

**MEMORANDUM**  
**AND**  
**ARTICLES OF ASSOCIATION**  
**OF**





# CERTIFICATE OF INCORPORATION

No. 5062 OF 198 1-82.

I HEREBY CERTIFY that PANAMA PETROCHEM  
PRIVATE LIMITED \* \* \*

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

Given under my hand at AHMEDABAD

this NINTH day of MARCH

one thousand nine hundred and EIGHTY TWO.



(K.G. ANANTHAKRISHNAN)  
Registrar of Companies  
GUJARAT.



Co. No. 04- 5062

# Fresh Certificate of Incorporation Consequent On CHANGE OF NAME

IN THE OFFICE OF THE REGISTRAR OF COMPANIES, GUJARAT.  
[ Under The Companies Act, 1956 (1 of 1956) ]

IN THE MATTER OF :-

PANAMA PETROCHEM PRIVATE LIMITED

I hereby certify that :-

PANAMA PETROCHEM PRIVATE LIMITED

which was originally incorporated on 9-3-1982 under  
The Companies Act, 1956 and under the name :-

PANAMA PETROCHEM PRIVATE LIMITED

having duly passed the necessary Resolution in terms of Section 21/31/44 of The Companies Act, 1956 and the approval of the Central Government signified in writing having been accorded thereto in The Ministry of Law, Justice & Company Affairs, Department of Company Affairs, (Company Law Board) ~~on passed~~ <sup>Special Resolution</sup>

~~with effect from~~ ON 30-9-93 ~~at~~ -- -- 199

the name of the said Company is this day CHANGED TO :

PANAMA PETROCHEM LIMITED

and this Certificate is issued pursuant to Sec. 23(1) of the said Act.

Given under my hand at AHMEDABAD this SIXTH December 1993

One Thousand Nine Hundred Ninety THREE.



*(Signature)*  
(Y.M. DEOLIKAR)  
ASSTT. REGISTRAR OF COMPANIES  
GUJARAT  
DADRA & NAGAR HAVELI

**CO. NO. 04-5062**

( Section 18(1) of the Companies Act, 1956)

**CERTIFICATE OF REGISTRATION OF  
SPECIAL RESOLUTION PASSED UNDER SUB. SECTION (1) OF  
SECTION 17 OF THE COMPANIES ACT, 1956.**

The **M/s. PANAMA PETROCHEM LIMITED** having by Special Resolution passed on **27.09.2003** altered the provisions of its Memorandum of Association with respect to the objects of the Company and filed with the Registrar of Companies on **28.10.2003**

I hereby certify that the Special Resolution filed has this day been registered.

Given under my hand at AHMEDABAD this **TWENTY SIX**  
day of **FEBRUARY** Two Thousand **FOUR.**



**U.S. Patole**  
( U.S.PATOLE )  
ASSTT. REGISTRAR OF COMPANIES  
GUJARAT  
DADRA & NAGAR HAVELI.

भारत सरकार-कॉर्पोरेट कार्य मंत्रालय  
कम्पनी रजिस्ट्रार कार्यालय, गुजरात, दादरा एवं नगर हवेली

कम्पनी अधिनियम, 1956 की धारा 18 (1) (क)

उद्देश्य-खंडों में परिवर्तन की पुष्टि हेतु विशेष विनिश्चय के पंजीकरण का प्रमाण-पत्र

कॉर्पोरेट पहचान संख्या : L23209GJ1982PLC005062

मैसर्स PANAMA PETROCHEM LIMITED

के अंशधारकों ने दिनांक 09/01/2012 को आयोजित की गई वार्षिक / असाधारण बैठक में एक विशेष विनिश्चय पारित करके कम्पनी अधिनियम, 1956 (1956 का 1) की धारा 18 (1) का अनुपालन करते हुए अपने संगम-ज्ञापन के प्रावधानों में परिवर्तन कर लिया है।

मैं, एतद्वारा सत्यापित करता हूँ कि उक्त विशेष विनिश्चय की प्रतिलिपि, यथा परिवर्तित संगम-ज्ञापन के साथ, आज पंजीकृत कर ली गई है।

अहमदाबाद में यह प्रमाण-पत्र, आज दिनांक बाईस फरवरी दो हजार बारह को जारी किया जाता है।

GOVERNMENT OF INDIA - MINISTRY OF CORPORATE AFFAIRS  
Registrar of Companies, Gujarat, Dadra and Nagar Havelli

SECTION 18(1)(A) OF THE COMPANIES ACT, 1956

Certificate of Registration of the Special Resolution Confirming Alteration of Object  
Clause(s)

Corporate Identity Number : L23209GJ1982PLC005062

The share holders of M/s PANAMA PETROCHEM LIMITED having passed Special Resolution in the Annual/Extra Ordinary General Meeting held on 09/01/2012 altered the provisions of its Memorandum of Association with respect to its objects and complied with the Section (18)(1) of the Companies Act, 1956 (No. 1 of 1956).

I hereby certify that the said Special Resolution together with the copy of the Memorandum of Association as altered has this day been registered.

Given at Ahmedabad this Twenty Second day of February Two Thousand Twelve.

