EFFSL may be eligible, and which are subsisting or have effect before the Appointed Date and during the Transition period, shall continue in full force and effect on or against or in favour, as the case may be, of EFL and may be enforced as fully and effectually as if instead of ATPL and EFFSL, EFL had been a party or beneficiary or obligee thereto or thereunder. All liabilities arising from all such contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to ATPL and EFFSL, to which ATPL and EFFSL is a party or to the benefit of which ATPL and EFFSL may be eligible, and which are subsisting or have effect immediately before the Appointed Date, shall be on account of ATPL and EFFSL and after the Appointed Date, the same shall be on account of EFL and shall, in all proceedings, be dealt with accordingly.

- q) If any assets (including estate, claims, rights, title, interest in or authorities relating to any asset) or any contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to ATPL and EFFSL owns or to which ATPL and EFFSL is a party to, cannot be transferred to EFL for any reason whatsoever, ATPL and EFFSL shall hold such assets, contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of FCL, insofar as it is permissible so to do, till such time as the transfer is affected.
- r) On and from the Effective Date, and till such time that the name of the bank accounts of ATPL and EFFSL has been replaced with that of EFL, EFL shall be entitled to maintain and operate the bank accounts of the ATPL and EFFSL in the name of ATPL and EFFSL respectively and for such time as may be determined to be necessary by EFL. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of ATPL and EFFSL after the Effective Date shall be accepted by the bankers of EFL and credited to the account of EFL, is presented by EFL;
- s) It is hereby clarified that the vesting of ATPL and EFFSL in EFL shall be on a going concern basis.

STAFF, EMPLOYEES AND WORKERS

5.1 Upon the Scheme coming into effect, all staff, employees and workers of ATPL and EFFSL in service (including but not limited to permanent, temporary or contractual) immediately preceding the Effective Date shall be deemed to have become staff, employees and workers of EFL with effect from the Appointed Date, without any break in their service and on a basis of continuity of service, and the terms and conditions of their employment shall be as per the terms and conditions of their employment with ATPL and EFFSL.



shall not be less favorable than those applicable to them in ATPL and EFFSL immediately preceding the transfer.

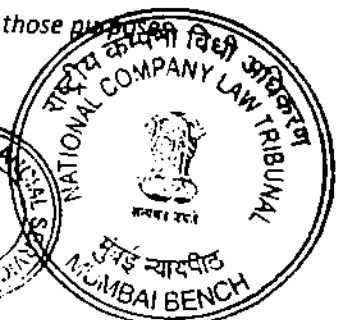
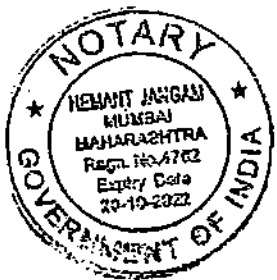
5.2 The equitable interest in accounts/funds of the staff, employees and workers, if any, whose services are vested with EFL, relating to superannuation, provident fund and gratuity fund, and such other similar benefits, shall be identified, determined and vested with the respective trusts/funds of EFL viz. (i) Eureka Forbes Limited Staff Superannuation Scheme, (ii) Eureka Forbes Limited Employees' Gratuity Fund, and (iii) Eureka Forbes Limited Employees' Provident Fund (formerly Samuel Osborn (India) Limited Employees' Provident Fund and such staff, employees and workers shall be deemed to have become members of such trusts/funds of EFL. Until such time, EFL may, subject to necessary approvals and permissions, if any, continue to make contributions pertaining to the staff, employees and workers of ATPL and EFFSL to the relevant funds of ATPL and EFFSL.

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

6. CHANGE IN OBJECT CLAUSE OF EFL

6.1 With effect from the Appointed Date, and upon the Scheme becoming effective, the main object clause of the Memorandum of Association of EFL shall be altered and amended, without any further act or deed, to include the objects as required for the purpose of carrying on the business activities of ATPL and EFFSL, pursuant to the provisions of Sections 13 and 14 of the Companies Act, 2013 and other applicable provisions of the Act. Accordingly, the Memorandum of Association of EFL shall be altered and amended and necessary revisions in numbering of the clauses inserted shall be carried out. The following clause shall be added to the Memorandum of Association of EFL and shall read as under:

- a. *To carry on the business of importers, exporters, manufacturers of and dealer in all kinds of electrical and non-electrical appliances, electro mechanical devices for domestic, commercial, industrial, hospital uses, and apparatus etc. and all packaging materials components, parts, accessories, articles and fittings required for those purposes.*



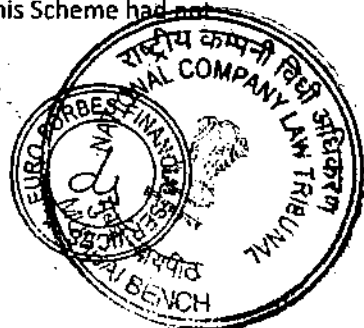
- b. To manufacture, buy, sell, exchange, alter, improve, market, distribute, import or export or otherwise deal in all kinds of water filters, water purifiers or other water purification systems of all types and kinds, and allied products to suit the needs of all sectors of the society such as domestic, industries, Government, public, private, including manufacturing and processing of home reverse osmosis membrane elements and other related water treatment products.
- c. To supply, undertake and execute any works involving or relating to water purifiers, water filters, other products for purification of water or other liquids or material of all kinds."

6.2 For the purposes of amendment in the Memorandum of Association and Articles of Association of EFL as provided in this clause, the consent / approval given by the members of EFL to this Scheme under the Companies Act, 2013 and any other applicable provisions of the Act shall be deemed to be sufficient and no further resolution of members of EFL as required under the provisions of Section 13 and 14 of the Companies Act, 2013 and any other applicable provisions of the Act shall be required to be passed for making such change / amendment in the Memorandum of Association and Articles of Association of EFL and filing of the certified copy of this Scheme as sanctioned by the NCLT, and a printed copy of the Memorandum of Association for the purposes of said Section 13 and 14 of the Companies Act, 2013 and all other applicable provisions of the Act and the Registrar of Companies, Mumbai shall register the same and make the necessary alterations in the Memorandum of Association and Articles of Association of EFL accordingly and shall certify the registration thereof in accordance with the provisions of Section 13 and 14 of the Companies Act, 2013 and any other applicable provisions of the Act.

6.3 EFL shall file with the jurisdictional Registrar of Companies all requisite forms and complete the compliance and procedural requirements under the Act, if any.

7. LEGAL PROCEEDINGS

7.1 If any suit, appeal or other legal proceedings of whatsoever nature by or against ATPL and EFFSL is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the Amalgamation and by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against EFL in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against ATPL and EFFSL as if this Scheme had not been made.



7.2 EFL undertakes to have all legal or other proceedings initiated by or against ATPL and EFFSL referred to above transferred into its name and to have the same continued, prosecuted and enforced by or against EFL.

7.3 After the Effective Date, EFL shall and may, if required, initiate any legal proceedings in relation to ATPL and EFFSL.

8. AMALGAMATION NOT TO AFFECT TRANSACTIONS / CONTRACTS OF ATPL AND EFFSL:

8.1 The Amalgamation of ATPL and EFFSL and the continuance of the said proceedings by or against EFL shall not affect any transaction or proceedings already concluded by or against ATPL and EFFSL after the Appointed Date to the end and intent that EFL accepts and adopts all acts, deeds and things done or executed by ATPL and EFFSL after the Appointed Date as done and executed on its behalf. The said transfer and vesting pursuant to Section 232 of the Act, shall take effect from the Appointed Date unless the NCI.T otherwise directs.

9. CONSIDERATION

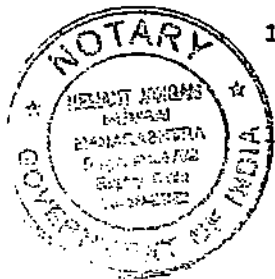
9.1 The entire share capital of the ATPL and EFFSL is held by EFL. In other words, ATPL and EFFSL are wholly owned subsidiaries of EFL. Accordingly, pursuant to this Scheme, no shares of EFL shall be issued and allotted in respect of shares held by it in ATPL and EFFSL respectively. Upon the Scheme becoming effective, the entire share capital of ATPL and EFFSL shall be cancelled and extinguished without any further act, deed or instruments as an integral part of this Scheme.

9.2 The investment in the shares of the ATPL and EFFSL appearing in the books of account of EFL shall, without any further act, deed or instrument, stand cancelled.

10. ACCOUNTING TREATMENT

10.1 EFL shall account for amalgamation of ATPL and EFFSL in its books of accounts as per Appendix C to Ind AS 103, Business Combination of entities under common control, prescribed under the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS"), as amended, as notified under Section 133 of the Companies Act, 2013 and other generally accepted accounting principles in India.

10.2 All assets and liabilities of ATPL and EFFSL, shall be recorded in the books of account at their existing carrying amounts and in the same form in which they appear in the consolidated financial statement of EFL.

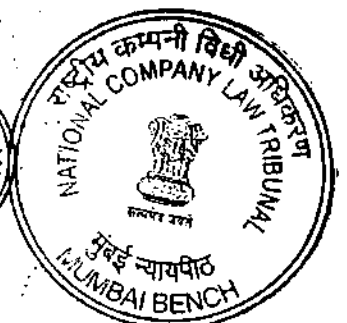
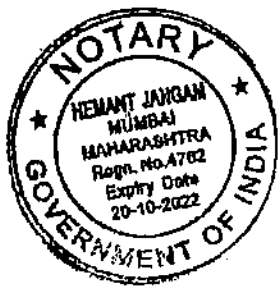


- 10.3. The identity of the reserves pertaining to ATPL and EFFSL shall be preserved and shall appear in the merged financial statements of EFL in the same form in which they appeared in the consolidated financial statements of EFL and it shall be aggregated with the corresponding balance appearing in the financial statements of EFL.
- 10.4. To the extent that there are inter-company loans, deposits, obligations, balances or other outstanding including any interest thereon, as between the ATPL, EFFSL and EFL, the obligations in respect thereof shall come to an end and there shall be no liability in that behalf and corresponding effect shall be given in the books of account and records of EFL for the reduction of such assets or liabilities as the case may be.
- 10.5. Pursuant to the scheme becoming effective, no shares of EFL shall be issued and allotted in respect of shares held by it in ATPL and EFFSL and the investment in the shares of the ATPL and EFFSL appearing in the books of account of EFL shall stand cancelled.
- 10.6. The financial information in the financial statement of EFL in respect of prior period, would be restated as if the business combination had occurred from the beginning of preceding period in the financial statements, irrespective of the actual date of the combination.

11. INCREASE IN AUTHORISED SHARE CAPITAL OF EFL

- 11.1. Upon Scheme becoming effective, current authorized share capital of ATPL which is INR 7,50,00,000/- (Rupees Seven Crores Fifty Lakhs Only) comprising of 75,00,000 Equity Shares of INR 10/- each and current authorized share capital of EFFSL which is INR 5,00,000/- (Rupees Five Lakhs Only) comprising of 50,000 Equity Shares of INR 10/- each shall be consolidated with the authorized share capital of EFL, which is INR 20,50,00,000/- (Rupees Twenty Crores Fifty Lakhs Only) comprising of 2,05,00,000 Equity Shares of INR 10/- each and the same shall automatically stand increased, without any further act, instrument or deed on the part of EFL including payment of stamp duty and fees payable to Registrar of Companies, without any compliances in respect of the notices, meetings, etc but only by filing requisite statutory forms and/or any other documents as required with the Registrar of Companies. The filing fee and stamp duty already paid by ATPL and EFFSL respectively on its authorized share capital shall be deemed to have been so paid by EFL on the combined authorized share capital and accordingly, EFL shall not be required to pay any fee/stamp duty on the authorized share capital so increased.

- 11.2. Further, authorized share capital of EFL upon part II of the Scheme coming into effect shall be INR 28,05,00,000/- (Rupees Twenty Eight Crores Five Lakhs Only) classified as 2,80,50,000 equity shares of INR 10 each.



11.3. Consequently, the corresponding capital clause in the Memorandum of Association / Articles of Association of EFL, as applicable (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, to be read as follows:

"The authorized share capital of the company is INR 28,05,00,000/- (Rupees Twenty-Eight Crores Five Lakhs Only) divided into 2,80,50,000 Equity Shares of INR 10/- each,"

11.4. For removal of doubts, it is clarified that the approval of the Scheme by the shareholders of Transferee Company 1 under sections 230 to 232 of the Act shall be deemed to be the sufficient approval under sections 13, 14, 61 and 64 of the Act and no separate procedure shall be followed under the Act, except filing of requisite forms to give effect to the increase.

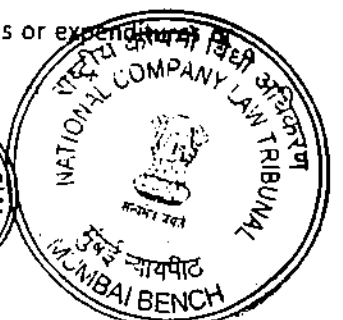
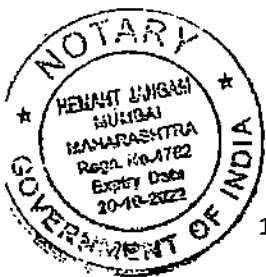
12. CONDUCT OF BUSINESS

12.1. ATPL AND EFFSL, respectively as Trustee

- a. With effect from the Appointed Date and up to and including Effective Date, ATPL and EFFSL shall carry on and shall be deemed to have carried on, respectively, all their business and activities as hitherto and shall hold and stand possessed of and shall be deemed to have held and stood possessed of ATPL and EFFSL on account of and for the benefit of and in trust for, EFL, as EFL is taking over the business as going concern. ATPL and EFFSL shall preserve and carry on their business and activities with reasonable diligence and business prudence and shall neither undertake any additional financial commitments of any nature whatsoever, borrow any amounts nor incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitments either for themselves or on behalf of any third parties, sell, transfer, alienate, charge, mortgage or encumber or deal with the assets of ATPL and EFFSL, respectively, or any part thereof save and except in the ordinary course of business as carried on by them as on the date of filing of this Scheme with the NCLT or if prior written consent of EFL has been obtained.

12.2. Profit or Losses up to Effective Date

- a. With effect from the Appointed Date and upto and including the Effective Date, all profits or incomes accruing or arising to ATPL and EFFSL or all expenditure or losses incurred or arising, as the case may be, by ATPL and EFFSL shall, for all purposes, be treated and deemed to be and accrue as the profits or incomes or expenditure or losses, as the case may be, of EFL.

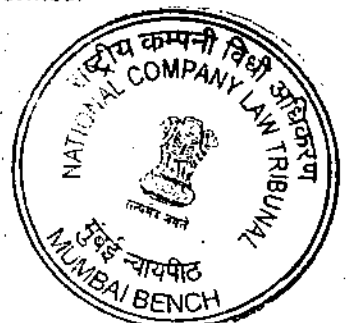
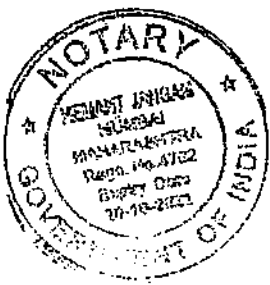


12.3. Taxes

- a. All Taxes paid or payable by ATPL and EFFSL in respect of the operations and / or profits of the business before the Appointed Date and from the Appointed Date till the Effective Date, shall be on account of ATPL and EFFSL and in so far as it relates to the Tax payment by ATPL and EFFSL in respect of the profits or activities or operation of the business after the Appointed Date, the same shall be deemed to be the corresponding item paid by EFL and shall in all proceedings be dealt with accordingly.
- b. Any refund under any Tax Laws allocable or related to the business of ATPL and EFFSL and due to ATPL and EFFSL consequent to the assessment made on ATPL and EFFSL shall also belong to and be received by EFL.
- c. All Tax benefits of any nature, duties, cesses or any other like payments or deductions available to ATPL and EFFSL under any Tax Laws up to the Effective Date shall be deemed to have been on account of or paid by EFL and the relevant authorities shall be bound to transfer to the account of and give credit for the same to EFL upon the passing of the order by the NCLT.

13. ENFORCEMENT OF CONTRACTS, DEEDS, BONDS & OTHER INSTRUMENTS:

- 13.1. Subject to other provisions contained in this Scheme, all contracts, deeds, bonds, agreements and other instruments of whatever nature to which ATPL and EFFSL is a party subsisting or having effect immediately before the Amalgamation, shall remain in full force and effect against or, as the case may be, in favour of EFL and may be enforced as fully and effectively as if instead of ATPL and EFFSL, EFL was a party thereto. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that Amalgamation and vesting of ATPL and EFFSL occurs by virtue of this Scheme itself, EFL may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds, confirmations or other writings or arrangements to which ATPL and EFFSL is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. EFL shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of ATPL and EFFSL and to carry out or perform all such formalities or compliances referred to above on the part of ATPL and EFFSL to be carried out or performed.



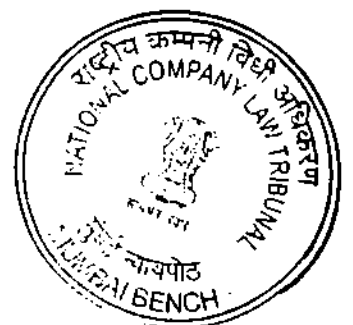
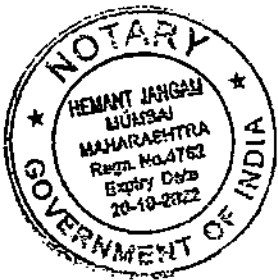
13.2. For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of ATPL and EFFSL shall stand transferred to EFL and EFL shall be bound by the terms thereof, the obligations and duties there under, and the rights and benefits under the same shall be available to EFL. EFL shall receive relevant approvals from the Government Authorities concerned as may be necessary in this behalf.

14. MATTERS RELATING TO SHARE CERTIFICATES:

14.1. The Share Certificates held by EFL along with its nominee shareholders holding shares on behalf of EFL in respect of share capital of ATPL and EFFSL, respectively, shall automatically stand cancelled without any necessity of them being surrendered.

15. DISSOLUTION OF ATPL AND EFFSL

15.1. Upon the Scheme being sanctioned by an order made by the NCLT under Sections 230 to 232 of the Act and subject to the Effective Date, ATPL and EFFSL shall stand dissolved without winding up on the Effective Date.



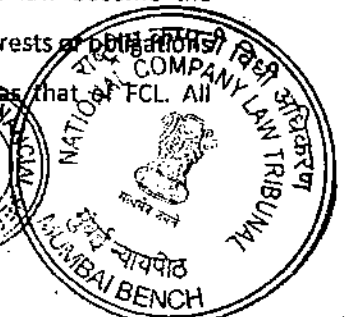
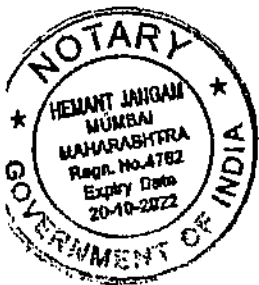
PART III – AMALGAMATION AND VESTING OF EUREKA FORBES LIMITED INTO FORBES & COMPANY LIMITED

16. AMALGAMATION AND VESTING OF ASSETS AND LIABILITIES OF EFL WITH FCL

16.1. With effect from the Appointed Date and upon the Part II of the Scheme, EFL as a going concern, along with all assets, liabilities, contracts, employees, licences, records, approvals, etc. being integral parts of EFL shall, without any further act, instrument or deed, stand amalgamated with and be vested in or be deemed to have been vested in FCL as a going concern so as to become as and from the Appointed Date, the undertaking of FCL by virtue of and in the manner provided in this Scheme.

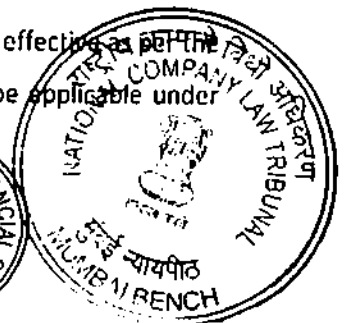
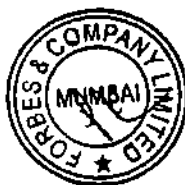
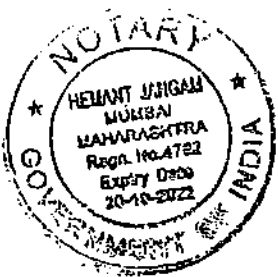
16.2. Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, upon this Scheme becoming effective and with effect from the Appointed Date:

- a) All the properties and assets of EFL, tangible or intangible, balance in bank, cash or investments and other assets of whatsoever nature and Tax credits, quotas, rights, consents, entitlements, licenses, certificates, permits, and facilities of every kind and description whatsoever for all intents and purposes, permissions under Tax Laws, incentives, if any, without any further act or deed so as to become the business, properties and assets of FCL.
- b) All the movable assets of EFL or assets otherwise capable of transfer by manual delivery or by endorsement and delivery, including cash in hand, shall be physically handed over by manual delivery or by endorsement and delivery, to FCL to the end and intent that the property therein passes to FCL on such manual delivery or endorsement and delivery, without requiring any deed or instrument of conveyance for the same and shall become the property of FCL accordingly.
- c) All other movable properties of EFL, including investments in shares of the subsidiaries / joint ventures of EFL (as mentioned in Annexure 2), mutual funds, bonds and any other securities, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, pursuant to the orders of this Scheme becoming effective and by operation of law become the properties of FCL, and the title thereof together with all rights, interests or obligations therein shall be deemed to have been mutated and recorded as that of FCL. All



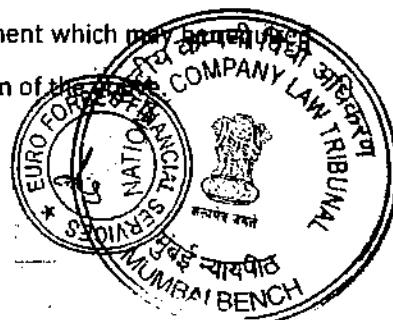
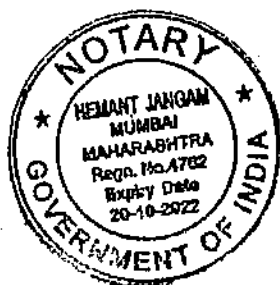
investments of EFL shall be recorded in the name of FCL by operation of law as transmission in favour of FCL as a successor in interest and any documents of title in the name of EFL shall also be deemed to have been mutated and recorded in the name of FCL to the same extent and manner as originally held by EFL and enabling the ownership, right, title and interest therein as if FCL was originally EFL. FCL shall subsequent to this Scheme becoming effective be entitled to the delivery and possession of all documents of title of such movable property in this regard;

- d) All immovable properties (including land together with the buildings (including factory buildings) and structures standing thereon) (as per Annexure-1) of EFL, whether freehold or leasehold and any documents of title, rights and easements in relation thereto shall stand transferred to and be vested in and transferred to and/or be deemed to have been and stand transferred to and vested in FCL, without any act or deed done by EFL or FCL. FCL shall be entitled to exercise all rights and privileges and be liable to pay ground rent, Taxes and fulfill obligations, in relation to or applicable to such immovable properties. The mutation / substitution of the title to the immovable properties shall be made and duly recorded in the name of FCL by the appropriate authorities pursuant to the Scheme becoming effective in accordance with the terms hereof.
- e) All the consents, permissions, licenses, certificates, insurance covers, clearances, authorities, power of attorneys given by, issued to or executed in favour of EFL, shall stand vested in or transferred automatically to FCL without any further act or deed and shall be appropriately mutated by the authorities concerned therewith in favour of FCL as if the same were originally given by, issued to executed in favour of FCL and FCL shall be bound by the terms thereof, the obligations and duties thereunder and the rights and benefits under the same shall be available to FCL. The benefit of all statutory and regulatory permissions including the statutory or other licenses, Tax registrations, permits, permissions or approvals or consents required to carry on the operations of EFL shall automatically and without any other order to this effect, vest into and become available to FCL pursuant to this Scheme becoming effective in accordance with the terms thereof.
- f) All debts, liabilities, contingent liabilities, duties, Taxes (including any advance taxes paid, TDS deducted, etc on behalf of EFL), liabilities, and obligations of EFL, as on the Appointed Date, whether provided for or not, in the books of accounts of EFL, and all other liabilities which may accrue or arise after the Appointed Date but which relates to the Transition period, shall, pursuant to this Scheme becoming effective as per the order of the NCLT or such other competent authority, as may be applicable under



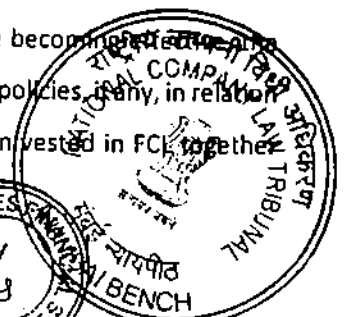
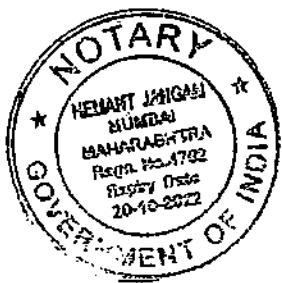
Section 232 and other applicable provisions of the Act, and without any further act or deed, be vested or deemed to be vested in and be assumed by FCL, so as to become as from the Appointed Date the debts, liabilities, contingent liabilities, Taxes, duties and obligations of FCL on the same terms and conditions as were applicable to EFL.

- g) FCL, may, at any time after this Scheme coming into effect, if required under law or otherwise, execute deeds of confirmation in favour of any other party with which EFL has a contract or arrangement, or give any such writing or do any such things, as may be necessary, to give effect to the above.
- h) In so far as loans and borrowings of EFL pertaining to the loans and liabilities, which are to be vested to FCL shall, without any further act or deed, become loans and borrowings of FCL, and all rights, powers, duties and obligations in relation thereto shall be and stand vested in and shall be exercised by or against FCL as if it had entered into such loans and incurred such borrowings. Thus, the primary obligation to redeem or repay such liabilities upon the Scheme becoming effective shall be that of FCL.
- i) The vesting of the assets comprised in EFL, to FCL under this Scheme shall be subject to the mortgages and charges, if any, affecting the same as hereinafter provided.
- i. The securities, mortgages, charges, Encumbrances or liens, if any, created by EFL after the Appointed Date and during the Transition period, in terms of this Scheme, over the assets comprised in EFL, or any part thereof, shall be vested in FCL by virtue of this Scheme, and the same shall, after the Transition period, continue to relate and attach to such assets or any part thereof to which they relate or attached prior to the Transition period and are vested with FCL, and such Encumbrances shall not relate or attach to any of the other assets, of EFL.
- ii. In so far as the existing Encumbrances of EFL, if any, in respect of the loans, borrowings, debts, liabilities, is concerned, such Encumbrance shall, without any further act, instrument or deed be modified and shall be extended to and shall operate only over the assets comprised in EFL which have been Encumbered in respect of the transferred liabilities as transferred to FCL pursuant to this Scheme. Provided that if any of the assets comprised in EFL, which are being transferred to FCL pursuant to this Scheme have not been Encumbered in respect of the transferred liabilities, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the



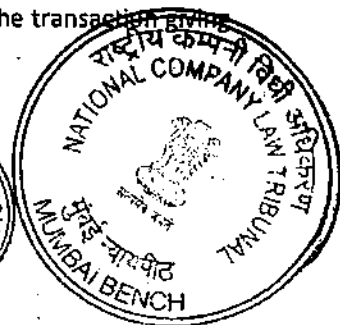
- iii. In so far as the existing securities, if any in respect of the loans or borrowings of EFL and other liabilities relating to EFL are concerned, such securities shall, without any further act, instrument or deed be continued with FCL. EFL and FCL shall file necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.
- iv. The foregoing provisions insofar as they relate to the vesting of liabilities with FCL shall operate, notwithstanding anything to the contrary contained in any deed or writing or the terms of sanction or issue or any security documents, all of which instruments shall stand modified and/or superseded by the foregoing provisions.
- j) With effect from the Appointed Date and during the Transition period, subject to the other provisions of the Scheme, all approvals (including but not limited to all the units and factories situated at various states in India (including at MIDC)), quotas, rights, consents, entitlements, licenses, certificates, permits, and facilities of every kind and description whatsoever, privileges, deeds, bonds, quality certifications and approvals, powers of attorneys, agreements and other instruments of whatsoever nature in relation to EFL is a party, or the benefit to which EFL may be eligible, subsisting or operative immediately on or before the Effective Date, shall be in full force and effect be transferred in favour of FCL and may be enforced fully and effectively as if instead of EFL, FCL had been a party or beneficiary thereto, so as to enable continuation of operations of EFL by FCL without any hindrance or disruption after the Transition period. FCL shall enter into and/or issue and/or execute deeds, writings, endorsements or confirmation or enter into any agreement, confirmations or novation's to which EFL will, if necessary, also be a party, in order to give formal effect to the provisions of this Scheme, if so required or if it becomes necessary. Further, FCL shall be deemed to be authorized to execute any such deeds, writings, endorsements or confirmations on behalf of EFL and to implement or carry out all formalities required on the part of EFL to give effect to the provisions of this Scheme. In case a question arises as to whether a specific asset or liability or contracts or employee, pertains or does not pertain to EFL or whether it arises out of the activities or operations of EFL shall be decided by the Board of EFL, or any committee constituted thereof. A certificate issued by the Board of Directors or the committee thereof in this respect shall be a conclusive evidence of the matter.

- k) With effect from the Appointed Date and upon the Scheme becoming effective, all entitlement to various benefits under incentive schemes and policies, in any, in relation to EFL shall stand vested in and/or be deemed to have been vested in FCL together

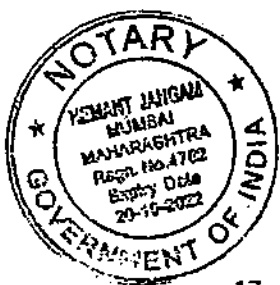


with all benefits and entitlements of any nature whatsoever. Such benefits and entitlements shall include Tax benefits under Tax Laws in the nature of exemption, deferment, refunds and incentives in relation to EFL to be claimed by FCL with effect from the Appointed Date as if FCL were originally entitled to all such benefits and entitlements under such scheme and/or policies, subject to continued compliance by FCL of all the terms and conditions subject to which the benefits and entitlements under such incentive schemes were made available to EFL. FCL shall be entitled to such benefits and entitlements in its name, without any additional liabilities or expenses whatsoever.

- l) Taxes as per Tax Laws of EFL to the extent not provided for or covered by Tax provision in the accounts made as on the date immediately preceding the Appointed Date related to EFL shall be vested with FCL.
- m) All Taxes paid or payable by EFL in respect of the operations and/ or the profits of EFL before the Appointed Date shall be on account of EFL and in so far as it relates to the Tax payment whether by way of deduction at source, advance tax or otherwise howsoever, by EFL, respectively in respect of the profits or activities or operations of EFL after the Appointed Date, the same shall be deemed to be the corresponding item paid by FCL and shall in all proceedings be dealt with accordingly.
- n) On and from the Appointed Date, if any Certificate for Tax Deducted at Source or any other Tax credit certificate relating to EFL is received in the name of EFL, it shall be deemed to have been received by FCL, which alone shall be entitled to claim credit for such tax deducted or paid.
- o) Upon the Scheme becoming effective, EFL shall have right to revise their respective returns filed under Tax Laws. along with prescribed forms, filings and annexures under the Tax Laws and claim refunds and / or credit for Taxes paid and for matters incidental thereto, if required, to give effect to the provisions of the Scheme;
- p) On and from the Appointed Date, the benefit of all balances relating to Taxes under the Tax Laws being balances pertaining to EFL, if any, shall stand vested in FCL as if the transaction giving rise to the said balance or credit was a transaction carried out by FCL. The liabilities of EFL as on the Appointed Date shall stand vested in FCL, save as otherwise in respect of the liabilities which were met by EFL during the Transition period, which shall be construed to have been met by FCL as if the transaction giving rise to the said liability was a transaction carried out by FCL.

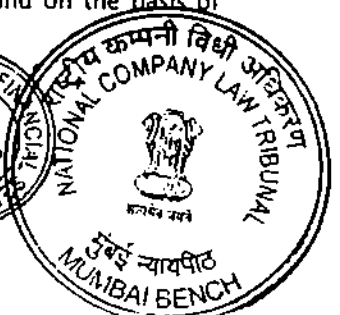


- q) Upon the coming into effect of the Scheme, and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to EFL, to which EFL is a party or to the benefit of which EFL may be eligible, and which are subsisting or have effect before the Appointed Date and during the Transition period, shall continue in full force and effect on or against or in favour, as the case may be, of FCL and may be enforced as fully and effectually as if instead of EFL, FCL had been a party or beneficiary or obligee thereto or thereunder. All liabilities arising from all such contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to EFL, to which EFL is a party or to the benefit of which EFL may be eligible, and which are subsisting or have effect immediately before the Appointed Date, shall be on account of EFL and after the Appointed Date, the same shall be on account of FCL and shall, in all proceedings, be dealt with accordingly.
- r) If any assets (including estate, claims, rights, title, interest in or authorities relating to any asset) or any contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to EFL owns or to which EFL is a party to, cannot be transferred to FCL for any reason whatsoever, EFL shall hold such assets, contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of FCL, insofar as it is permissible so to do, till such time as the transfer is affected.
- s) On and from the Effective Date, and till such time that the name of the bank accounts of EFL has been replaced with that of FCL, FCL shall be entitled to maintain and operate the bank accounts of the EFL in the name of EFL and for such time as may be determined to be necessary by FCL. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of EFL after the Effective Date shall be accepted by the bankers of FCL and credited to the account of FCL, if presented by FCL;
- t) It is hereby clarified that the vesting of EFL in FCL shall be on a going concern basis.



17. STAFF, EMPLOYEES AND WORKERS

- 17.1. Upon the Scheme coming into effect, all staff, employees and workers of EFL in service (including but not limited to permanent, temporary or contractual) immediately preceding the Effective Date shall be deemed to have become staff, employees and workers of FCL 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 FCL shall not be less favorable than those applicable to them in EFL immediately preceding the transfer.

17.2. The equitable interest in accounts/funds of the staff, employees and workers, if any, whose services are vested with FCL, relating to superannuation, provident fund and gratuity fund, and such other funds similar in nature, shall be identified, determined and vested with the respective trusts/funds of FCL and such staff, employees and workers shall be deemed to have become members of such trusts/funds of FCL. Until such time, FCL may, subject to necessary approvals and permissions, if any, continue to make contributions pertaining to the staff, employees and workers of EFL to the relevant funds of EFL viz. (i) Eureka Forbes Limited Staff Superannuation Scheme, (ii) Eureka Forbes Limited Employees' Gratuity Fund, and (iii) Eureka Forbes Limited Employees' Provident Fund (formerly Samuel Osborn (India) Limited Employees' Provident Fund.

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

18. CHANGE IN OBJECT CLAUSE OF FCL

18.1. With effect from the Appointed Date, and upon the Scheme becoming effective, the main object clause of the Memorandum of Association of FCL shall be altered and amended, without any further act or deed, to include the objects as required for the purpose of carrying on the business activities EFL, upon Part II of the Scheme coming into effect and pursuant to the provisions of Sections 13 and 14 of the Companies Act, 2013 and other applicable provisions of the Act. Accordingly, the Memorandum of Association of FCL shall be altered and amended and necessary revisions in numbering of the clauses inserted shall be carried out. The following clause shall be added to the Memorandum of Association of FCL and shall read as under:

"6 To carry on in any part of the world the business of steel manufacturers, iron and steel merchants, dealers in iron and steel, iron and steel founders, casters, forgers, tillers, rollers, converters and melters of iron, steel and other metals, iron masters, coal masters, metal workers, mechanical engineers, shipbuilders, wire drawer and manufactures, and tool machines makers in all their branches and also to carry on



business of Tramway and Railway Track Manufactures, including the manufacture laying, alteration and maintenance of Permanent Ways, Points and Crossings. Switches and Rails, and materials used in connection with works of a similar nature.

To carry on either in connection with the said business or as distinct and separate business all or any of the following businesses, namely :- manufactures of all description of spring, buffers, couplings, rail-fastening, drawgears, and of all apparatus, appliances, accessories, materials and things used, or capable of being used in connection with Railways, or traction of any description, or in connection with any other use of steam or other power; manufacturers of all kinds of machinery machinery, rolling stock, permanent way materials, power hammers, files saws tools and anvils, and of all articles or things whatsoever (however dissimilar to the articles and things before mentioned), made wholly or in part of any metal: mechanical and general engineers, metal workers, metallurgists, machinists, smiths fitters, woodworkers, galvanisers, jappers, annealers and enamellers, and also general merchants and dealers in all or any of the things aforesaid or in articles or things which the Company has power to manufacture. To build, construct, equip improve maintain develop work manage carry out or control any tramways railway branches or sidings roads ways bridges reservoirs watercourses wharves manufactories warehouse electric works shops stores machinery plants and other works or conveniences of whatever description and to contribute to subsidise or otherwise assist or take part in the building construction equipment, improvement maintenance development, working management carrying out or control thereof.

7. To carry on the business of importers, exporters, manufacturers of and dealer in all kinds of electrical and non-electrical appliances, electro mechanical devices for domestic, commercial, industrial, hospital uses, and apparatus etc. and all packaging materials components, parts, accessories, articles and fittings required for those purposes.

8. To manufacture, buy, sell, exchange, alter, improve, market, distribute, import or export or otherwise deal in all kinds of water filters, water purifiers or other water purification systems of all types and kinds, and allied products to suit the needs of all sectors of the society such as domestic, industries, Government, public, private, including manufacturing and processing of home reverse osmosis membrane elements and other related water treatment products.



9. To supply, undertake and execute any works involving or relating to water purifiers, water filters, other products for purification of water or other liquids or material of all kinds."

18.2. For the purposes of amendment in the Memorandum of Association and Articles of Association of FCL as provided in this clause, the consent / approval given by the members of FCL to this Scheme under the Companies Act, 2013 and any other applicable provisions of the Act shall be deemed to be sufficient and no further resolution of members of FCL as required under the provisions of Section 13 and 14 of the Companies Act, 2013 and any other applicable provisions of the Act shall be required to be passed for making such change / amendment in the Memorandum of Association and Articles of Association of FCL and filing of the certified copy of this Scheme as sanctioned by the NCLT, and a printed copy of the Memorandum of Association for the purposes of said Section 13 and 14 of the Companies Act, 2013 and all other applicable provisions of the Act and the Registrar of Companies, Mumbai shall register the same and make the necessary alterations in the Memorandum of Association and Articles of Association of FCL accordingly and shall certify the registration thereof in accordance with the provisions of Section 13 and 14 of the Companies Act, 2013 and any other applicable provisions of the Act.

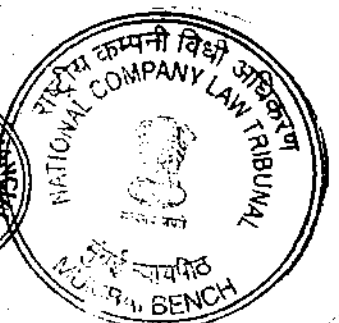
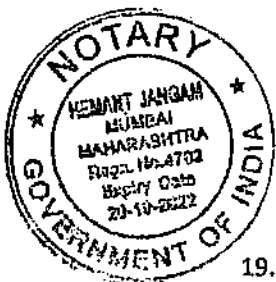
18.3. FCL shall file with the jurisdictional Registrar of Companies all requisite forms and complete the compliance and procedural requirements under the Act, if any.

19. LEGAL PROCEEDINGS

19.1. If any suit, appeal or other legal proceedings of whatsoever nature by or against EFL is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the Amalgamation and by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against FCL in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against EFL as if this Scheme had not been made.

19.2. FCL undertakes to have all legal or other proceedings initiated by or against EFL referred to above transferred into its name and to have the same continued, prosecuted and enforced by or against FCL to the exclusion of EFL.

19.3. After the Effective Date, FCL shall and may, if required, initiate any legal proceedings in relation to EFL.



20. AMALGAMATION NOT TO AFFECT TRANSACTIONS / CONTRACTS OF EFL

20.1. The Amalgamation of EFL and the continuance of the said proceedings by or against FCL shall not affect any transaction or proceedings already concluded by or against EFL after the Appointed Date to the end and intent that FCL accepts and adopts all acts, deeds and things done or executed by EFL after the Appointed Date as done and executed on its behalf. The said transfer and vesting pursuant to Section 232 of the Act, shall take effect from the Appointed Date unless the NCLT otherwise directs.

21. CONSIDERATION

21.1. The entire share capital of EFL is held by FCL. In other words, EFL is a wholly owned subsidiary of FCL. Accordingly, pursuant to this Scheme, no shares of FCL shall be issued and allotted in respect of shares held by it in EFL. Upon the Scheme becoming effective, the entire share capital of EFL shall be cancelled and extinguished without any further act, deed or instruments as an integral part of this Scheme.

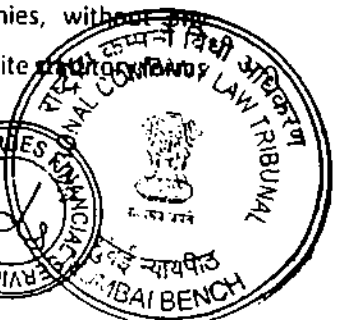
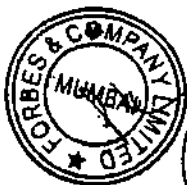
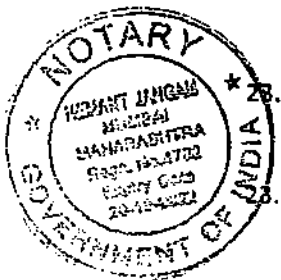
21.2. The investment in the shares of EFL appearing in the books of account of FCL shall, without any further act, deed or instrument, stand cancelled.

22. ACCOUNTING TREATMENT

FCL shall account for amalgamation of EFL in its books of accounts as per Appendix C to Ind AS 103, *Business Combination of entities under common control*, prescribed under the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS") as notified under Section 133 of the Companies Act, 2013 and the clarifications issued by the Institute of Chartered Accountants of India. The amalgamation shall be accounted by FCL on the date as determined in accordance with Ind AS.

23. INCREASE IN AUTHORISED SHARE CAPITAL OF FCL

23.1. Upon sanction of this Scheme, and upon Part II of the Scheme coming into effect, the authorized share capital of EFL shall be INR 28,05,00,000/- (Rupees Twenty Eight Crores Five Lakhs Only) comprising of 2,80,50,000 Equity Shares of INR 10/- each shall be consolidated with the authorized share capital of FCL, which is INR 15,00,00,000 (Rupees Fifteen Crores Only) comprising of 1,50,00,000 equity shares of INR 10 each and same shall automatically stand increased, without any further act, instrument or deed on the part of FCL including payment of stamp duty and fees payable to Registrar of Companies, without any compliances in respect of the notices, meeting etc. but only by filing requisite documents with the Registrar of Companies.



and/or any other documents as required with the Registrar of Companies. The filing fee and stamp duty already paid by EFL on its authorized share capital shall be deemed to have been so paid by FCL on the combined authorized share capital and accordingly, FCL shall not be required to pay any fee/stamp duty on the authorized share capital so increased.

23.2. Further, authorized share capital of FCL, pursuant to this Part becoming effective in Post Scheme scenario shall be INR 43,05,00,000/- (Rupees Forty-Three Crores Five Lakhs Only) shall be classified as 4,30,50,000 equity shares of INR 10 each.

23.3. Consequently, the corresponding capital clause in the Memorandum of Association / Articles of Association of FCL, as applicable (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, to be read as follows:

"The authorized share capital of the company is INR 43,05,00,000/- (Rupees Forty-Three Crores Five Lakhs Only) divided into 4,30,50,000 Equity Shares of INR 10/- each,"

23.4. For removal of doubt, it is clarified that the approval of the Scheme by the shareholders of FCL under sections 230 to 232 of the Act shall be deemed to be the sufficient approval under sections 13, 14, 61 and 64 of the Act and no separate procedure shall be followed under the Act, except filing of requisite forms to give effect to the increase.

24. CONDUCT OF BUSINESS

24.1. EFL as Trustee

With effect from the Appointed Date and up to and including Effective Date, EFL shall carry on and shall be deemed to have carried on all their business and activities as hitherto and shall hold and stand possessed of and shall be deemed to have held and stood possessed of EFL on account of and for the benefit of and in trust for, FCL, as FCL is taking over the business as going concern. EFL shall preserve and carry on their business and activities with reasonable diligence and business prudence and shall neither undertake any additional financial commitments of any nature whatsoever, borrow any amounts nor incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitments either for themselves or on behalf of any third parties, sell, transfer, alienate, charge, mortgage or encumber or deal with the assets of EFL or any part thereof other than any amount borrowed by way of debt with or without issue of any security, including borrowings by way of loan or otherwise, from FCL and save and except in the ordinary course



of business as carried on by them as on the date of filing of this Scheme with the NCLT or if prior written consent of FCL has been obtained.

24.2. Profit or Losses up to Effective Date

With effect from the Appointed Date and upto and including the Effective Date, all profits or incomes accruing or arising to EFL or all expenditure or losses incurred or arising, as the case may be, by EFL shall, for all purposes, be treated and deemed to be and accrue as the profits or incomes or expenditures or losses, as the case may be, of FCL.

24.3. Taxes

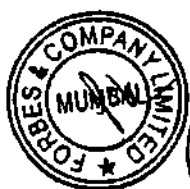
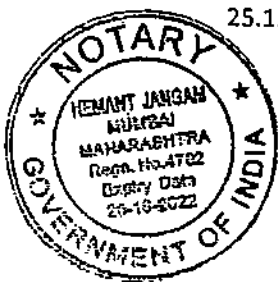
All Taxes paid or payable by EFL in respect of the operations and / or profits of the business before the Appointed Date and from the Appointed Date till the Effective Date, shall be on account of EFL and in so far as it relates to the tax payment by EFL in respect of the profits or activities or operation of the business after the Appointed Date, the same shall be deemed to be the corresponding item paid by FCL and shall in all proceedings be dealt with accordingly.

Any refund under any Tax Laws allocable or related to the business of EFL and due to EFL consequent to the assessment made on EFL shall also belong to and be received by FCL.

All Tax benefits of any nature, duties, cesses or any other like payments or deductions available to EFL under any Tax Laws up to the Effective Date shall be deemed to have been on account of or paid by FCL and the relevant authorities shall be bound to transfer to the account of and give credit for the same to FCL upon the passing of the order by the NCLT.

25. ENFORCEMENT OF CONTRACTS, DEEDS, BONDS & OTHER INSTRUMENTS:

25.1. Subject to other provisions contained in this Scheme, all contracts, deeds, bonds, agreements and other instruments of whatever nature to which EFL is a party subsisting or having effect immediately before the Amalgamation, shall remain in full force and effect against or, as the case may be, in favour of FCL and may be enforced as fully and effectively as if instead of EFL, FCL was a party thereto. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that Amalgamation and vesting of EFL occurs by virtue of this Scheme itself, FCL may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds, confirmations or other writings or arrangements to which EFL is a party or any writings as may be necessary in order to give formal effect to the



provisions of this Scheme. FCL shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of EFL and to carry out or perform all such formalities or compliances referred to above on the part of EFL to be carried out or performed.

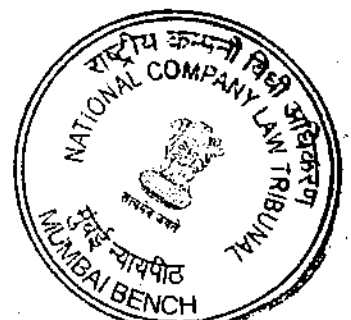
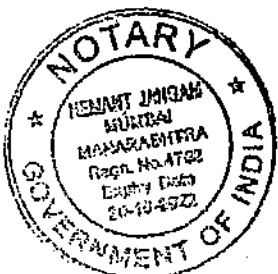
25.2. For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of EFL shall stand transferred to FCL and FCL shall be bound by the terms thereof, the obligations and duties there under, and the rights and benefits under the same shall be available to FCL. FCL shall receive relevant approvals from the Government Authorities concerned as may be necessary in this behalf.

26. MATTERS RELATING TO SHARE CERTIFICATES:

26.1. The Share Certificates held by FCL along with its nominee shareholders holding shares on behalf of FCL in respect of share capital of EFL shall automatically stand cancelled without any necessity of them being surrendered.

27. DISSOLUTION OF EFL

27.1. Upon the Scheme being sanctioned by an order made by the NCLT under Sections 230 to 232 of the Act and subject to the Effective Date, EFL shall stand dissolved without winding up on the Effective Date.



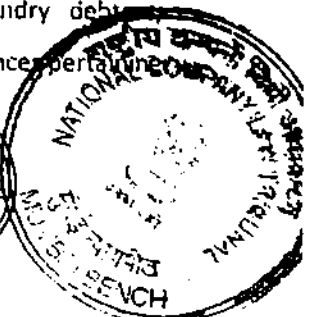
PART IV – DEMERGER AND VESTING OF DEMERGED UNDERTAKING OF FORBES & COMPANY LIMITED (UPON PART III BECOMING EFFECTIVE) INTO FORBES ENVIRO SOLUTIONS LIMITED, ON A GOING CONCERN BASIS

28. TRANSFER AND VESTING OF DEMERGED UNDERTAKING INTO FESL

28.1. Upon this Part III of this Scheme becoming effective, with effect from the Appointed Date and upon the Scheme becoming effective, the Demerged Undertaking of FCL as a going concern, along with all assets, liabilities, contracts, employees, licences, records, approvals, etc. being integral parts of the Demerged Undertaking of FCL shall, without any further act, instrument or deed, stand demerged and be vested in or be deemed to have been vested in FESL as a going concern so as to become as and from the Appointed Date, the undertaking of FESL by virtue of and in the manner provided in this Scheme.

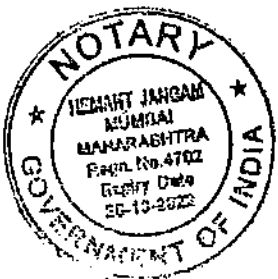
28.2. Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, upon this Scheme becoming effective and with effect from the Appointed Date:

- a) All properties and assets pertaining to Demerged Undertaking, movable or immovable, tangible or intangible, balance in bank, cash or investments and other assets of whatsoever nature and tax credits, quotas, rights, consents, entitlements, licenses, certificates, permits, and facilities of every kind and description whatsoever for all intents and purposes, permissions under income tax and/or any other statutes, incentives of FCL in relation to Demerged Undertaking, if any, without any further act or deed so as to become the business, properties and assets of FESL.
- b) All the movable assets pertaining to Demerged Undertaking as are assets otherwise capable of transfer by manual delivery or by endorsement and delivery, including cash in hand, shall be physically handed over by manual delivery or by endorsement and delivery, to FESL to the end and intent that the property therein passes to FESL on such manual delivery or endorsement and delivery, without requiring any deed or instrument of conveyance for the same and shall become the property of FESL accordingly.
- c) All other movable properties pertaining to the Demerged Undertaking, including investments in shares of the subsidiaries/ Joint ventures (as per Annexure 2 except investment in FESL, FFSPL, FCHSPL and Lux Group) as part of the Demerged Undertaking, mutual funds, bonds and any other securities, sundry debt, outstanding loans and advances, excluding outstanding loans and advances pertaining to



to the Lux Group, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, pursuant to the orders of this Scheme becoming effective and by operation of law become the properties of FESL, and the title thereof together with all rights, interests or obligations therein shall be deemed to have been mutated and recorded as that of FESL. All investments of the Demerged Undertaking shall be recorded in the name of FESL by operation of law as transmission in favour of FESL as a successor in interest and any documents of title in the name of FCL in relation to Demerged Undertaking shall also be deemed to have been mutated and recorded in the name of FESL to the same extent and manner as originally held by FCL in relation to Demerged Undertaking and enabling the ownership, right, title and interest therein as if FESL was originally FCL in relation to Demerged Undertaking. FESL shall subsequent to this Scheme becoming effective be entitled to the delivery and possession of all documents of title of such movable property in this regard;

- d) All immovable properties (including land together with the buildings (including factory buildings) and structures standing thereon) (as per Annexure 1) pertaining to Demerged Undertaking of FCL, whether freehold or leasehold and any documents of title, rights and easements in relation thereto shall stand transferred to and be vested in and transferred to and/or be deemed to have been and stand transferred to and vested in FESL, without any act or deed done by FCL or FESL. FESL shall be entitled to exercise all rights and privileges and be liable to pay ground rent, taxes and fulfill obligations, in relation to or applicable to such immovable properties. The mutation / substitution of the title to the immovable properties shall be made and duly recorded in the name of FESL by the appropriate authorities pursuant to the Scheme becoming effective in accordance with the terms hereof.
- e) All the consents, permissions, licenses, certificates, insurance covers, clearances, authorities, power of attorneys given by, issued to or executed in favour of Demerged Undertaking of FCL, shall stand vested in or transferred automatically to FESL without any further act or deed and shall be appropriately mutated by the authorities concerned therewith in favour of FESL as if the same were originally given by, issued to executed in favour of FESL and FESL shall be bound by the terms thereof, the obligations and duties thereunder and the rights and benefits under the same shall be available to FESL. The benefit of all statutory and regulatory permissions including the statutory or other licenses, tax registrations, permits, permissions or approvals or consents required to carry on the operations of Demerged Undertaking of FCL shall automatically, without any other order to this effect, vest into and become

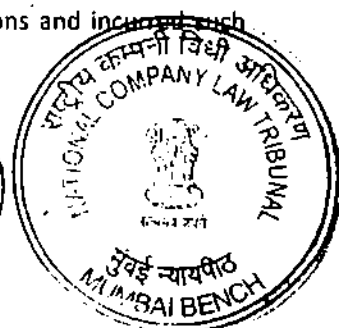
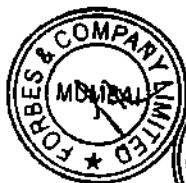


available to FESL pursuant to this Scheme becoming effective in accordance with the terms thereof.

f) All debts, liabilities, contingent liabilities, duties, Taxes (including any advance taxes paid, TDS deducted on behalf of FCL in relation to Demerged Undertaking, etc., if any), liabilities and obligations of FCL, in relation to Demerged Undertaking, as on the Appointed Date, in each case, other than all debts, liabilities, trade payables, contingent liabilities, duties, Taxes pertaining to the Lux Group, FESL, FFSPL and FCHSPL, whether provided for or not, in the books of accounts of FCL in relation to Demerged Undertaking, and all other liabilities which may accrue or arise after the Appointed Date but which relates to the Transition period, shall, pursuant to this Scheme becoming effective as per the order of the NCLT or such other competent authority, as may be applicable under Section 232 and other applicable provisions of the Act, and without any further act or deed, be vested or deemed to be vested in and be assumed by FESL, so as to become as from the Appointed Date the debts, liabilities, contingent liabilities, taxes, duties and obligations of FESL on the same terms and conditions as were applicable to FCL and FESL undertakes to meet, discharge and satisfy to the exclusion of FCL in relation to Demerged Undertaking and to keep FCL in relation to Demerged Undertaking indemnified at all times from and against all such debts, liabilities, contingent liabilities, duties, Taxes and obligations of FCL in relation to Demerged Undertaking from all actions, demands and proceedings in respect thereto. Notwithstanding anything contained in this Scheme, it is hereby clarified that any and all amounts, including corporate guarantees (including any recoverable amount upon invocation of corporate guarantees, if any), advances, contingent liabilities, trade payables and/or receivables, in each case, pertaining to or in connection with the Lux Group shall not be transferred to FESL upon the effectiveness of the Scheme.

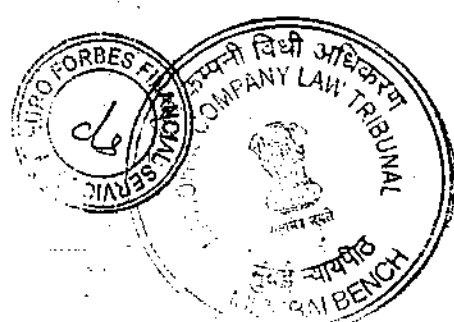
g) FESL, may, at any time after this Scheme coming into effect, if required under law or otherwise, execute deeds of confirmation in favour of any other party with which FCL in relation to Demerged Undertaking has a contract or arrangement, or give any such writing or do any such things, as may be necessary, to give effect to the above.

h) In so far as loans and borrowings of FCL in relation to Demerged Undertaking pertaining to the loans and liabilities, which are to be vested to FESL shall, without any further act or deed, become loans and borrowings of FESL, and all rights, powers, duties and obligations in relation thereto shall be and stand vested in and shall be exercised by or against FESL as if it had entered into such loans and incurred such



borrowings. Thus, the primary obligation to redeem or repay such liabilities upon the Scheme becoming effective shall be that of FESL.

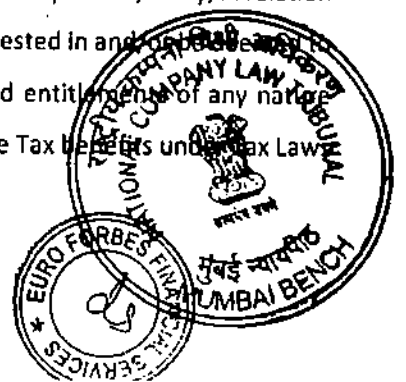
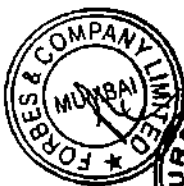
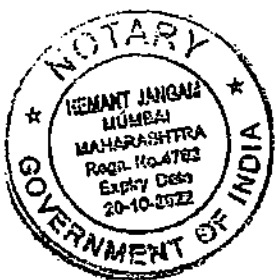
- i) The vesting of the assets comprised in FCL in relation to Demerged Undertaking to FESL under this Scheme shall be subject to the mortgages and charges, if any, affecting the same as hereinafter provided.
- i. The securities, mortgages, charges, encumbrances or liens or those, if any, in relation to Demerged Undertaking after the Appointed Date and during the Transition period, in terms of this Scheme, over the assets comprised in FCL in relation to Demerged Undertaking, or any part thereof, shall be vested in FESL by virtue of this Scheme, and the same shall, after the Transition period, continue to relate and attach to such assets or any part thereof to which they relate or attached prior to the Transition period and are vested with FESL, and such Encumbrances shall not relate or attach to any of the other assets, of FCL in relation to Demerged Undertaking.
 - ii. In so far as the existing Encumbrances, if any, in respect of the loans, borrowings, debts, liabilities, is concerned, such Encumbrance shall, without any further act, instrument or deed be modified and shall be extended to and shall operate only over the assets comprised in FCL in relation to Demerged Undertaking which have been Encumbered in respect of the transferred liabilities as transferred to FESL pursuant to this Scheme. Provided that if any of the assets comprised in FCL in relation to Demerged Undertaking which are being transferred to FESL pursuant to this Scheme have not been Encumbered in respect of the transferred liabilities, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above.
 - iii. In so far as the existing securities in respect of the loans or borrowings of FCL in relation to Demerged Undertaking and other liabilities relating to FCL in relation to Demerged Undertaking are concerned, such securities shall, without any further act, instrument or deed be continued with FCL in relation to Demerged Undertaking. FCL in relation to Demerged Undertaking and FESL shall file necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.



- iv. The foregoing provisions insofar as they relate to the vesting of liabilities with FESL shall operate, notwithstanding anything to the contrary contained in any deed or writing or the terms of sanction or issue or any security documents, all of which instruments shall stand modified and/or superseded by the foregoing provisions.

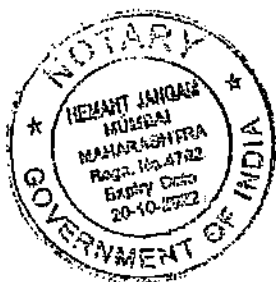
- j) With effect from the Appointed Date and during the Transition period, subject to the other provisions of the Scheme, all approvals (including but not limited to all the units and factories situated at various states in India (including at MIDC)), quotas, rights, consents, entitlements, licenses, certificates, permits, and facilities of every kind and description whatsoever, privileges, deeds, bonds, quality certifications and approvals, powers of attorneys, agreements and other instruments of whatsoever nature in relation to FCL in relation to Demerged Undertaking is a party, or the benefit to which FCL in relation to Demerged Undertaking may be eligible, subsisting or operative immediately on or before the Effective Date, shall be in full force and effect against or in favour of FESL and may be enforced fully and effectively as if instead of FCL in relation to Demerged Undertaking, FESL had been a party or beneficiary thereto so as to continuation of operations of FCL in relation to Demerged Undertaking by FESL without any hindrance or disruption after the Transition period. FESL shall enter into and/or issue and/or execute deeds, writings, endorsements or confirmation or enter into any tripartite agreement, confirmations or novation's to which FCL in relation to Demerged Undertaking will, if necessary, also be a party, in order to give formal effect to the provisions of this Scheme, if so required or if it becomes necessary. Further, FESL shall be deemed to be authorized to execute any such deeds, writings, endorsements or confirmations on behalf of FCL in relation to Demerged Undertaking and to implement or carry out all formalities required on the part of FCL in relation to Demerged Undertaking to give effect to the provisions of this Scheme. In case a question arises as to whether a specific asset or liability or contracts or employee, pertains or does not pertain to FCL in relation to Demerged Undertaking or whether it arises out of the activities or operations of FCL in relation to Demerged Undertaking shall be decided by the Board of FCL in relation to Demerged Undertaking, or any committee constituted thereof. A certificate issued by the Board of Directors or the committee thereof in this respect shall be a conclusive evidence of the matter.

- k) With effect from the Appointed Date and upon the Scheme becoming effective, the entitlement to various benefits under incentive schemes and policies, if any, in relation to FCL in relation to Demerged Undertaking shall stand vested in and the benefits to have been vested in FESL together with all benefits and entitlements of any nature whatsoever. Such benefits and entitlements shall include Tax benefits under Tax Law



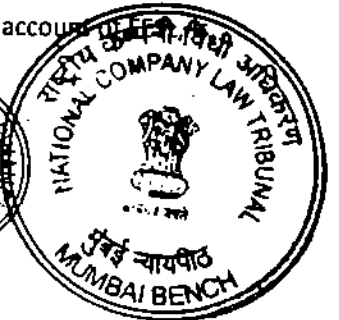
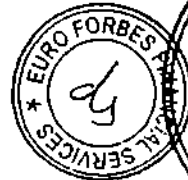
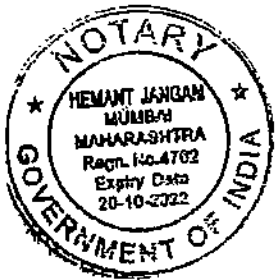
in the nature of exemption, deferment, refunds and incentives in relation to Demerged Undertaking of FCL to be claimed by FESL with effect from the Appointed Date as if FESL were originally entitled to all such benefits under such incentive scheme and/or policies, subject to continued compliance by FESL of all the terms and conditions subject to which the benefits and entitlements under such incentive schemes were made available to FCL in relation to Demerged Undertaking. FESL shall be entitled to such benefits in its name, without any additional liabilities or expenses whatsoever.

- l) Taxes of FCL in relation to Demerged Undertaking vested upon FCL pursuant to the amalgamation of EFL with and into FCL as per Tax Laws to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date related to FCL in relation to Demerged Undertaking shall be vested with FESL.
- m) All Taxes paid or payable by FCL in relation to Demerged Undertaking in respect of the operations and/ or the profits of FCL in relation to Demerged Undertaking before the Appointed Date shall be on account of FCL in relation to Demerged Undertaking and in so far as it relates to the Tax payment whether by way of deduction at source, advance tax or otherwise howsoever, by FCL in relation to Demerged Undertaking in respect of the profits or activities or operations of FCL in relation to Demerged Undertaking after the Appointed Date, the same shall be deemed to be the corresponding item paid by FESL and shall in all proceedings be dealt with accordingly.
- n) On and from the Appointed Date, if any Certificate for Tax Deducted at Source or any other tax credit certificate relating to FCL in relation to Demerged Undertaking is received in the name of FCL in relation to Demerged Undertaking, it shall be deemed to have been received by FESL, which alone shall be entitled to claim credit for such tax deducted or paid.
- o) Upon the Scheme becoming effective, FESL shall have right to revise their respective returns filed under Tax Laws, along with prescribed forms, filings and annexures under the Tax Laws and claim refunds and / or credit for Taxes paid and for matters incidental thereto, if required, to give effect to the provisions of the Scheme;
- p) On and from the Appointed Date, the benefit of all balances relating to Taxes under the Tax Laws pertaining to FCL in relation to Demerged Undertaking, if any, shall stand vested in FESL as if the transaction giving rise to the said balance or credit was a transaction carried out by FESL. The liabilities of FCL in relation to Demerged Undertaking as on the Appointed Date shall stand vested in FESL, save as otherwise provided



respect of the liabilities which were met by FCL in relation to Demerged Undertaking during the Transition period, which shall be construed to have been met by FESL as if the transaction giving rise to the said liability was a transaction carried out by FESL.

- q) Upon the coming into effect of the Scheme, and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, Schemes, arrangements and other instruments of whatsoever nature in relation to FCL in relation to Demerged Undertaking, to which FCL in relation to Demerged Undertaking is a party or to the benefit of which FCL in relation to Demerged Undertaking may be eligible, and which are subsisting or have effect before the Appointed Date and during the Transition period, shall continue in full force and effect on or against or in favour, as the case may be, of FESL and may be enforced as fully and effectually as if instead of FCL in relation to Demerged Undertaking, FESL had been a party or beneficiary or obligee thereto or thereunder. All liabilities arising from all such contracts, deeds, bonds, agreements, Schemes, arrangements and other instruments of whatsoever nature in relation to FCL in relation to Demerged Undertaking, to which FCL in relation to Demerged Undertaking is a party or to the benefit of which FCL in relation to Demerged Undertaking may be eligible, and which are subsisting or have effect immediately before the Appointed Date, shall be on account of FCL in relation to Demerged Undertaking and after the Appointed Date, the same shall be on account of FESL and shall, in all proceedings, be dealt with accordingly.
- r) If any assets (including estate, claims, rights, title, interest in or authorities relating to any asset) or any contracts, deeds, bonds, agreements, Schemes, arrangements or other instruments of whatsoever nature in relation to FCL in relation to Demerged Undertaking owns or to which FCL in relation to Demerged Undertaking is a party to, cannot be transferred to FESL for any reason whatsoever, FCL in relation to Demerged Undertaking shall hold such assets, contracts, deeds, bonds, agreements, Schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of FESL, insofar as it is permissible so to do, till such time as the transfer is affected.
- s) On and from the Effective Date, and till such time that the name of the bank accounts pertaining to Demerged Undertaking, of FCL has been replaced with that of FESL, FESL shall be entitled to maintain and operate the bank accounts of the FCL pertaining to Demerged Undertaking in the name of FCL and for such time as may be determined to be necessary by FESL. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of FCL after the Effective Date shall be accepted by the bankers of FESL and credited to the account presented by FESL;



- t) It is hereby clarified that the vesting of Demerged Undertaking of FCL in FESL shall be on a going concern basis.

29. STAFF, EMPLOYEES AND WORKERS

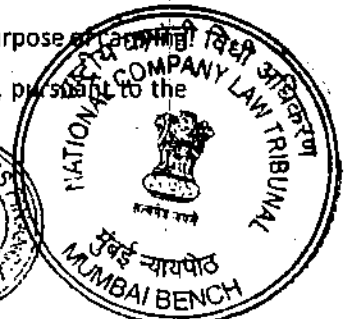
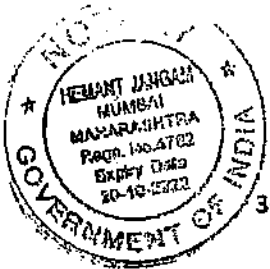
29.1. Upon Part III of the Scheme coming into effect, all staff, employees and workers pertaining to the Demerged Undertaking, including all staff, employees and workers forming part of the Demerged Undertaking pursuant to Part II of the Scheme in service (including but not limited to permanent, temporary or contractual) immediately preceding the Effective Date shall be deemed to have become staff, employees and workers of FESL 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 FESL shall not be less favorable than those applicable to them as a part of the Demerged Undertaking of FCL immediately preceding the transfer.

29.2. The equitable interest in accounts/funds of the staff, employees and workers, if any, whose services are vested with FESL, relating to superannuation, provident fund and gratuity fund and other funds similar in nature, shall be identified, determined and vested with the respective trusts/funds of FESL and such staff, employees and workers shall be deemed to have become members of such trusts/funds of FESL. Until such time, FESL in relation to the Demerged Undertaking may, subject to necessary approvals and permissions, if any, continue to make contributions pertaining to the employees of the Demerged Undertaking to the relevant funds of FCL in relation to the Demerged Undertaking.

29.3. FESL, at any time after the Scheme becoming effective in accordance with the provisions hereof, if so required under any law or otherwise, will execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to the Demerged Undertaking in order to give formal effect to the provisions of the Scheme. FESL shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings in relation to the Demerged Undertaking and to carry out or perform all such formalities or compliances, referred to above, in relation to the Demerged Undertaking.

30. CHANGE IN OBJECT CLAUSE OF FESL

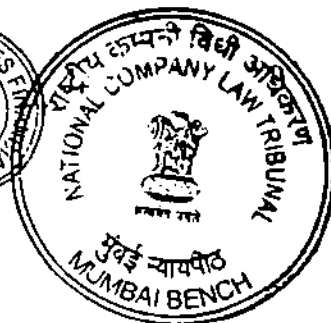
30.1. With effect from the Appointed Date, and upon the Scheme becoming effective, the main object clause of the Memorandum of Association of FESL shall be altered and amended, without any further act or deed, to include the objects as required for the purpose of carrying on the business activities of FCL in relation to the Demerged Undertaking, pursuant to the



provisions of Sections 13 and 14 of the Companies Act, 2013 and other applicable provisions of the Act. Accordingly, the Memorandum of Association of FESL shall be altered and amended and necessary revisions in numbering of the clauses inserted shall be carried out. The following clause shall be added to the Memorandum of Association of FESL and shall read as under:

5. *To carry on the business of importers, exporters, manufacturers of and dealer in all kinds of electrical and non-electrical appliances, electro mechanical devices for domestic, commercial, industrial, hospital uses, and apparatus etc. and all packaging materials components, parts, accessories, articles and fittings required for those purposes.*
6. *To manufacture, buy, sell, exchange, alter, improve, market, distribute, import or export or otherwise deal in all kinds of water filters, water purifiers or other water purification systems of all types and kinds, and allied products to suit the needs of all sectors of the society such as domestic, industries, Government, public, private, including manufacturing and processing of home reverse osmosis membrane elements and other related water treatment products.*
7. *To carry on the business of manufacturing, selling, renting and servicing of vacuum cleaners, water filter cum purifiers, water and waste water treatment plant, packaged drinking water, trading in electronic air cleaning systems, small household appliances, digital security system, air-conditioners and all kinds of electrical & non electrical appliances etc.*
8. *To supply, undertake and execute any works involving or relating to water purifiers, water filters, other products for purification of water or other liquids or material of all kinds."*

30.2. For the purposes of amendment in the Memorandum of Association and Articles of Association of FESL as provided in this clause, the consent / approval given by the members of FESL to this Scheme under the Companies Act, 2013 and any other applicable provisions of the Act shall be deemed to be sufficient and no further resolution of members of FESL as required under the provisions of Section 13 and 14 of the Companies Act, 2013 and any other applicable provisions of the Act shall be required to be passed for making such change / amendment in the Memorandum of Association and Articles of Association of FESL and filing of the certified copy of this Scheme as sanctioned by the NCLT, and a printed copy of the Memorandum of Association for the purposes of said Section 13 and 14 of the Companies Act, 2013 and all other applicable provisions of the Act and the Registrar of Companies, Mumbai shall register the same and make the necessary alterations in the Memorandum of



Association and Articles of Association of FESL accordingly and shall certify the registration thereof in accordance with the provisions of Section 13 and 14 of the Companies Act, 2013 and any other applicable provisions of the Act.

30.3. FESL shall file with the jurisdictional Registrar of Companies all requisite forms and complete the compliance and procedural requirements under the Act, if any.

31. LEGAL PROCEEDINGS

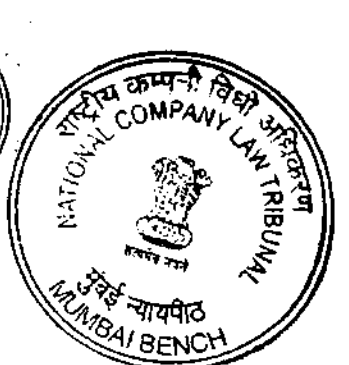
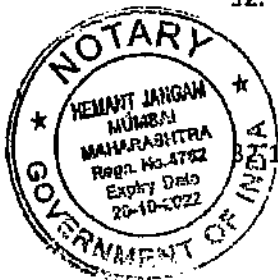
31.1. Upon Part III of the Scheme coming into effect, if any suit, appeal or other legal proceedings of whatsoever nature by or against FCL in relation to the Demerged Undertaking is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the Demerger and by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against FESL in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against FCL in relation to the Demerged Undertaking as if this Scheme had not been made. In the event that the legal proceedings referred to herein require FCL in relation to the Demerged Undertaking and FESL to be jointly treated as parties thereto, FESL shall be added as party to such proceedings and shall prosecute and defend such proceedings in co-operation with FCL in relation to the Demerged Undertaking.

31.2. FESL undertakes to have all legal or other proceedings initiated by or against FCL in relation to the Demerged Undertaking referred to above transferred into its name and to have the same continued, prosecuted and enforced by or against FESL to the exclusion of FCL in relation to the Demerged Undertaking.

31.3. After the Effective Date, FESL shall and may, if required, initiate any legal proceedings in relation to FCL in relation to the Demerged Undertaking.

32. DEMERGER NOT TO AFFECT TRANSACTIONS / CONTRACTS OF FCL IN RELATION TO THE DEMERGED UNDERTAKING:

32.1. The Demerger of the Demerged Undertaking of FCL and the continuance of the said proceedings by or against FCL in relation to the Demerged Undertaking shall not affect any transaction or proceedings already concluded by or against FCL in relation to the Demerged Undertaking after the Appointed Date to the end and intent that FESL accepts and adopts all acts, deeds and things done or executed by FCL in relation to the Demerged Undertaking after the Appointed Date as done and executed on its behalf.



The said transfer and vesting pursuant to Section 232 of the Act, shall take effect from the Appointed Date unless the NCLT otherwise directs.

33. CONSIDERATION

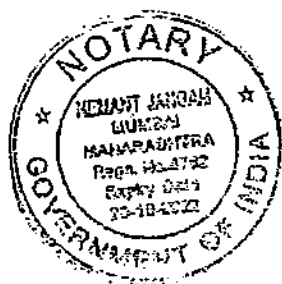
33.1. Upon coming into effect of the Scheme and in consideration for Demerger of Demerged Undertaking of FCL into FESL, FESL shall, without any further application or deed, issue and allot equity shares of face value INR 10/- each, credited as fully paid up, to all the equity shareholders of FCL whose names appear in the register of members as on the Record Date of FCL or to their respective heirs, executors, administrators or other legal representatives or the successors-in-title, as the case may be, in the following proportion:

15 (Fifteen) fully paid up Equity Shares of INR 10/-each of FESL shall be issued and allotted to the Equity Shareholders of FCL, against 1(One) fully paid up Equity Shares of INR 10/- each held by them in FCL.

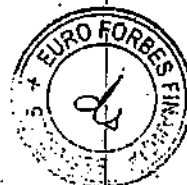
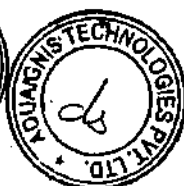
33.2. Equity shares shall be issued by FESL in dematerialized form to those equity shareholders of FCL who hold shares of FCL in dematerialized form, in to the account in which FESL shares are held or such other account as is intimated by the shareholders to FCL and / or its Registrar. All those shareholders who hold shares of FCL in physical form shall also have the option to receive the equity shares in FESL in dematerialized form provided the details of their account with the Depository Participant are intimated in writing to FESL and / or its Registrar, otherwise, they would be issued equity shares in physical form.

33.3. In case any shareholders shareholding in FCL is such that such shareholder becomes entitled to a fraction of any equity share of FESL, FESL shall not issue fractional shares to such shareholder but shall consolidate such fractions and issue and allot the consolidated shares directly to a trustee nominated by the Board of Directors of FESL in that behalf, who shall sell such shares in the market at such price(s) and at such time(s) as the trustee may in its sole discretion decide and on such sale, shall pay to FESL, the net proceeds (after deduction of applicable taxes and other expenses incurred), whereupon FESL shall, subject to withholding taxes, if any, distribute such sale proceeds to the concerned shareholders of FCL in proportion to their respective fractional entitlements.

33.4. FESL shall take necessary steps to increase or alter or re-classify, (if necessary), its authorized share capital suitably to enable it to issue and allot equity shares required to be issued and allotted by it under this Scheme.



- 33.5. The equity shares to be issued and allotted as provided in clause 33.2 above, shall rank *pari passu* in all respects with the then existing equity shares of FESL after the Record Date.
- 33.6. Approval of this Scheme by the equity shareholders of FESL shall be deemed to be the due compliance of the provisions of section 62 and section 42 of the Companies Act, 2013, and other relevant and applicable provisions of the Act for the issue and allotment of equity shares by FESL to the equity shareholders of FCL, as provided in this Scheme.
- 33.7. The approval of this Scheme by the equity shareholders of FCL and FESL under Sections 230 to 232 of the Act shall be deemed to have the approval under sections 13 and 14 of the Companies Act, 2013 and other applicable provisions of the Act and any other consents and approvals required in this regard.
- 33.8. The shares issued under this clause shall, in compliance with the applicable laws, be listed and admitted to trading on the Stock Exchange pursuant to this scheme and the relevant SEBI Circular and no lock-in shall be applicable to the shares issued under this clause on account of the post scheme shareholding pattern of FESL being exactly similar to the shareholding pattern of FCL. FESL shall make all requisite applications and shall otherwise comply with the provisions of the relevant SEBI Circular and applicable laws and promptly take all steps to procure the direct listing of the shares issued by it pursuant to this clause.
- 33.9. The equity shares allotted by FESL pursuant to the Scheme shall remain frozen in the depository system till listing / trading permission is given by the Stock Exchange.
- 33.10. Equity Shares to be issued by FESL pursuant to this Scheme in respect of any Equity Shares of FCL and which are held in abeyance, if any under the provisions of Section 126 of the Companies Act, 2013 or otherwise shall, pending allotment or settlement of dispute by order of Court or otherwise, also be held in abeyance by FESL.
- 33.11. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholders of FCL, shall be empowered prior to or even subsequent to the Record Date, to effectuate such transfers in FCL as if such changes in registered holders were operative as on the Records Date, in order to remove any difficulties arising to the transferors of the shares in relation to the shares issued by FESL. The Board of Directors of FCL shall be empowered to remove such difficulties that may arise in the course of implementation of this Scheme and registration of new shareholders in FESL on account of difficulties faced in the transition period.



34. ACCOUNTING TREATMENT

Upon the Scheme becoming effective, FESL and FCL shall account for Demerger in their respective books of account as under:

34.1. In the books of FESL

FESL shall give effect to the accounting treatment in its books of account in accordance with the "Acquisition Method" of accounting under IndAS 103 (Accounting for Business Combinations) and any other relevant Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 read with section 133 of the Companies Act, 2013, and generally accounted accounting principles in India, as amended from time to time.

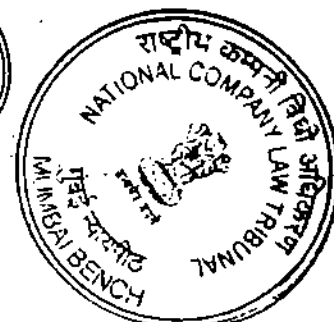
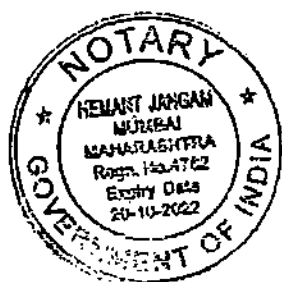
34.2. In the books of FCL

FCL shall account for transfer of Demerged Undertaking to FESL in its books of accounts as per Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS") as notified under Section 133 of the Companies Act, 2013 and the clarifications issued by the Institute of Chartered Accountants of India and on the date as determined in accordance with Ind AS.

35. CONDUCT OF BUSINESS

35.1. FCL in relation to the Demerged Undertaking as Trustee

With effect from the Appointed Date and up to and including Effective Date, FCL in relation to the Demerged Undertaking shall carry on and shall be deemed to have carried on all their business and activities as hitherto and shall hold and stand possessed of and shall be deemed to have held and stood possessed of FCL in relation to the Demerged Undertaking on account of and for the benefit of and in trust for, FESL, as FESL is taking over the business as going concern. FCL in relation to the Demerged Undertaking shall preserve and carry on their business and activities with reasonable diligence and business prudence and shall neither undertake any additional financial commitments of any nature whatsoever, borrow any amounts nor incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitments either for themselves or on behalf of any third parties, sell, transfer, alienate, charge, mortgage or encumber or deal with the assets of FCL in relation to the Demerged Undertaking or any part thereof save and except in the ordinary course of business as carried on by them as on the date of filing of this Scheme with the NCLT or if written consent of FESL has been obtained.



35.2. Profit or Losses up to Effective Date

With effect from the Appointed Date and upto and including the Effective Date, all profits or incomes accruing or arising to FCL in relation to the Demerged Undertaking or all expenditure or losses incurred or arising, as the case may be, by FCL in relation to the Demerged Undertaking shall, for all purposes, be treated and deemed to be and accrue as the profits or incomes or expenditures or losses, as the case may be, of FESL.

35.3. Taxes

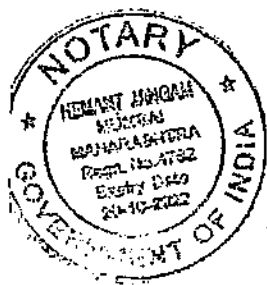
All taxes paid or payable by FCL in relation to the Demerged Undertaking in respect of the operations and / or profits of the business before the Appointed Date and from the appointed date till the Effective Date, shall be on account of FCL in relation to the Demerged Undertaking and in so far as it relates to the tax payment by FCL in relation to the Demerged Undertaking in respect of the profits or activities or operation of the business after the Appointed Date, the same shall be deemed to be the corresponding item paid by FESL and shall in all proceedings be dealt with accordingly.

Any refund under Income Tax Act, 1961 or other applicable laws or regulations dealing with taxes allocable or related to the business of FCL in relation to the Demerged Undertaking and due to FCL in relation to the Demerged Undertaking consequent to the assessment made on FCL in relation to the Demerged Undertaking shall also belong to and be received by FESL.

All taxes benefits of any nature, duties, cesses or any other like payments or deductions available to FCL in relation to the Demerged Undertaking under any Tax Law up to the Effective Date shall be deemed to have been on account of or paid by FESL and the relevant authorities shall be bound to transfer to the account of and give credit for the same to FESL upon the passing of the order by the NCLT.

36. REDUCTION IN PAID UP SHARE CAPITAL OF FESL AND CANCELLATION OF INTER-COMPANY INVESTMENTS

36.1. The existing share capital i.e. shares held by the shareholders of FESL viz. FCL (upon Part III of the Scheme becoming effective) prior to Part IV of the Scheme becoming effective shall stand cancelled without any further application, act, instrument or deed, as an integral part of this Scheme.



36.2. The share certificate(s) in relation to the shares held by the existing shareholders of FESL (i.e. FCL), shall, without any further application, act, instrument or deed, be deemed to have been automatically cancelled and no new share certificates will be issued by FESL, in lieu of share certificates already held by existing shareholders of FESL in FESL.

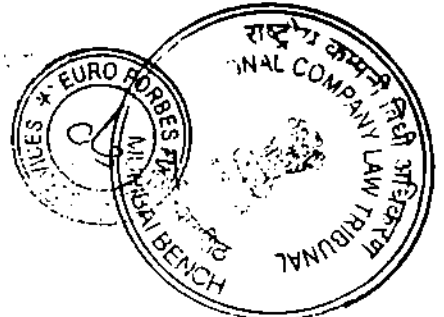
36.3. The said cancellation of investments held by FCL in FESL and the said reduction in the share capital of FESL shall be debited/ credited to capital reserve in the books of FESL and shall be effected as an integral part of the Scheme and the orders of the NCLT sanctioning the Scheme shall be deemed to be an order under section 66 of the Act confirming the reduction and no separate sanction under section 66 of the Act will be necessary.

36.4. Notwithstanding the reduction of capital of FESL, FESL shall not be required to add "And Reduced" as suffix to its name.

37. ENFORCEMENT OF CONTRACTS, DEEDS, BONDS & OTHER INSTRUMENTS:

37.1. Subject to other provisions contained in this Scheme, all contracts, deeds, bonds, agreements and other instruments of whatever nature to which FCL in relation to the Demerged Undertaking is a party subsisting or having effect immediately before the Amalgamation, shall remain in full force and effect against or, as the case may be, in favour of FESL and may be enforced as fully and effectively as if instead of FCL in relation to the Demerged Undertaking, FESL was a party thereto. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that demerged and vesting of the Demerged Undertaking occurs by virtue of this Scheme itself, FESL may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds, confirmations or other writings or arrangements to which FCL in relation to the Demerged Undertaking is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. FESL shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of FCL in relation to the Demerged Undertaking and to carry out or perform all such formalities or compliances referred to above on the part of FCL in relation to the Demerged Undertaking to be carried out or performed.

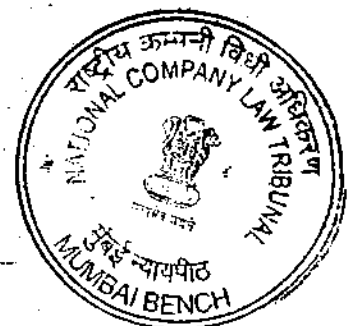
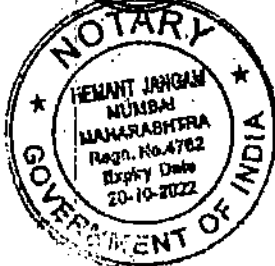
37.2. For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of FCL in relation to the Demerged Undertaking shall stand transferred to FESL and FESL shall be bound by the terms thereof, the obligations and duties there under, and the



rights and benefits under the same shall be available to FESL. FESL shall receive relevant approvals from the Government Authorities concerned as may be necessary in this behalf.

38. CHANGE OF NAME OF FESL:

- 38.1. Upon this scheme becoming effective, without any further act, instrument or deed, the name of FESL shall be changed to "Eureka Forbes Limited". Further, the name "Forbes Enviro Solutions Limited" wherever occurs in the memorandum of association and articles of association of FESL shall be substituted by such name.
- 38.2. The approval and consent of this scheme by the shareholders of FESL shall be deemed to be the approval of shareholders by way of special resolution under section 13 of the Companies Act, 2013 for change of name of FESL as contemplated herein and shall be deemed to be sufficient for the purpose of effecting the amendments in the memorandum of association and articles of association of FESL in relation to the change of name of FESL in accordance with provisions of the Companies Act, 2013. The sanction of this scheme by the NCLT shall be deemed and no further resolution(s) would be required to be separately passed to be complying with the provisions of the Companies Act, 2013, for the purpose of effecting the change in name of FESL.
- 38.3. The Board of Directors and the shareholders of EFL shall not have any objection to the adoption and use of the name "Eureka Forbes Limited" by FESL pursuant to the scheme.



PART V - GENERAL TERMS AND CONDITIONS**39. APPLICATION TO NCLT**

39.1. Necessary applications and / or petitions by ATPL, EFFSL, EFL, FCL and FESL shall be made for the sanction of the Composite Scheme of Arrangement to the NCLT, for sanctioning of this Scheme under the provisions of law and obtain all approvals as may be required under the law.

40. MODIFICATION OR AMENDMENTS TO THE SCHEME

40.1. Subject to approval of NCLT, the respective Boards or the respective authorized representative appointed by the Board of ATPL, EFFSL, EFL, FCL and FESL may make modifications or assent to any modifications, alterations or amendments of this Scheme or any conditions which the NCLT and / or any other competent authority may deem fit to direct or impose and the said respective Boards and after dissolution of ATPL, EFFSL, EFL, the Board of FCL and FESL may do all such acts, things and deeds necessary in connection with or to carry out the Scheme into effect and take such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any order of the NCLT or any directions or order of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and / or matters concerned or connected therewith.

40.2. ATPL, EFFSL, EFL, FCL and FESL may withdraw this Scheme prior to the Effective Date at any time.

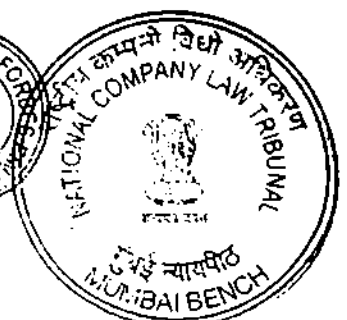
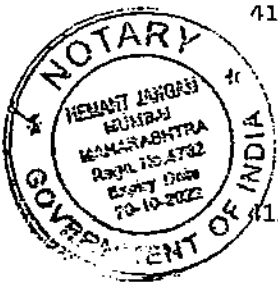
41. SCHEME CONDITIONAL ON APPROVALS / SANCTIONS

The Scheme is conditional upon and subject to:

41.1. The approval by the requisite majorities of the respective members and / or creditors (including but not limited to secured and unsecured) of ATPL, EFFSL, EFL, FCL and FESL, as required under the Act and directed by the NCLT.

41.2. The sanction or approval of the authorities concerned being obtained and granted in respect of any of the matters for which such sanction or approval being required.

41.3. The sanction of the Scheme by the NCLT under Sections 230 to 232 of the Act and other applicable provisions of the Act.



41.4. The requisite orders of the NCLT being obtained for sanctioning the Scheme under Section 230 read with Section 232 of the Act being filed with the concerned Registrar of Companies.

42. OPERATIVE DATE OF THE SCHEME

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

43. BINDING EFFECT

43.1. Upon the Scheme becoming effective, the same shall be binding on ATPL, EFFSL, EFL, FCL and FESL and all concerned parties without any further act, deed, matter or thing.

44. EFFECT OF NON-RECEIPT OF APPROVALS

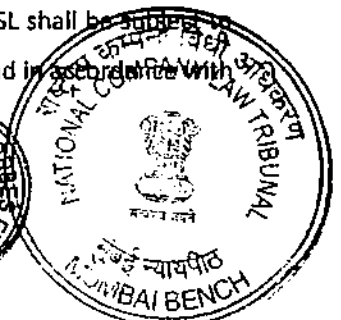
44.1. In the event any of the said approvals or sanctions referred to above not being obtained or conditions enumerated in the Scheme not being complied with, or for any other reason, the Scheme cannot be implemented, the Boards of Directors or committee empowered thereof of ATPL, EFFSL, EFL, FCL and FESL shall by mutual agreement waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement, the Scheme shall become null and void and shall stand revoked, cancelled and be of no effect and each party shall bear and pay their respective costs, charges and expenses in connection with the Scheme.

45. GIVING EFFECT TO THE SCHEME

45.1. For the purpose of giving effect to the Scheme, the Board of Directors of ATPL, EFFSL, EFL, FCL and FESL or any Committee thereof, is authorized to give such directions as may be necessary or desirable and to settle as they may deem fit, any question, doubt or difficulty that may arise in connection with or in the working of the Scheme and to do all acts, deeds and things necessary for carrying into effect the Scheme.

46. DECLARATION OF DIVIDEND, BONUS, RAISING FUNDS, ETC.

46.1. ATPL, EFFSL, EFL, FCL and FESL shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date but only in the ordinary course of business. Any declaration or payment of dividend otherwise than as aforesaid, by ATPL, EFFSL, EFL, FCL and FESL shall be subject to the prior approval of the Board of Directors of respective companies and in accordance with



applicable laws. It is clarified that prior approval of any of the Board of the Directors shall not be required for payment of any dividend already announced or declared but yet to be paid, by either of ATPL, EFFSL, EFL, FCL and FESL to its shareholders.

46.2. EFL or FCL in relation to the Demerged Undertaking shall not utilize the profits or income, if any, for the purpose of declaring or paying any dividend to its shareholders or for any other purpose in respect of the period falling on and after the Appointed Date, without the prior written consent of the Board of Directors of FCL and FESL respectively.

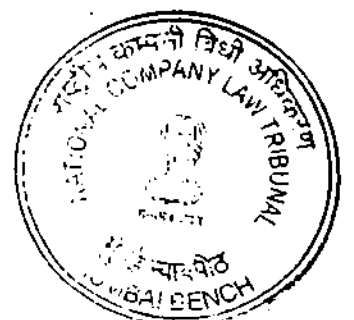
46.3. It is clarified that the aforesaid provisions in respect of declaration of dividends, whether interim or final, are enabling provisions only and shall not be deemed to confer any right on any member of ATPL, EFFSL, EFL, FCL and FESL to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of ATPL, EFFSL, EFL, FCL and FESL and subject, wherever necessary, to the approval of the shareholders of ATPL, EFFSL, EFL, FCL and FESL, respectively.

46.4. Subject to clause 24.1, EFL shall be entitled to raise funds from any person at any time up to the Effective Date, provided however that FCL shall continue to hold 100% of the shareholding in EFL up to the Effective Date.

46.5. FCL shall be entitled to raise funds from any person at any time up to the Effective Date.

47. COSTS

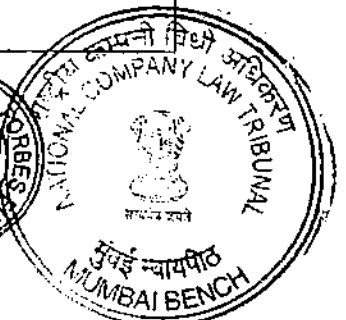
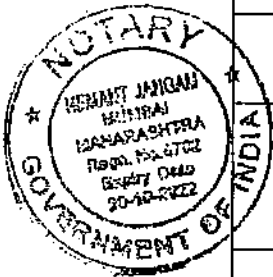
All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne by FESL.



Annexure 1

List of Immovable Properties

Sr. No.	City	Type of Property	Property details
1	Mumbai	Corp. Office	B1/B2 701 Marathon Innova, Marathon NextGen, Off. Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013
2	Mumbai	Residential	Flat No. 701, 7th Floor, Sterling Sea Face, "A" Wing, Dr. Annie Besant Road, Worli, Mumbai - 400 018.
3	Mumbai	Residential	Flat No. 1103, 9th Floor, Sterling Sea Face, "B" Wing, Dr. Annie Besant Road, Worli, Mumbai - 400 018.
4	Thane	Residential	Eden Wood "Cedar House" Co-op, Hsg. Society Ltd., Flat No. 8 C, Eden Woods, Village Chitalsar, Manpada, Smt. Gladys Alvares Marg, Thane (West) - 400 061.
5	Thane	Residential	Eden Wood "Cedar House" Co-op, Hsg. Society Ltd., Flat No. 8 D, Eden Woods, Village Chitalsar, Manpada, Smt. Gladys Alvares Marg, Thane (West) - 400 061.
6	Thane	Residential	Eden Wood "Cedar House" Co-op, Hsg. Society Ltd., Flat No. 9 C, Eden Woods, Village Chitalsar, Manpada, Smt. Gladys Alvares Marg, Thane (West) - 400 061.
7	Navi Mumbai - Turbhe	Warehouse	D-28/3, TTC Indl. Area Behind Turbhe Telephone Exchange, Turbhe, Navi Mumbai - 400 705.
8	Mumbai	Residential	Sarkar Castle Co-op. Hsg. Soc. Ltd., Flat No. 501, 5th Floor, 43 Chimbai Road, Bandra (west) Mumbai - 400 050
9	Kolkata	Office	Shop No. 201, 2nd Floor, South End Conclave, R. B. Connector, EKADP, Kolkata 700 078.
10	Kolkata	Residential	Vedic Village Unit No. L - F8 Shikharpur, P. S. Rajarhet North 24 Parganas, Kolkata 700 135
11	Lucknow	Office	3rd floor, Nihillesh Palace, Opp. Jawahar Nagar, 164/ 17-4, Ashok Marg, Lucknow - 226 0012
12	Jaipur	Office	Shop No. 203 & 204, 2nd Floor, The Guman - II, "A" Block, Opp. Tagore Public School, Vaishali Nagar, Jaipur - 302 021.
13	Indore	Office	Unit No. 402-408, 4th Floor, Sapphire heights, Plot No. 12, Agra - Bombay Road, Indore - 452 008.



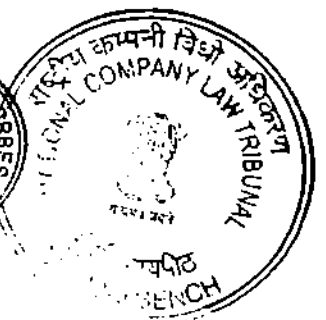
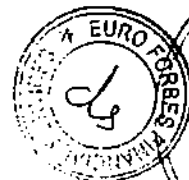
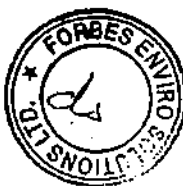
14	Ahmedabad	Office	2nd & 3rd Floor, CLOUD-9, 81/1, The Swastik Co. Op. Hsg. Soc. Ltd., Navrangpura Ahmedabad- 380 009.
15	Surat	Office	Shop No. 2, 2nd Floor, Shiv Pooja Shopping Centre, City Light Main Road, Surat – 395 007.
16	Baroda	Office	Office NO. 102, 1st Floor, Ivory Terrace, R. C. Dutta Road, Alkapuri, Vadodara – 390 005.
17	Bhubaneshwar	Office	Ground Floor, Bharati Tower, A- Block, Forest Park, Bhubaneswar – 751 009
18	Chennai	Office	Shop No. B4 on 2nd Floor, "Anmol Palani", No.88, G. N. Chetty Road. T. Nagar, Chennai – 600 017
19	Chennai	Office	Shop No. B5 on 3rd Floor, "Anmol Palani", No.88, G. N. Chetty Road. T. Nagar, Chennai – 600 017
20	Chennai	Office	Shop No. C5 & D5 on 3rd Floor, "Anmol Palani", No.88, G. N. Chetty Road. T. Nagar, Chennai – 600017
21	Hyderabad	Office	Unit No. 506, 5th Floor, Pavani Prestige, Commercial Building Complex, 6-3- 789, Ammerpet, Hyderabad – 500 016.
22	Hyderabad	Office	Unit No. 507 & 508, 5th Floor, Pavani Prestige, Commercial Building Complex, 6-3- 789, Ammerpet, Hyderabad – 500 016.
23	Cochin	Office	4th Floor, Tutus Tower, NH –47, Bye-Pass Road, Padivattom, Cochin -682 024.
24	Bangalore	Factory	No. 143, C-4, Bommasandra Industrial Area, Off Hosur Road, Bangalore - 560099
25	Dehradun	Factory	Khasra No.3946,3961-62, Lal Tappar Industrial Area, Majri Grant, Dehradun-248140
26	Pune	Office	201 B, 2nd Floor, The Orion 5, Koregaon Road, Pune – 411 001.

Annexure 2:

List of Subsidiaries and Joint Ventures

Indian Subsidiaries

Name of Companies	% held by EFL
Forbes Enviro Solutions Limited ("FESL")	100
Forbes Facility Services Private Limited ("FFSPL")	100
Forbes Aquatech Limited	66.67



B. Indian Joint Ventures

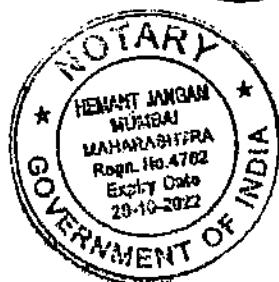
Name of Companies	% held by EFL
Forbes Concept Hospitality Services Private Limited	50
Infinite Water Solution Private Limited	50

C. Overseas Subsidiaries

Name of Companies	% held by EFL
EFL Mauritius Limited – Mauritius	100
Forbes Lux FZCO - Dubai	100
Euro Forbes Ltd – Dubai	100
Forbes Lux International AG – Switzerland	100
LIAG Trading and Investments Limited – Dubai	100
Lux (Deutschland) GmbH – Germany	100
Lux Hungaria Kereskedelmi Kft. – Hungary	100
Lux International AG – Switzerland	100
Lux Italia srl – Italy (in liquidation)	100
Lux Norge A/S – Norway	100
Lux Oesterreich GmbH – Austria	100
Lux Schweiz AG – Switzerland	100
Lux International Services & Logistics GmbH (formerly: Lux Service GmbH) – Germany	100
Lux Professional SA (formerly: Lux Aqua Paraguay SA) – Paraguay	100
Lux del Paraguay SA – Paraguay	80
Lux Welity Polska sp. z.o.o. – Poland	100

D. Overseas Joint Ventures

Name of Companies	% held by EFL
AMC Cookware Limited – South Africa	50



Annexure 3: List of companies (Lux Group)

Name of Companies	% held by EFL
EFL Mauritius Limited – Mauritius	100
Forbes Lux International AG – Switzerland	100
LIAG Trading and Investments Limited – Dubai (liquidated)	100
Lux (Deutschland) GmbH – Germany (liquidated)	100
Lux Hungaria Kereskedelmi Kft. – Hungary	100
Lux International AG – Switzerland	100
Lux Italia srl – Italy (liquidated)	100
Lux Norge A/S – Norway (sold)	100
Lux Oesterreich GmbH – Austria	100
Lux Schweiz AG – Switzerland	100
Lux International Services & Logistics GmbH (formerly: Lux Service GmbH) – Germany	100
Lux Professional SA (formerly: Lux Aqua Paraguay SA) – Paraguay	100
Lux del Paraguay SA – Paraguay	80
Lux Welity Polska sp. z.o.o. – Poland	100
AMC Cookware Limited – South Africa	50%



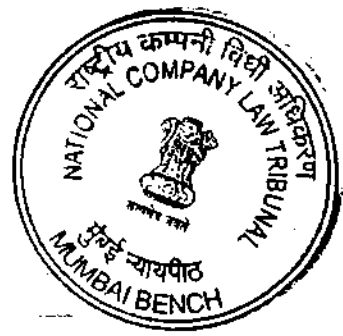
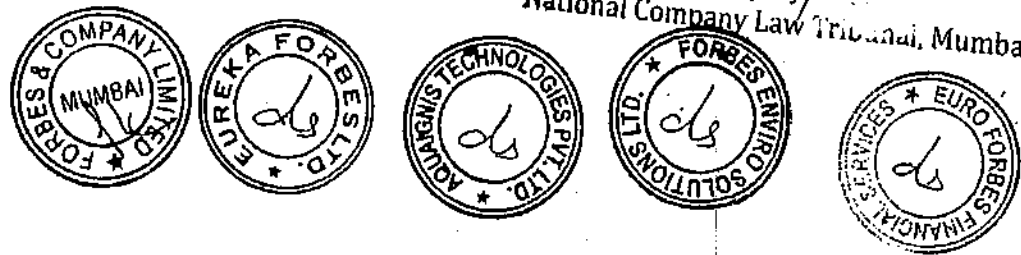
"Annexure 4: List of Classes (Forbes Trademark)

Class 1	Class 19	Class 31
Class 3	Class 20	Class 32
Class 5	Class 22	Class 33
Class 6	Class 23	Class 34
Class 8	Class 24	Class 35
Class 9	Class 25	Class 37
Class 10	Class 26	Class 41
Class 13	Class 27	Class 44
Class 16	Class 29	
Class 17	Class 30	

Certified True Copy
 Date of Application 25/01/2022
 Number of Pages 66
 Fee Paid Rs. 330
 Applicant called for 31/01/2022
 Copy prepared on 31/01/2022
 Copy Issued on 31/01/2022

Dep. *P. S. Sonawani*

National Company Law Tribunal, Mumbai Bench





**IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH-V**

C.P.(CAA)/303/MB-V/2023

Connected with

C.A.(CAA)/196/MB-V/2023

In the matter of
Companies Act, 2013

AND

In the matter of

Section 230-232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016;

In the matter of

Scheme of Arrangement between FORBES & COMPANY LIMITED, the Demerged Company and FORBES PRECISION TOOLS AND MACHINE PARTS LIMITED, the Resulting Company and their respective shareholders.

FORBES & COMPANY LIMITED, a)
company incorporated under the)
Companies Act, 1913 having its)
registered office at Forbes' Building,)
Charanjit Rai Marg, Fort, Mumbai 400)





IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH-V

C.P.(CAA)/303/MB-V/2023
Connected with
C.A.(CAA)/196/MB-V/2023

001.) ...Petitioner Company No.1
[CIN: L17110MH1919PLC000628]
FORBES PRECISION TOOLS AND)

MACHINE PARTS LIMITED, a company)
incorporated under the Companies)
Act, 2013 having its registered office at)
Forbes Building, Charanjit Rai Marg,)
Fort, Mumbai 400 001.) ...Petitioner Company No.2
[CIN: U29256MH2022PLC389649.]

Order delivered on: 09.02.2024

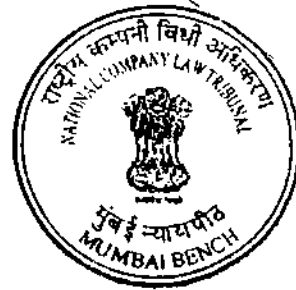
Coram:

Ms. Reeta Kohli Member (Judicial)

Ms. Madhu Sinha: Member (Technical)

Appearances:

For the Petitioners: Mr Ahmed M Chunawala





IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH-V

C.P.(CAA)/303/MB-V/2023
Connected with
C.A.(CAA)/196/MB-V/2023

ORDER

Per:Madhu Sinha, Member (Technical)

1. The Bench is conveyed by Physical hearing today.
2. Heard the Learned Counsel for the Petitioner Companies. No objector has come before this Tribunal to oppose the Scheme and nor has any party controverted any averments made in the Petitions to the said Scheme.
3. The sanction of the Tribunal is sought under Sections 230 to 232 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013 and the rules framed there under for the Scheme of Arrangement between FORBES & COMPANY LIMITED, the Demerged Company and FORBES PRECISION TOOLS AND MACHINE PARTS LIMITED, the Resulting Company and their respective shareholders.
4. The Petitioner Companies have approved the said Scheme of Amalgamation by passing the Board Resolutions dated 26th September, 2022 which are annexed to the respective Company Scheme Petitions.
5. The Learned Counsel appearing on behalf of the Petitioners states that the Petitions have been filed in consonance with the Order

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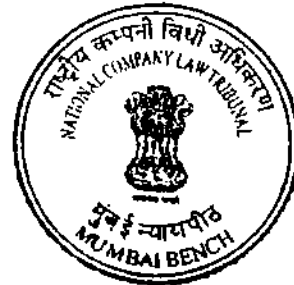
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passed in the Company Scheme Application No. 196 of 2023 of the Hon'ble Tribunal.

6. The Learned Counsel appearing on behalf of the Petitioners further states that the Petitioner Companies have complied with all requirements as per directions of the National Company Law Tribunal, Mumbai Bench and they have filed necessary affidavits of compliance in the National Company Law Tribunal, Mumbai Bench.
7. The Learned Counsel for the Petitioner Companies states that the First Petitioner Company is engaged in the business of providing engineering services, which primarily includes products such as threading tools and carbide tools and it is also engaged in Industrial Automation, Coding, Medical Devices, Parts and Applications and Ventilator business, Real Estate Business, and Investment Business into Subsidiaries, Joint Ventures and Associates, the Second Petitioner Company is incorporated to carry on the business of manufacturers, importers, exporters, buyers, sellers, traders, dealers, distributors, service providers of engineering and electrical products and services including taps, carbon and/or steel taps, drills, rotary burrs, tools, threading tools, grinding tools, measuring tools, hand tools, precision tools, tools of any kind, jigs, fixtures, dies, spare parts, accessories, filtering materials, designs, patterns, plants, apparatus, equipment, machinery, machine parts and to carry on such other

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activities as may be incidental or conducive or advantageously carried on with any of the above activities.

8. Consideration:

The Learned Counsel for the Petitioner Companies submits that upon coming into effect of the Scheme and in consideration for Demerger of Demerged Undertaking of the Demerged Company into the Resulting Company, the Resulting Company shall, without any further application or deed, issue and allot equity shares of face value INR 10/- each, credited as fully paid up, to all the equity shareholders of the Demerged Company whose names appear in the register of members of the Demerged Company as on the Record Date or to their respective heirs, executors, administrators or other legal representatives or the successors-in-title, as the case may be, in the following proportion:

4 (Four) fully paid up equity shares of INR 10/-each of the Resulting Company shall be issued and allotted to the equity shareholders of the Demerged Company for every 1(One) fully paid up equity shares of INR 10/- each held by them in the Demerged Company as on the Record Date

9. The rationale for the Scheme of Arrangement is as under:





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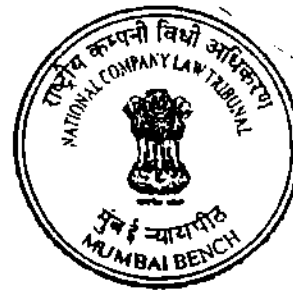
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Petitioner Company No. 1 and Petitioner Company No. 2 are under the same management. The management is of the opinion that the proposed Scheme is likely to result in the following benefits:

Forbes & Company Limited, a company listed on the BSE Limited, is engaged in the business of.

- a. Precision Tools business.
- b. Industrial Automation, Coding, Medical Devices, Parts and Applications and Ventilator business;
- c. Real Estate Business, and
- d. Investment into Subsidiaries, Joint Ventures and Associates.

Forbes Precision Tools and Machine Parts Limited, a wholly owned subsidiary of Forbes & Company Limited is incorporated on 30th August 2022 to carry on the business of manufacturers, importers, exporters, buyers, sellers, traders, dealers, distributors, service providers of engineering and electrical products and services including taps, carbon and/or steel taps, drills, rotary burrs, tools, threading tools, grinding tools, measuring tools, hand tools, precision tools, tools of any kind, jigs, fixtures, dies, spare parts, accessories, filtering materials, designs, patterns, plants, apparatus, equipment, machinery, machine parts and to carry on such other activities as may be incidental or conducive or advantageously carried on with any of the above activities.





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The nature of risk, competition, challenges, opportunities and business methods for Precision Tools business is separate and distinct from the remaining business carried out by the Demerged Company:

Each of the varied businesses carried out by the Demerged Company have significant potential for growth and profitability and can attract different set of investors, strategic partners, lenders, etc. Therefore, as these businesses approach their next phase of growth, it would be strategically apt to segregate the Precision Tools business from the remaining business.

The segregation shall enable them to move forward independently, with greater focus and specialization, building on their respective capabilities and their strong brand presence. It will also help to channelize resources required for all the businesses to focus on the growing businesses and attracting right talent and providing enhanced growth opportunities to existing talent in line with a sharper strategic focus on each business segment under separate entity.

The Scheme will also enable the Demerged Company and the Resulting Company to focus and enhance its respective businesses by streamlining operations and its management structure ensuring better and more efficient management control.





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Bifurcation of these businesses will enable unlocking value of its verticals thereby paving way for focused growth with a view to create significant stakeholder value and at the same time allow investors to allocate their portfolio into separate entities, focused on the distinct entities. Further, it will enable independent and distinct capital allocation approach and balance sheet management based on the distinct needs of each business.

Thus, the demerger pursuant to this Scheme is expected, inter-alia, to result in the following benefits:

- i. Create a sector focused Company;
- ii. Unlock the value for the shareholders of the Demerged Company by listing of the shares of the Resulting Company;
- iii. Allowing managements of each, Demerged Company and the Resulting Company, to pursue independent growth strategies;
- iv. Allow in creating the ability to achieve valuation based on respective risk-return profile and cash flows, attracting the right investors and thus enhancing flexibility in accessing capital;
- v. Independent collaboration and expansion

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10. The Regional Director has filed his Report dated 9th January 2024 inter-alia making the following observations in paragraphs 2 (a) to (n) which are reproduced hereunder:

Par a	Observation by the Regional Director	Undertaking of the Petitioner Company/Rejoinder
2(a)	<p>That on examination of the report of the Registrar of Companies, Mumbai dated 24.11.2023 for Petitioner Companies falls within the jurisdiction of ROC, Mumbai (Copy enclosed as Annexure A-1). It is submitted that no representation regarding the proposed scheme of Amalgamation has been received against the Petitioner Companies. Further, the Petitioner Companies has filed Financial Statements up to 31.03.2023.</p> <p>i. That the ROC Mumbai in his report dated 24.11.2023 stated</p>	<p>So far as the observation in paragraph 2(a)(i) of the Report of the Regional Director is</p>

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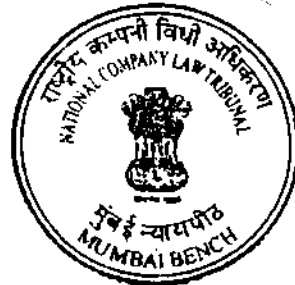




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<p>that No Inquiry, Inspection, Investigation Prosecutions, Technical Scrutiny, Complaints under CA, 2013 have been pending against the Petitioner Companies.</p> <p>ii. Further ROC has mentioned as follows:</p> <p>a. Demerged Company and Resulting Company has not filed GNL-1 till date.</p> <p>b. Demerged Company and Resulting Company has not</p>	<p>concerned, the Petitioner Companies submits that it is the facts of the case.</p> <p>So far as the observation in paragraph 2 (a)(ii)(a) of the Report of the Regional Director is concerned, the Petitioner Companies have filed GNL-1 vide SRN No. F899806061 dated 09th day of January, 2024 for the Petitioner Company No. 1 and SRN No. F89807143 dated 9th day of January, 2024 for the Petitioner Company No. 2.</p> <p>So far as the observation in paragraph 2 (a)(ii)(b) of the</p>
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	<p>filed MGT-14 till date.</p> <p>c. Interest of Creditors to be protected.</p> <p>d. NOC from RERA to be obtained.</p>	<p>Report of the Regional Director is concerned, the Petitioner Companies have filed MGT-14 vide SRN No. F31611221 dated 20th day of October, 2023 for the Petitioner Company No. 1 and SRN No. AA6114488 dated 9th day of November, 2023 for the Petitioner Company No. 2.</p> <p>So far as the observation in paragraph 2 (a)(ii)(c) of the Report of the Regional Director is concerned, the Petitioner Companies submits that the interest of Creditors will be protected.</p> <p>So far as the observation in paragraph 2(a)(ii)(d) of the Report of the Regional Director is concerned, the Petitioner Companies submits that NOC from RERA is not applicable. The Petitioner Company No. 1</p>
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		is transferring Precision Tools business of the Demerged Company and the remaining businesses will remain intact in the Demerged Company / Petitioner Company no. 1.
2(b)	In compliance of Accounting Standard-14 or IND-AS 103, as may be applicable, the transferee company shall pass such accounting entries which are necessary in connection with the scheme to comply with other applicable Accounting Standards including AS 5 or IND AS-8 etc.	So far as the observation in paragraph 2 (b) of the Report of the Regional Director is concerned, the Petitioner Companies undertakes that in addition to compliance of Ind. AS -103 for accounting treatment, the Transferee Company shall pass such accounting entries as may be necessary in connection with the Scheme to comply with other applicable accounting standards such as AS-5 or Ind AS-8 as applicable.
2(c)	The Hon'ble Tribunal may kindly direct the Petitioner Companies to	So far as the observation in paragraph 2 (c) of the Report of

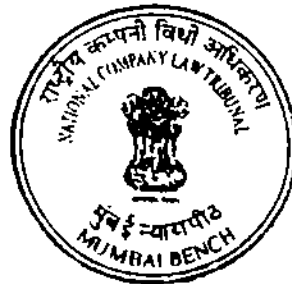




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	<p>file an affidavit to the extent that the Scheme enclosed to the Company Application and Company Petition are one and same and there is no discrepancy, or no change is made.</p>	<p>the Regional Director is concerned, the Petitioner Companies undertake that the Scheme enclosed to Company Application & Company Petition, are one and same and there are no discrepancy / any change / changes are made.</p>
2(d)	<p>The Petitioner Companies under provisions of section 230(5) of the Companies Act 2013 have to serve notices to concerned authorities which are likely to be affected by the Amalgamation or arrangement. Further, the approval of the scheme by the Hon'ble Tribunal may not deter such authorities to deal with any of the issues arising after giving effect to the scheme. The decision of authorities shall be such binding on the petitioner companies concerned.</p>	<p>So far as the observation in paragraph 2 (d) of the Report of the Regional Director is concerned, the Petitioner Company submits that the Petitioner Companies have served notices under the provisions of section 230(5) of the Companies Act, to all the concerned authorities as directed by the Hon'ble Tribunal which are likely to be affected by the Scheme. Further, the Transferee Company submits that the approval of the Scheme by the</p>





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		Hon'ble Tribunal would not deter such authorities to deal with any of the issues arising after giving effect to the Scheme and the decision of such authorities would be binding on the Petitioner Companies.
2(e)	The Hon'ble Tribunal may kindly seek the undertaking that this Scheme is approved by the requisite majority of members and creditors as per Section 230(6) of the Act in meetings duly held in terms of Section 230(1) read with 7 subsection (3) to (5) of Section 230 of the Act and the Minutes, thereof are duly placed before the Tribunal.	So far as the observation in paragraph 2 (e) of the Report of the Regional Director is concerned, the Petitioner Company submits that the meeting of the Equity Shareholders of the Petitioner Company No. 1 was called for and was passed by the requisite majority and that so far as the Petitioner Company No. 2 is concerned the meeting was dispensed with in view of the consent given by the Equity Shareholders.





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2(f)	It is submitted that the Petitioner/Demerged Company and Resulting Company be directed to place on the record of this Tribunal the list of assets to be demerged with complete details of its assets and valuation	So far as the observation in paragraph 2 (f) of the Report of the Regional Director is concerned, the Petitioner Company submits that they given the details of assets and Liabilities to RD dated 24 th November, 2023.
2(g)	It is submitted that the Petitioner/Demerged Company and Resulting Company has stated that the scheme is in compliance of Section 2(19AA), in this regard, petitioner company may be directed to place on record that as to how this scheme is in compliance of Section 2(19AA) of the Income Tax Act, 1961;	So far as the observation in paragraph 2 (g) of the Report of the Regional Director is concerned, the Petitioner Companies submits that they will Comply with the provisions of Income Tax Act, 1961 and their Rules thereunder.
2(h)	As per Definition of the Scheme, " Appointed Date " means 1 st April 2023 or such other date as may be	So far as the observation in paragraph 2 (h) of the Report of the Regional Director is concerned, the Petitioner

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<p>fixed or approved by National Company Law Tribunal, Mumbai Bench.</p> <p>“Effective Date” means the date on which the certified copy of the order sanctioning this Scheme, passed by the National Company Law Tribunal at Mumbai, is filed with the Registrar of Companies, Mumbai by the Demerged Company and the Resulting Company.</p> <p>“Record Date” means the date fixed by the Board of Directors or a committee thereof of the Resulting Company for the purpose of issue of shares of the Resulting Company to the shareholders of the Demerged Company.</p> <p>In this regard, it is submitted that Section 232 (6) of the Companies Act, 2013 states that the scheme</p>	<p>Companies submits that the Appointed Date is 1st April, 2023. The Petitioner Companies further submits that the Petitioner Companies will comply with the requirements as to Appointed Date as clarified vide circular no. F. No.7/12/2019/CL-1 dated 21.08.2019 issued by the Ministry.</p>
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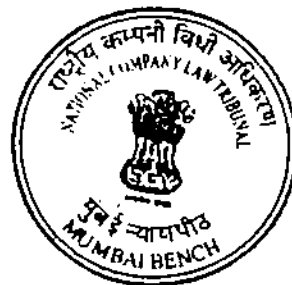




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	<p>under this section shall clearly indicate an appointed date from which it shall be effective, and the scheme shall be deemed to be effective from such date and not at a date subsequent to the appointed date. However, this aspect may be decided by the Hon'ble Tribunal taking into account of its inherent powers.</p> <p>The Petitioner Companies shall undertake to comply with the requirements as clarified vide circular no. F. No. 7/12/2019/CL-I dated 21.08.2019 issued by the Ministry of Corporate Affairs.</p>	
2(i)	<p>Petitioner Companies shall undertake to comply with the directions of the Income Tax Department & GST Department, if any.</p>	<p>So far as the observation in paragraph 2 (i) of the Report of the Regional Director is concerned, the Petitioner Companies submits that the Petitioner Companies shall</p>



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		ensure compliance of all the provisions of Income Tax Act and GST Act and Rules thereunder.
2(j)	Petitioner Companies shall undertake to comply with the directions of the concerned sectorial Regulatory including RERA as Petitioner Demerged Company is engaged into some construction business activities, if any.	So far as the observation in paragraph 2 (j) of the Report of the Regional Director is concerned, the Petitioner Companies submits that the RERA is not applicable to the Petitioner Companies as it doesn't have any ongoing Real estate Construction of Residential Projects.
2(k)	As per list of shareholders of Demerged Company as on 01.04.2023; Petitioner Demerged Company has non-resident/foreign shareholders, hence Petitioner Companies shall undertake to comply with RBI, FEMA/FERA guidelines.	So far as the observation in paragraph 2 (k) of the Report of the Regional Director is concerned, the Petitioner Companies submits that they undertake to Comply with the Directions of RBI, FEMA/FERA guidelines.
2(l)	Petitioner Companies shall	So far as the observation in

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	<p>undertake to comply with the observations pointed out by BSE Limited vide their observation letter dated 07.07.2023</p>	<p>paragraph 2 (l) of the Report of the Regional Director is concerned, the Petitioner Companies submits that they would comply with the directions of BSE after the Scheme is approved by the National Company Law Tribunal.</p>
2(m)	<p>As per clause 11 of the scheme, Petitioner Companies proposed for reduction of share capital, which is as follows:-</p> <p>a. The existing share capital i.e. shares held by the shareholders of the Resulting Company viz. the Demerged Company prior to the Scheme becoming effective shall stand cancelled without any further application, act, instrument or deed, as an integral part of this Scheme.</p>	<p>So far as the observation in paragraph 2 (m) of the Report of the Regional Director is concerned, the Petitioner Companies submits that the reduction is an integral part of the Scheme and the shares held by the Demerged Company in the Resulting Company would be cancelled. The Petitioner Company further submits that Explanation to section 230(12) submits that the in the provisions of Section 66 of the Company Act, 2013</p>





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<p>b. The share certificate(s) in relation to the shares held by the existing shareholders of the Resulting Company (i.e. the Demerged Company), shall, without any further application, act, instrument or deed, be deemed to have been automatically cancelled and no new share certificates will be issued by the Resulting Company, in lieu of share certificates already held by existing shareholders of the Resulting Company.</p> <p>c. The said cancellation of investments held by the Demerged Company in the Resulting Company and the said reduction in the share capital of the Resulting</p>	<p>will not apply to the reduction of Share Capital.</p>
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Company shall be adjusted to capital reserve in the books of the Resulting Company and shall be effected as an integral part of the Scheme and the orders of the NCLT sanctioning the Scheme shall be deemed to be an order under section 66 of the Act confirming the reduction and no separate sanction under section 66 of the Act will be necessary.

- d. Notwithstanding the reduction of capital of the Resulting Company, the Resulting Company shall not be required to add "And Reduced" as suffix to its name.

In this regard, Petitioner Companies shall undertake to comply with provisions of section 66 of Companies Act, 2013 r/w.

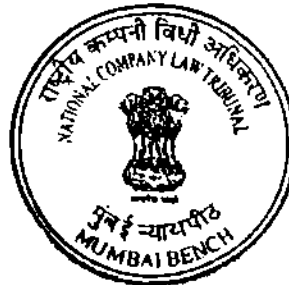




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applicable Rules						
2(n)	It is observed from Financial Statement as on 31.03.2022 of the Petitioner Companies, details of shareholding is as follows:-				So far as the observation in paragraph 2 (n) of the Report of the Regional Director is concerned, the Petitioner Companies submits that the filing of Form BEN-2 has been filed vide SRN No. H81286098 dated 07 th August, 2019 and SRN No. F87741237 dated 14 th December, 2023 for M/s. FORBES & COMPANY LIMITED and vide SRN No. F87763967 dated 14 th December, 2023 and SRN No. F89875793 dated 09 th January, 2024 for M/s FORBES PRECISION TOOLS AND MACHINE PARTS LIMITED.	
	Sr. No.	Petitioner Company	Name of Share holder	% of shares held		Remark
		FORBES & COMPANY LIMITED	SHARPOORJI PALLONJI AND COMPANY PRIVATE LIMITED	72.56 %		
	FORBES	FOR	100%	No		

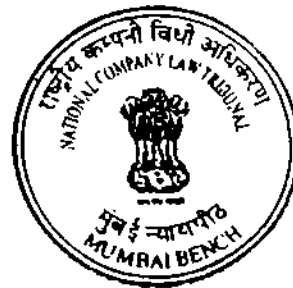




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	S PRECI SION TOOLS AND MACHI NE PARTS LIMITE D	BES & COM PANY LIMI TED		Form BEN- 2 has been filed by the Petiti oner Com pani es as per recor ds avail able at MCA 21 Porta l	
No Form BEN-2 has been filed by any of the Petitioner Companies as					



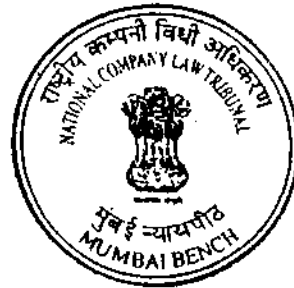


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<p>per records available at MCA21 Portal, hence Petitioner Companies shall undertake to comply with the provisions of section 90 of Companies Act, 2013 r/w. Companies (Significant Beneficial Owners) Amendment Rules, 2019, thereunder and to file Form BEN-2 for declaring name of the significant beneficial owner with concerned ROC.</p>	
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11. The observations made by the Regional Director have been explained by the Petitioner Companies in Para 10 above. The Representative of the RD has submitted that the explanations and clarifications given by the petitioner companies are found satisfactory and that they have no objection to the Scheme.





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12. From the material on record, the Scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy.
13. Since all the requisite statutory compliances have been fulfilled, Company Scheme Petition No. 303 of 2023 is made absolute in terms of clauses 28. (A) to (C) of the said Company Scheme Petition.
14. Petitioners are directed to file a copy of this Order along with a copy of the Scheme of Arrangement with the concerned Registrar of Companies, electronically along with E-Form INC-28, in addition to physical copy within 30 days from the date of receipt of the Order from the Registry.
15. The Petitioner Companies to lodge a copy of this Order and the Scheme duly authenticated by the Deputy Registrar or Assistant Registrar, National Company Law Tribunal, Mumbai Bench, with the concerned Superintendent of Stamps, for the purpose of adjudication of stamp duty payable within 60 days from the date of receipt of the Order, if any.
16. All authorities concerned to act on a copy of this Order along with Scheme duly authenticated by the Deputy Director or Assistant Registrar, National Company Law Tribunal, Mumbai.
17. The Appointed Date is 1st April, 2023.





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18. Accordingly, C.P.(CAA)/303/MB-V/2023 is allowed and disposed.

SD/-

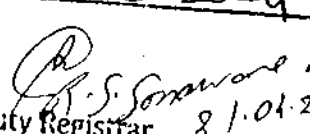
Madhu Sinha
Member (Technical)

SD/-

Reeta Kohli
Member (Judicial)

/Priyanka/



Certified True Copy _____
Date of Application 15-02-2024
Number of Pages 26
Fee Paid Rs. 130/-
Applicant called for collection copy on 22-02-2024
Copy prepared on 21-02-2024
Copy Issued on 27-02-2024

Deputy Registrar 21.02.2024
National Company Law Tribunal, Mumbai Bench

SCHEME OF ARRANGEMENT

UNDER SECTION 232 READ WITH SECTION 230 OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND RULES FRAMED THEREUNDER

BETWEEN

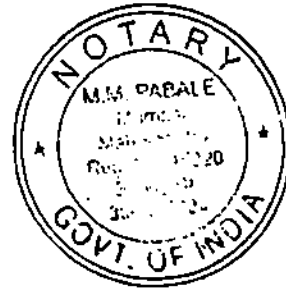
FORBES & COMPANY LIMITED
(*FCL* or *Demerged Company*)

AND

FORBES PRECISION TOOLS AND MACHINE PARTS LIMITED
(*FPTL* or *Resulting Company*)

AND

THEIR RESPECTIVE SHAREHOLDERS



1. PREAMBLE

This Scheme of Arrangement (*Scheme*) is presented under Section 232 read with Section 230 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder for demerger of the Demerged Undertaking (hereinafter defined) from Forbes & Company Limited into Forbes Precision Tools and Machine Parts Limited on a going concern basis, in the present form or with such alterations / modifications, as may be approved or imposed or directed by National Company Law Tribunal (*NCLT*).

2. DESCRIPTION OF COMPANIES

Forbes & Company Limited (*FCL* or *Demerged Company*) was incorporated in the State of Maharashtra on 18th November, 1919 as 'The Gokak Mills Limited' under the Indian Companies Act, 1913. Thereafter, the name was changed to 'Gokak Patel Volkart Limited' on 31st December, 1973. Further, on 28th September, 1992, its name was changed to 'Forbes Gokak Limited' and finally, on 25th October, 2007, it was changed to its current name 'Forbes & Company Limited'. It has its Corporate Identity Number as L17110MH1919PLC000628. The Registered Office is situated at Forbes Building, Charanjit Rai Marg, Fort, Mumbai 400 001 and having PAN AAACF1765A and Email ID of its authorised representative is rupa.khanna@forbes.co.in.

Forbes Precision Tools and Machine Parts Limited (*FPTL* or *Resulting Company*), was incorporated as a Public limited company in the State of Maharashtra on 30th August 2022. It



has Corporate Identity Number U29256MH2022PLC389649. The Registered Office is situated at Forbes Building, Charanjit Rai Marg Fort Mumbai, MH 400001, India and having PAN AAFCF2015G and email ID of its authorised representative is nirmal.jagawat@forbes.co.in

3. RATIONALE OF THE SCHEME

3.1. Forbes & Company Limited, a company listed on the BSE Limited, is engaged in the business of:

- (a) Precision Tools business
- (b) Industrial Automation, Coding, Medical Devices, Parts and Applications and Ventilator business;
- (c) Real Estate Business, and
- (d) Investment into Subsidiaries, Joint Ventures and Associates

3.2. Forbes Precision Tools and Machine Parts Limited, a wholly owned subsidiary of Forbes & Company Limited is incorporated on 30th August 2022 to carry on the business of manufacturers, importers, exporters, buyers, sellers, traders, dealers, distributors, service providers of engineering and electrical products and services including taps, carbon and/or steel taps, drills, rotary burrs, tools, threading tools, grinding tools, measuring tools, hand tools, precision tools, tools of any kind, jigs, fixtures, dies, spare parts, accessories, filtering materials, designs, patterns, plants, apparatus, equipment, machinery, machine parts and to carry on such other activities as may be incidental or conducive or advantageously carried on with any of the above activities.

3.3. The nature of risk, competition, challenges, opportunities and business methods for Precision Tools business is separate and distinct from the Remaining Business carried out by the Demerged Company.

3.4. Each of the varied businesses carried out by the Demerged Company have significant potential for growth and profitability and can attract different set of investors, strategic partners, lenders, etc. Therefore, as these businesses approach their next phase of growth, it would be strategically apt to segregate the Precision Tools business from the Remaining Business.

3.5. The segregation shall enable them to move forward independently, with greater focus and specialization, building on their respective capabilities and their strong brand presence. It will also help to channelize resources required for all the businesses to focus on the growing businesses and attracting right talent and providing enhanced growth opportunities to existing talent in line with a sharper strategic focus on the business segment under separate entity.



3.6. The Scheme will also enable the Demerged Company and the Resulting Company to focus and enhance its respective businesses by streamlining operations and its management structure ensuring better and more efficient management control.

3.7. Bifurcation of these businesses will enable unlocking value of its verticals thereby paving way for focused growth with a view to create significant stakeholder value and at the same time allow investors to allocate their portfolio into separate entities, focused on the distinct entities. Further, it will enable independent and distinct capital allocation approach and balance sheet management based on the distinct needs of each business.

3.8. Thus, the demerger pursuant to this Scheme is expected, inter-alia, to result in the following benefits:

- i. Create a sector focused Company;
- ii. Unlock the value for the shareholders of the Demerged Company by listing of the shares of the Resulting Company;
- iii. Allowing managements of the each of the Demerged Company and the Resulting Company to pursue independent growth strategies;
- iv. Allow in creating the ability to achieve valuation based on respective risk-return profile and cash flows, attracting the right investors and thus enhancing flexibility in accessing capital;
- v. Independent collaboration and expansion.

3.9. The Scheme is in the interest of the shareholders, creditors, lenders and various other stakeholders of the respective companies. It is not prejudicial to the interests of shareholders, creditors, lenders and various other stakeholders of the respective companies.

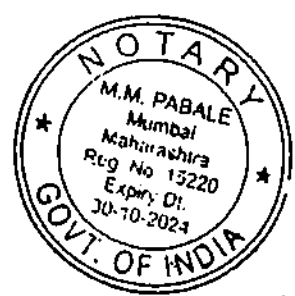
4. PARTS OF THE SCHEME

This Scheme is divided into the following parts:

Part I deals with definitions and Interpretation;

Part II deals with Demerger and vesting of the Demerged Undertaking (hereinafter defined) from Forbes & Company Limited Into Forbes Precision Tools and Machine Parts Limited on a going concern basis; and

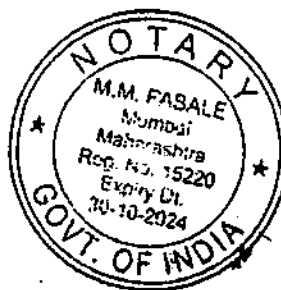
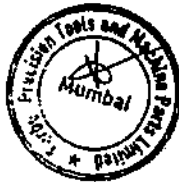
Part III deals with the General Terms and Conditions.



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5. TREATMENT OF THE SCHEME FOR THE PURPOSES OF INCOME TAX ACT, 1961

The provisions of this Scheme have been drawn up to comply with the conditions relating to "Demerger" as defined under section 2(19AA) of the Income Tax Act, 1961. If, at a later date, any of the terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of section 2(19AA) of the Income Tax Act, 1961, including as a result of an amendment of law or enactment of new legislation or any other reason whatsoever, the provisions of section 2(19AA) of the Income Tax Act, 1961, or a corresponding provisions of any amended or newly enacted law, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with section 2(19AA) of the Income Tax Act, 1961. Such modifications, if required to be made will, however, not affect the other provisions (including those relating to accounting treatment) of the Scheme.



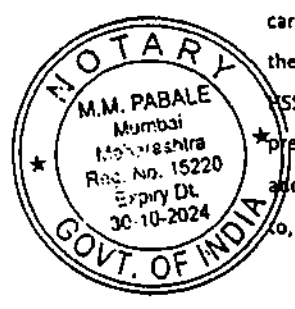
PART I

DEFINITIONS AND INTERPRETATION

1. DEFINITIONS

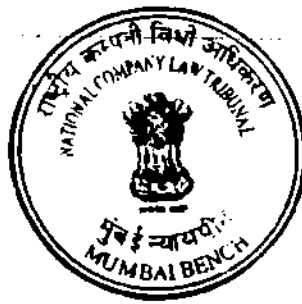
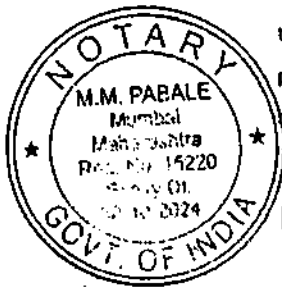
In this Scheme, unless repugnant to the context, the following expressions shall have the following meaning:

- 1.1. "Act" means the Companies Act, 1956 and/or Companies Act, 2013, to the extent its provisions relevant for this Scheme are notified and ordinances, rules and regulations made thereunder and shall include any statutory modifications, re-enactment or amendment thereof for the time being in force.
- 1.2. "Appointed Date" means 1st April 2023 or such other date as may be fixed or approved by National Company Law Tribunal, Mumbai Bench.
- 1.3. "Board of Directors" or "Board" means the Board of Directors of the Demerged Company and the Resulting Company, as the case may be, and shall include a duly constituted committee thereof.
- 1.4. "Effective Date" means the date on which the certified copy of the order sanctioning this Scheme, passed by the National Company Law Tribunal at Mumbai, is filed with the Registrar of Companies, Mumbai by the Demerged Company and the Resulting Company
- 1.5. "FCL" or "Demerged Company" means Forbes & Company Limited having its Corporate Identity Number as L17110MH1919PLC000628, having registered office at Forbes Building, Charanjit Rai Marg, Fort Mumbai 400001.
- 1.6. "FPTL" or "Resulting Company" means Forbes Precision Tools and Machine Parts Limited having its Corporate Identity Number as U29256MH2022PLC389649, having registered office at Forbes Building, Charanjit Rai Marg Fort Mumbai, MH 400001.
- 1.7. "Demerged Undertaking" means the Precision Tools business of the Demerged Company, carried on anywhere in India either by itself or through its subsidiaries, inter alia, including the business activity of manufacturing & trading of cutting tools, HSS Taps, HPT, Rotary Burrs, HSS Drills, CST Dies, Spring Washer, Threading Tools and Carbide Tools, and such other precision tools and assets, properties, liabilities and obligations of whatsoever nature and kind and wheresoever situated, of the Demerged Company as on the Appointed Date, belonging to, or forming part of, or relating or appertaining to, or attributable to the division identified



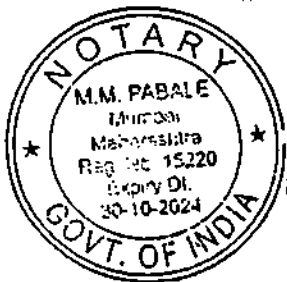
as the Precision Tools business of the Demerged Company and shall include the following without limitation:

- a) all assets and properties, whether movable or immovable (as per Annexure 1), tangible or intangible, whether corporeal or incorporeal, leasehold land including leasehold land at Waluj, Aurangabad (together with the building and structure standing thereupon), plant and machinery, capital work in progress, advances, deposits, sundry debtors, inventories, cash and bank balances, bills of exchange, other fixed assets, trademarks, brands, including brands such as 'Totem', 'BBBB', 'Forbes Kendo', etc., development rights, outstanding loans and advances including advances given for purchase of immovable property, recoverable in cash or in kind or for value to be received inventory and work in progress wherever situated pertaining to the Demerged Undertaking;
- b) assets other than those referred to in sub-clauses (a) above being general in nature, if any, of the Demerged Company be allocated to the Demerged Undertaking in the manner as may be decided by the Board of the Demerged Company.
- c) all present and future liabilities arising out of the activities or operations of the Demerged Undertaking including loans, debts, current liabilities and provisions, duties and obligations relating to the Demerged Undertaking;
- d) without prejudice to the generality of the above, the Demerged Undertaking shall include in particular:
 - i. all properties constituting, relating to or required for the Demerged Undertaking wherever situated, including all fixed assets, work in progress, current assets, plant and machinery, equipment, funds, offices, office equipment, accessories, computer, fixtures, fittings, furniture, vehicles and other goods, in respect of the Demerged Undertaking; including leasehold improvements, all other tangible and intangible assets of whatsoever nature, lease and hire purchase contracts, contracts, engagements, arrangements, rights, assignment/ sub-letting of tenancy rights with or without the consent of the landlord, as may be required by law, leave and license agreements, titles, interests, benefits and advantages of any nature whatsoever and where-so-ever situated.
 - ii. all permits, quotas, rights, entitlements, bids, powers, allotments, authorities, tenders, approvals, letters of intent, expressions of interest, municipal and other statutory permissions, approvals, permissions, including municipal permissions, consents, licenses, registrations, subsidies, concessions, exemptions, remissions, tax deducted at source, tax deferrals, advance taxes paid tenancies in relation to office and/or residential property for the employees, goodwill, intellectual property, cash balances, the benefit of any deposit, financial assets, belonging to or proposed to be utilized for the Demerged Undertaking, bank balances and bank accounts relating to the day to day operations and specific to the working of the Demerged Undertaking, privileges, all other rights and benefits, lease rights, patents, trademarks, domain names, copyrights, trade name, designs and drawings, plans including building plans,



clearances, certificates including commencement certificates issued by any local authorities, domain names and utility models, inventions, and any similar rights and the benefit of any of the foregoing and other intellectual property rights of any nature whatsoever and licenses in respect thereof, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephone, telexes, facsimile connection and installations, utilities, power lines, electricity and other services, provisions, funds, benefits of all agreements, subsidies, grants, special incentive schemes and any other incentive schemes formulated by Central or State Government, if any, contracts and arrangements, other records, whether in physical form or electronic form, insurance policies and all other interest in connection with or relating to the Demerged Undertaking;

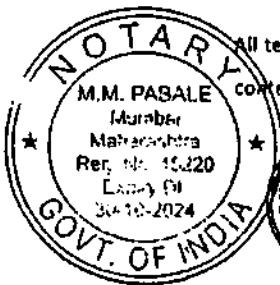
- iii. all records, files, papers, computer programs, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former clients and suppliers, clients credit information, clients pricing information, and other records, whether in physical form or electronic form in connection with or relating to the Demerged Undertaking;
 - iv. all contracts, agreements including development agreements, purchase orders / service orders, operation and maintenance contracts, understanding in connection with or pertaining to or relating to the Demerged Undertaking;
 - v. all employees of the Demerged Company employed in and / or relating to the Demerged Undertaking as identified by the Board of the Demerged Company as on the Effective Date; and
 - vi. all earnest moneys and/or security deposits, if any, paid or received by the Demerged Company in connection with or relating to the Demerged Undertaking.
- e) For the purpose of this Scheme, the liabilities pertaining to the Demerged Undertaking means and includes:
- i. all liabilities (including contingent liabilities) arising out of the activities or operation of the Demerged Undertaking including in relation or connection with Taxes or under or in relation to its contracts, other obligations, duties and sums owing;
 - ii. specific loans and borrowings raised, if any, incurred and utilized solely for the activities or operations of the Demerged Undertaking;
 - iii. liabilities other than those referred to in sub-clauses (i) and (ii) above being the amounts of general or multipurpose borrowings, if any, of the Demerged Company be allocated to the Demerged Undertaking in the same proportion in which the value of the assets transferred under this clause bears to the total value of the assets of the Demerged Company immediately before the Appointed Date of the Scheme.
 - iv. Whether any particular asset or liability should be included as asset or liability of the Demerged Undertaking or otherwise shall be decided mutually by the Board or any committee thereof of the Demerged Company and the Resulting Company.



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- 1.8. "NCLT" means the National Company Law Tribunal, Mumbai Bench having jurisdiction in relation to the Demerged Company and the Resulting Company and shall be deemed to include, if applicable, a reference to such other forum or authority which may be vested with any of the powers of NCLT to sanction the Scheme under the Act.
- 1.9. "Record Date" means the date fixed by the Board of Directors or a committee thereof of the Resulting Company for the purpose of issue of shares of the Resulting Company to the shareholders of the Demerged Company.
- 1.10. "Remaining Business" means all the undertakings, businesses, activities, operations, assets and liabilities of the Demerged Company other than those comprised in the Demerged Undertaking.
- 1.11. "Scheme" or "the Scheme" or "this Scheme" means this Scheme of Arrangement, in its present form as submitted to the NCLT for approval, with or without any modifications pursuant to Clause 14 of this Scheme, as may be approved or imposed or directed by the NCLT or any other appropriate authority.
- 1.12. "SEBI Circular" means circulars issued by SEBI being Circular CFD/DIL3/CIR/2017/21 dated 10th March, 2017 and any amendments or modifications thereof, and any other circular issued pursuant to Regulations 11, 37 and 94 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- 1.13. "Stock Exchange" means BSE Limited.
- 1.14. "Taxation" or "Tax" or "Taxes" means all forms of taxes and statutory, governmental, state, provincial, local government or municipal impositions, duties, contribution and levies and whether levied by reference to income, profit, book profits, gains, net wealth, asset values, turnover, added value or otherwise and shall further include payments in respect of or on account of Tax, whether by way of deduction at source, advance tax, minimum alternate tax or otherwise or attributable directly or primarily to the Demerged Company and the Resulting Company, as the case may be, or any other person and all penalties, charges, costs and interest relating thereto;
- 1.15. "Transition period" means period starting from the date immediately after the Appointed Date till the Effective Date.

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



other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

2. SHARE CAPITAL

2.1. The share capital structure of the Demerged Company as on 30th June, 2022 is as under –

Share Capital	Amount (INR)
Authorized Share Capital	
4,30,50,000 equity shares of INR 10 each	43,05,00,000
TOTAL	43,05,00,000
Issued, subscribed and paid-up Share Capital	
1,28,98,616 equity shares of INR 10 each	12,89,86,160
TOTAL	12,89,86,160

There is no change in the authorised, issued, subscribed and paid-up share capital of the Demerged Company from 30th June, 2022 till the date of approval of the Scheme by the Board of the Demerged Company.

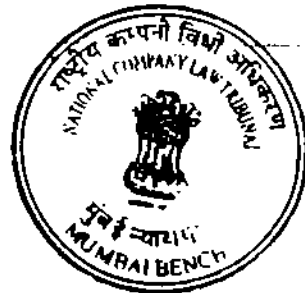
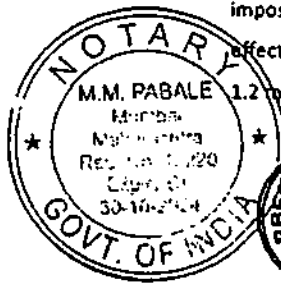
2.2. The share capital structure of the Resulting Company as on its date of incorporation i.e. 30th August, 2022 is as under –

Share Capital	Amount (INR)
Authorized Share Capital	
50,000 equity shares of INR 10 each	5,00,000
TOTAL	5,00,000
Issued, subscribed and paid-up Share Capital	
50,000 equity shares of INR 10 each	5,00,000
TOTAL	5,00,000

There is no change in the authorised, issued, subscribed and paid-up share capital of the Resulting Company from 30th August, 2022 till the date of approval of the Scheme by the Board of the Resulting Company. The entire share capital of the Resulting Company is held by the Demerged Company.

3. DATE OF TAKING EFFECT AND OPERATIVE DATE

3.1. The Scheme shall be effective in its present form or with any modification(s) approved or imposed or directed by the NCLT or any other appropriate authority and shall become effective from the Appointed Date as provided in Section 232(6) of the Act in terms of Clause 1.2 mentioned above.



PART II – DEMERGER AND VESTING OF THE DEMERGED UNDERTAKING INTO THE RESULTING COMPANY ON A GOING CONCERN BASIS

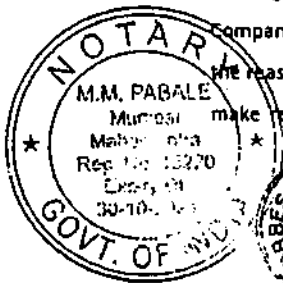
4. TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING INTO THE RESULTING COMPANY

4.1. Upon coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme, the Demerged Undertaking as defined in Clause 1.7, shall pursuant to the provisions of section 232 read with section 230 and other applicable provisions, if any, of the Act, without any further act, instrument or deed, be transferred to and vested in or deemed to be transferred to and vested in the Resulting Company, as a going concern, in accordance with section 2(19AA) of the Income-tax Act, 1961, so as to vest in the Resulting Company all the rights, title and interest of the Demerged Undertaking therein, subject to the subsisting charges and pledges, if any.

4.2. Without prejudice to the provisions of Clause 4.1, in respect of such assets and properties of the Demerged Company relating to the Demerged Undertaking, as are moveable in nature, including cash in hand, capable of passing by manual delivery or by endorsement and delivery, shall be so delivered or endorsed and delivered, as the case may be, and shall upon such delivery or endorsement and delivery, become the assets and properties of the Resulting Company, without requiring any deed or instrument or conveyance for the same.

4.3. In respect of any movable assets other than those mentioned in Clause 4.2 above, including investments, interests, intangible assets, 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, the Demerged Company shall if so required by the Resulting Company, issue notices in such form as the Resulting Company may deem fit and proper stating that pursuant to the NCLT having sanctioned this Scheme, the relevant debt, loan, advance or other asset, be paid or made good or held on account of the Resulting Company, as the person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realize the same stands transferred to the Resulting Company.

4.4. If any asset relating to the Demerged Undertaking (including but not limited to any estate, rights, title, interest in or authorities relating to such asset) which the Demerged Company owns, cannot be transferred to the Resulting Company for any reason whatsoever, the Demerged Company shall, (i) hold such asset in trust for the sole benefit of the Resulting Company till the same is transferred and shall hold and deal with the same in accordance with the reasonable instructions as may be given by the Resulting Company in that regard; and (ii) make reasonable efforts to transfer such asset to the Resulting Company (along with any

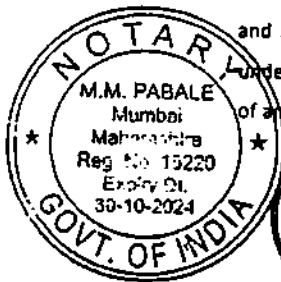


benefits attached thereto) within the earliest possible period pursuant to the Scheme becoming effective.

4.5. All patents, patent rights applications, brands, trademarks, trade names, knowhow, content, software, manuals, copyrights and other Industrial properties and rights of any nature whatsoever and licenses assignments, grants in respect thereof, privileges, liberties, easements, contract advantages, benefits, goodwill, quota rights, permits, approvals, authorisations, right to use and avall of telephones, telexes, facsimile and other communication facilities, connections, equipments and installations, utilities, electricity and electronic and all other services of every kind, nature and descriptions whatsoever, reserves, provisions, funds, benefit of all agreements, arrangements including but not limited to indemnities/ guarantees given by the Demerged Company in relation to the Demerged Undertaking, deposits, advances, recoverable and receivables whether from government, semi-government, local authorities or any other customs etc., and all other rights, interests, claims and powers of every kind, nature and description of and arlsing to them, cash and bank balances, all earnest moneys and/ or deposits including security deposits paid by them, the entire business and benefits and advantages of whatsoever nature and where-so-ever situated belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Demerged Company and relatable to the Demerged Undertaking, stand transferred to and vested in and/ or be deemed to be and stand transferred to and vested in the Resulting Company pursuant to the provisions of section 230 to section 232 of the Act so as to become as and from the Appointed Date, the estate, assets, right, title and interests of the Resulting Company.

4.6. All the immovable property whether or not included in the books of the Demerged Company pertaining to the Demerged Undertaking, whether freehold or leasehold (including but not limited to any other document of title, rights, interest and easements in relation thereto, and any shares in cooperative housing societies associated with such immoveable property) shall stand transferred to and be vested in the Resulting Company, with effect from the Appointed Date, without any act or deed to be done or executed by the Demerged Company and/or the Resulting Company. With regard to the licenses of the properties, the Resulting Company will enter into novation agreements, if it is so required.

4.7. Upon the coming into effect of this Scheme and with effect from the Appointed Date, the debts, advances, liabilities and obligations pertaining to the Demerged Undertaking shall, under the provisions of sections 232 read with section 230 of the Act, without any further act or deed shall stand transferred to or be deemed to be transferred to the Resulting Company and shall become the debts, liabilities and obligations of the Resulting Company which It undertakes to meet, discharge and satisfy 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, advances, liabilities and obligations have arisen in order to give effect to the provisions of this sub-clause.

4.8. In so far as the assets comprised in the Demerged Undertaking are concerned, the security, existing charges, mortgages and encumbrances, if any, over or in respect of any of the assets or any part thereof or charge over such assets relating to any loans or borrowings not relating to the Demerged Undertaking shall, without any further act or deed, be released and discharged from the same and shall no longer be available as security in relation to the liabilities, which are not related to Demerged Undertaking. The Demerged Company to apply to the authorities for release of such assets and apply to Registrar of Companies for modification of charges, encumbrances created on such assets, if required.

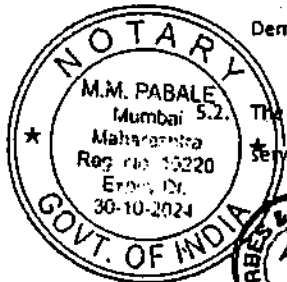
4.9. All assets, estate, rights, title, interest and authorities acquired by the Demerged Company including but not limited to all construction and investments related approvals / permissions, other approvals, etc. that may be received from the various authorities from time to time, after the Appointed Date and prior to the Effective Date for operation of the Demerged Undertaking shall also stand transferred to and vested in the Resulting Company with effect from the Effective Date.

4.10. All accrued or unaccrued advance income tax, service tax, sales tax, goods and services tax, any tax deduction / collection at source of any other taxes of any nature, duties, cesses or any other like payments or deductions made by the Demerged Company pertaining to the Demerged Undertaking to any statutory authorities including all or any refunds/credit/claims relating thereto shall be deemed to have been on account of or paid by the Resulting Company.

5. STAFF, EMPLOYEES AND WORKERS

5.1. Upon the Scheme coming into effect, all staff, employees and workers pertaining to the Demerged Undertaking, including all staff, employees and workers forming part of the Demerged Undertaking in service (including but not limited to permanent, temporary or contractual) immediately preceding the Effective Date shall be deemed to have become staff, employees and workers of the Resulting Company 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 the Resulting Company shall not be less favorable than those applicable to them as a part of the Demerged Undertaking of the Demerged Company immediately preceding the transfer.

The equitable interest in accounts/funds of the staff, employees and workers, if any, whose services are vested with the Demerged Company, relating to superannuation, provident fund



and gratuity fund and other funds similar in nature, shall be identified, determined and vested with the respective trusts/funds of the Resulting Company and such staff, employees and workers shall be deemed to have become members of such trusts/funds of the Resulting Company. Until such time, the Resulting Company in relation to the Demerged Undertaking may, subject to necessary approvals and permissions, if any, continue to make contributions pertaining to the employees of the Demerged Undertaking to the relevant funds of the Demerged Company in relation to the Demerged Undertaking.

6. LEGAL PROCEEDINGS

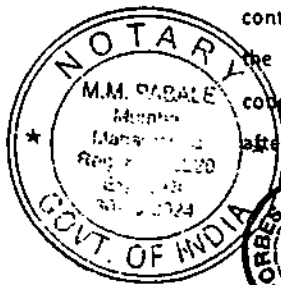
6.1. Upon the Scheme coming into effect, if any suit, appeal or other legal proceedings of whatsoever nature by or against the Demerged Company in relation to the Demerged Undertaking is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the Demerger and by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Resulting Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Demerged Company in relation to the Demerged Undertaking as if this Scheme had not been made. In the event that the legal proceedings referred to herein require the Demerged Company in relation to the Demerged Undertaking as party thereto, the Resulting Company shall be added as party to such proceedings and shall prosecute and defend such proceedings in co-operation with the Demerged Company in relation to the Demerged Undertaking.

6.2. The Resulting Company undertakes to have all legal or other proceedings initiated by or against the Demerged Company in relation to the Demerged Undertaking referred to above transferred into its name and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company in relation to the Demerged Undertaking.

6.3. After the Effective Date, the Resulting Company shall and may, if required, initiate any legal proceedings in relation to the Demerged Company in relation to the Demerged Undertaking.

7. DEMERGER NOT TO AFFECT TRANSACTIONS / CONTRACTS OF THE DEMERGED COMPANY IN RELATION TO THE DEMERGED UNDERTAKING:

7.1. The Demerger of the Demerged Undertaking of the Demerged Company and the continuance of the said proceedings by or against the Demerged Company in relation to the Demerged Undertaking shall not affect any transaction or proceedings already concluded by or against the Demerged Company in relation to the Demerged Undertaking after the Appointed Date to the end and intent that the Resulting Company accepts



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and adopts all acts, deeds and things done or executed by the Demerged Company in relation to the Demerged Undertaking after the Appointed Date as done and executed on its behalf. The said transfer and vesting pursuant to Section 232 of the Act, shall take effect from the Appointed Date unless the NCLT otherwise directs.

8. CONSIDERATION

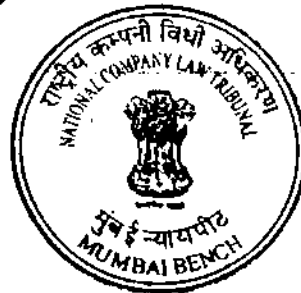
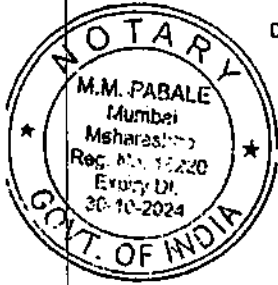
8.1. Upon coming into effect of the Scheme and in consideration for Demerger of Demerged Undertaking of the Demerged Company into the Resulting Company, the Resulting Company shall, without any further application or deed, issue and allot equity shares of face value INR 10/- each, credited as fully paid up, to all the equity shareholders of the Demerged Company whose names appear in the register of members of the Demerged Company as on the Record Date or to their respective heirs, executors, administrators or other legal representatives or the successors-in-title, as the case may be, in the following proportion:

4 (Four) fully paid up equity shares of INR 10/- each of the Resulting Company shall be issued and allotted to the equity shareholders of the Demerged Company for every 1(One) fully paid up equity shares of INR 10/- each held by them in the Demerged Company as on the Record Date.

8.2. The equity shares shall be issued by the Resulting Company in dematerialized form to those equity shareholders of the Demerged Company who hold shares of the Demerged Company in dematerialized form, into the account in which the Resulting Company shares are held or such other account as is intimated by the shareholders to the Demerged Company and / or its Registrar. All those shareholders who hold shares of the Demerged Company in physical form shall also have the option to receive the equity shares in the Resulting Company in dematerialized form provided the details of their account with the Depository Participant are intimated in writing to the Resulting Company and / or its Registrar, otherwise, they would be issued equity shares in physical form.

8.3. The Resulting Company shall take necessary steps to increase or alter or re-classify, (if necessary), its authorized share capital suitably to enable it to issue and allot equity shares required to be issued and allotted by it under this Scheme.

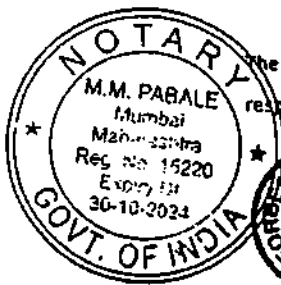
8.4. Approval of this Scheme by the equity shareholders of the Resulting Company shall be deemed to be the due compliance of the provisions of section 62 and section 42 of the Companies Act, 2013, and other relevant and applicable provisions of the Act for the issue and allotment of equity shares by the Resulting Company to the equity shareholders of the Demerged Company, as provided in this Scheme.



- 8.5. The approval of this Scheme by the equity shareholders of the Demerged Company and the Resulting Company under Sections 230 to 232 of the Act shall be deemed to have the approval under sections 13 and 14 of the Companies Act, 2013 and other applicable provisions of the Act and any other consents and approvals required in this regard.
- 8.6. The shares issued under this clause shall, in compliance with the applicable laws, be listed and admitted to trading on the Stock Exchange pursuant to this Scheme and the relevant SEBI Circular and no lock-in shall be applicable to the shares issued under this clause on account of the post Scheme shareholding pattern of the Resulting Company being exactly similar to the shareholding pattern of the Demerged Company. The Resulting Company shall make all requisite applications and shall otherwise comply with the provisions of the relevant SEBI Circular and applicable laws and promptly take all steps to procure the direct listing of the shares issued by it pursuant to this clause.
- 8.7. The equity shares allotted by the Resulting Company pursuant to the Scheme shall remain frozen in the depository system till listing / trading permission is given by the Stock Exchange. Further, there shall be no change in the shareholding pattern of the Resulting Company between the Record Date and the listing of its equity shares which may affect the status of approval of the Stock Exchanges.
- 8.8. The equity Shares to be issued by the Resulting Company pursuant to this Scheme in respect of any equity shares of the Demerged Company and which are held in abeyance, if any under the provisions of Section 126 of the Companies Act, 2013 or otherwise shall, pending allotment or settlement of dispute by order of Court or otherwise, also be held in abeyance by the Resulting Company.
- 8.9. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholders of the Demerged Company, the Board of the Demerged Company shall be empowered prior to or even subsequent to the Record Date, to effectuate such transfers in the Demerged Company as if such changes in registered holders were operative as on the Record Date, in order to remove any difficulties arising to the transferors of the shares in relation to the shares issued by the Resulting Company. The Board of the Demerged Company shall be empowered to remove such difficulties that may arise in the course of implementation of this Scheme and registration of new shareholders in the Resulting Company on account of difficulties faced in the Transition Period.

9. ACCOUNTING TREATMENT

The Resulting Company and the Demerged Company shall account for demerger in their respective books of account as under:



9.1. In the books of the Resulting Company

Notwithstanding anything to the contrary contained herein, the Resulting Company shall account for the arrangement in its books of account by applying the principles prescribed in Appendix C (Business combinations of entities under common control) of Indian Accounting Standard (Ind AS) 103, Business Combinations, other accounting principles prescribed under the Companies (India Accounting Standards) Rules, 2015 as notified under section 133 of Companies Act, 2013 and relevant clarifications issued by the Institute of Chartered Accountants of India and on the date determined in accordance with Ind AS.

Any matter not dealt with in Clause 9.1 hereinabove shall be dealt with in accordance with the Indian Accounting Standards applicable to the Resulting Company.

9.2. In the books of the Demerged Company

Notwithstanding anything to the contrary contained herein, the Demerged Company shall account for transfer of the Demerged Undertaking to the Resulting Company in its books of accounts as per Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS") as notified under Section 133 of the Companies Act, 2013 and the clarifications issued by the Institute of Chartered Accountants of India and on the date as determined in accordance with Ind AS.

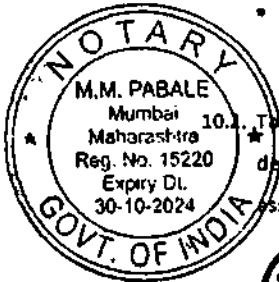
10. CONDUCT OF THE BUSINESS UNTIL EFFECTIVE DATE

With effect from the Appointed Date to the Effective Date:

10.1. The Demerged Company in relation to the Demerged Undertaking undertakes to preserve and carry on the business, with reasonable diligence and business prudence and shall not undertake financial commitments or sell, transfer, alienate, charge, mortgage, or encumber or otherwise deal with or dispose of any undertaking or any part thereof save and except in each case:

- if the same is in its ordinary course of business as carried on by it as on the date of filing this Scheme with the NCLT; or
- if the same is expressly permitted by this Scheme; or
- if the prior written consent of the Board of Directors of the Resulting Company has been obtained.

10.2. The Demerged Company in relation to the Demerged Undertaking shall carry on and be deemed to have carried on all business and activities and shall stand possessed of all the assets, rights, title and interest for and on account of, and in trust for the Resulting Company.



10.3. All profits and cash accruing to or losses arising or incurred (including the effect of Taxes if any thereon), by the Demerged Company in relation to the Demerged Undertaking, shall for all purposes, be treated as the profits/ cash, Taxes or losses of the Resulting Company and shall be available to the Resulting Company for being disposed off in any manner as it thinks fit.

10.4. All Taxes paid or payable by the Demerged Company in relation to the Demerged Undertaking in respect of the operations and / or profits of the business from the Appointed date till the Effective Date, shall be on account of the Demerged Company in relation to the Demerged Undertaking and in so far as it relates to the Tax payment by the Demerged Company in relation to the Demerged Undertaking in respect of the profits or activities or operation of the business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Resulting Company and shall in all proceedings be dealt with accordingly.

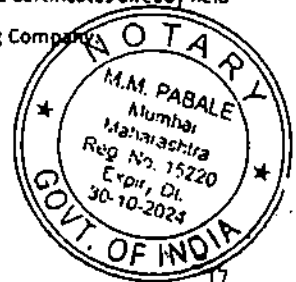
Any refund under Income Tax Act, 1961 or other applicable laws or regulations dealing with Taxes allocable or related to the business of the Demerged Undertaking and due to the Demerged Company in relation to the Demerged Undertaking consequent to the assessment made on the Demerged Company in relation to the Demerged Undertaking shall also belong to and be received by the Resulting Company.

All taxes benefits of any nature, duties, cesses or any other like payments or deductions available to the Demerged Company in relation to the Demerged Undertaking under any Tax Law up to the Effective Date shall be deemed to have been on account of or paid by the Resulting Company and the relevant authorities shall be bound to transfer to the account of and give credit for the same to the Resulting Company upon the passing of the order by the NCLT.

11. REDUCTION IN PAID UP SHARE CAPITAL OF THE RESULTING COMPANY AND CANCELLATION OF INTER-COMPANY INVESTMENTS

11.1. The existing share capital i.e. shares held by the shareholders of the Resulting Company viz. the Demerged Company prior to the Scheme becoming effective shall stand cancelled without any further application, act, instrument or deed, as an integral part of this Scheme.

11.2. The share certificate(s) in relation to the shares held by the existing shareholders of the Resulting Company (i.e. the Demerged Company), shall, without any further application, act, instrument or deed, be deemed to have been automatically cancelled and no new share certificates will be issued by the Resulting Company, in lieu of share certificates already held by existing shareholders of the Resulting Company in the Resulting Company.



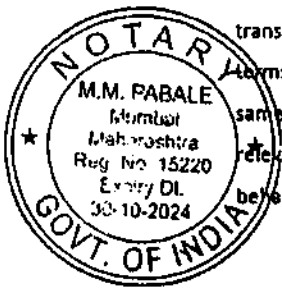
11.3. The said cancellation of investments held by the Demerged Company in the Resulting Company and the said reduction in the share capital of the Resulting Company shall be adjusted to capital reserve in the books of the Resulting Company and shall be effected as an Integral part of the Scheme and the orders of the NCLT sanctioning the Scheme shall be deemed to be an order under section 66 of the Act confirming the reduction and no separate sanction under section 66 of the Act will be necessary.

11.4. Notwithstanding the reduction of capital of the Resulting Company, the Resulting Company shall not be required to add "And Reduced" as suffix to its name.

12. ENFORCEMENT OF CONTRACTS, DEEDS, BONDS & OTHER INSTRUMENTS:

12.1. Subject to other provisions contained in this Scheme, all contracts, deeds, bonds, agreements and other instruments of whatever nature to which the Demerged Company in relation to the Demerged Undertaking is a party subsisting or having effect immediately before the demerger, shall remain in full force and effect against or, as the case may be, in favour of the Resulting Company and may be enforced as fully and effectively as if instead of the Demerged Company in relation to the Demerged Undertaking, the Resulting Company was a party thereto. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that demerged and vesting of the Demerged Undertaking occurs by virtue of this Scheme itself, the Resulting Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds, confirmations or other writings or arrangements to which the Demerged Company in relation to the Demerged Undertaking is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Resulting Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Demerged Company in relation to the Demerged Undertaking and to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Company in relation to the Demerged Undertaking to be carried out or performed.

12.2. For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Demerged Company in relation to the Demerged Undertaking shall stand transferred to the Resulting Company and the Resulting Company shall be bound by the terms thereof, the obligations and duties there under, and the rights and benefits under the same shall be available to the Resulting Company. The Resulting Company shall receive relevant approvals from the Government Authorities concerned as may be necessary in this behalf.



PART III - GENERAL TERMS AND CONDITIONS**13. APPLICATION TO NCLT**

13.1. The Demerged Company and the Resulting Company shall dispatch, make and file all applications and petitions under Sections 230 to 232 and other applicable provisions of the Act before the NCLT for sanction of this Scheme under the provisions of applicable laws, and shall apply for such approvals as may be required under applicable laws.

13.2. The Demerged Company and the Resulting Company shall be entitled, pending the sanction of the Scheme, to apply to any appropriate authority, if required, under any applicable laws for such consents and approvals which the Demerged Company and the Resulting Company may require to own the assets and/or liabilities of the Demerged Undertaking and to carry on the business of the Demerged Undertaking.

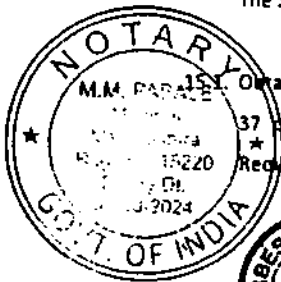
14. MODIFICATION OR AMENDMENTS TO THE SCHEME

14.1. Subject to approval of NCLT, the respective Boards or the respective authorized representative appointed by the Board of the Demerged Company and the Resulting Company may make modifications or assent to any modifications, alterations or amendments of this Scheme or any conditions which the NCLT and / or any other competent authority may deem fit to direct or impose and the said respective Boards may do all such acts, things and deeds necessary in connection with or to carry out the Scheme into effect and take such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any order of the NCLT or any directions or order of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and / or matters concerned or connected therewith.

14.2. The Board of the Demerged Company and the Resulting Company or through persons authorized by the respective Boards or through sub-committee of the respective Boards in their full and absolute discretion, may withdraw this Scheme or any part of the Scheme prior to the Scheme becoming effective at any time.

15. SCHEME CONDITIONAL ON APPROVALS / SANCTIONS

The Scheme is conditional upon and subject to:



Obtaining no-objection from the Stock Exchanges in relation to the Scheme under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (as amended from time to time);



15.2. The approval by the requisite majorities of the respective members and / or creditors (including but not limited to secured and unsecured) of the Demerged Company and the Resulting Company, as required under the Act and directed by the NCLT.

15.3. The sanction or approval of the authorities concerned being obtained and granted in respect of any of the matters for which such sanction or approval being required.

15.4. The sanction of the Scheme by the NCLT under Sections 230 to 232 of the Act and other applicable provisions of the Act.

15.5. The requisite orders of the NCLT being obtained for sanctioning the Scheme under Section 230 read with Section 232 of the Act being filed with the concerned Registrar of Companies.

16. OPERATIVE DATE OF THE SCHEME

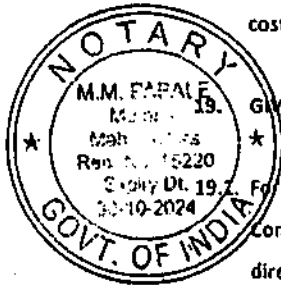
16.1. The Scheme, although operative from the Appointed Date, shall become effective from the Effective Date.

17. BINDING EFFECT

17.1. Upon the Scheme becoming effective, the same shall be binding on the Demerged Company and the Resulting Company and all concerned parties without any further act, deed, matter or thing.

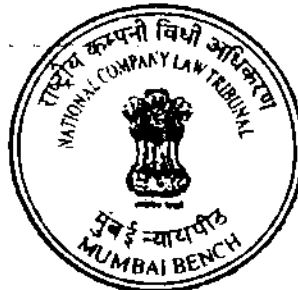
18. EFFECT OF NON-RECEIPT OF APPROVALS

18.1. In the event any of the said approvals or sanctions referred to above not being obtained or conditions enumerated in the Scheme not being complied with, or for any other reason, the Scheme cannot be implemented, the Boards of Directors or committee empowered thereof of the Demerged Company and the Resulting Company shall by mutual agreement waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement, the Scheme shall become null and void and shall stand revoked, cancelled and be of no effect and each party shall bear and pay their respective costs, charges and expenses in connection with the Scheme.



19. GIVING EFFECT TO THE SCHEME

For the purpose of giving effect to the Scheme, the Board of Directors of the Demerged Company and the Resulting Company or any Committee thereof, is authorized to give such directions as may be necessary or desirable and to settle as they may deem fit, any question,

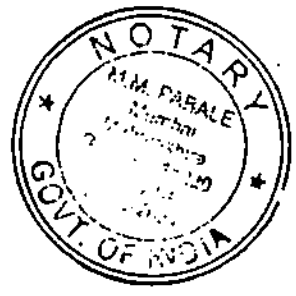


doubt or difficulty that may arise in connection with or in the working of the Scheme and to do all acts, deeds and things necessary for carrying into effect the Scheme.

20. COSTS

All costs, charges, Taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne by the Resulting Company.

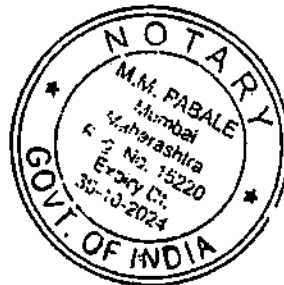
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Annexure 1

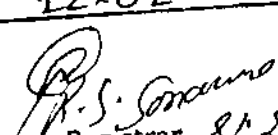
List of Immovable Properties

Sr. No.	City	Type of Property	Property details
1	Waluj, Aurangabad	Lease hold Land	Plot 8-13, Waluj Industrial Area Waluj, Aurangabad-431 133
2	Waluj, Aurangabad	Factory Building	Factory Building 1, Factory Building 2, Office Building and Canteen



Certified True Copy _____
 Date of Application 15-02-2024
 Number of Pages 22
 Fee Paid Rs. 110/-
 Applicant called for collection copy on 22-02-2024
 Copy prepared on 21.2.2024
 Copy Issued on 22-02-2024




 Deputy Registrar 21.2.2024
 National Company Law Tribunal, Mumbai Bench