Signature Not Verified  
Digitally signed by M/s  
Date: 2012.02.22 13:48:22  
GMT+05:30

Registrar of Companies, Gujarat, Dadra and Nagar Havelli

कम्पनी रजिस्ट्रार, गुजरात, दादरा एवं नगर हवेली

\*Note: The corresponding form has been approved by VILAS SAMBHAJI HAJARE, Assistant Registrar of Companies and this certificate has been digitally signed by the Registrar through a system generated digital signature under rule 5(2) of the Companies (Electronic Filing and Authentication of Documents) Rules, 2006.

The digitally signed certificate can be verified at the Ministry website ([www.mca.gov.in](http://www.mca.gov.in)).

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता :

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

PANAMA PETROCHEM LIMITED  
PLOT NO 3303, GIDC ESTATE, ANKLESHWAR - 393002,  
Gujarat, INDIA



**THE COMPANIES ACT, 1956**  
**COMPANY LIMITED BY SHARES**  
**MEMORANDUM OF ASSOCIATION**  
**OF**  
**PANAMA PETROCHEM LIMITED.**

- I. The name of the Company is **PANAMA PETROCHEM LIMITED.**
- II. The Registered Office of the Company will be situated in the State of Gujarat.
- III. The Objects for which the Company is established are;
  - (A) **THE MAIN OBJECT OF THE COMPANY TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:**
    - (1) To manufacture, refine, blend, process, store, transport, supply, sell, purchase, import, export, and deal in or act as agents to persons carrying on the business of manufacturing, refining, blending, processing, storing, transporting, supplying, purchasing, importing, exporting, distributing, and dealing in petrochemicals, petroleum, and other industrial and speciality oils and chemicals, jellies and automotive lubricants and greases and any products, compounds, by-products, derivatives thereof.



**(B) OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECT :**

- (2) To enter into contracts, agreements and arrangements with any other company, firm or person for carrying out by such other company, firm, or person on behalf of the Company the objects for which the Company is formed.
- (3) To carry on business as importers, exporters, buyers and sellers of and merchants and dealers in and manufacturers of merchandise, goods, materials and machinery of all kinds, spare parts, accessories and, equipments, in connection with above objects of the Company.
- (4) To manufacture, buy, sell, exchange, alter, improve, manipulate, prepare for market and otherwise deal in all kinds of plant, machinery, apparatus, tools, utensils, receptacles, substances, materials, articles, and things necessary or convenient for carrying on any of the business or processes of the Company usually dealt in by persons engaged in the like business or processes.
- (5) To carry on business as manufacturers of, and dealers in all types of containers, receptacles, boxes, cartons, caskets, drums, cages, bins, jars, carboys, tubes, crates, packing cases, cans, bottles, vials, and fittings therefor of every kind for the use of Company's products.
- (6) To manufacture, import, export, deal in or prepare for market, revise, clean, restore, recondition, treat and otherwise manipulate and deal and turn to account by any process or means whatsoever all by-products, refuse and 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.
- (7) To buy, sell, manufacture, refine, manipulate, import and deal in substances, apparatus and things capable of being used in any business of the Company.
- (8) To repair, alter, remodel, clean, renovate, convert, manipulate and prepare for resale and resell any goods from time to time belonging to the Company.
- (9) To employ experts to investigate and examine into the condition, prospects, value, character and circumstances of any business concerns and undertakings and generally of any assets, property or rights.
- (10) To carry on any business or branch of a business which this Company is authorized to carry on by means, or through the agency of any subsidiary company or companies, and to enter into any arrangement with such subsidiary company for taking the profits and bearing the losses of any business or branch so carried on, or for financing any such subsidiary company or guaranteeing its liabilities, or to make any other arrangement which may seem desirable with reference to any business or branch so carried on including power at any time and either temporarily or permanently to close any such branch or business.
- (11) To appoint Directors or Managers of any subsidiary company or of any other company in which this Company is or may be interested.
- (12) To take part in the supervision and control of the business or operations of any company or undertaking.
- (13) For the purpose mentioned in the preceding clause, to appoint and remunerate any Directors, trustees, accountants or other experts or agents.
- (14) To act as consultants, agents and brokers for sellers, buyers, exporters, importers, manufacturers, merchants, tradesmen, insurers and others and generally to undertake and carry out agency work and commission business.
- (15) To purchase, take on lease or in exchange, hire or otherwise acquire any immovable or movable



property and any rights or privileges which the Company may think necessary or convenient for the purposes of its business and, in particular, any land, buildings, basements, machinery, plant and stock-in-trade, and either to retain any property to be acquired for the purposes of the Company's business or to turn the same to account as may seem expedient.

- (16) To construct, improve, maintain, develop, work, manage, carry out or control any buildings, factories or works, of any roadways, tramways, railways, branches or sidings, bridges, wells, reservoirs, watercourses, wharves, warehouses, electric works, shops, stores and other buildings, of the Company and others, or other works and convenience which may seem calculated directly or indirectly to advance the Company's interests and to contribute to, subsidize or otherwise assist or take part in the construction, improvement, maintenance, development, management, carrying out or control thereof.
- (17) To let, lease or on hire-purchase system or to lend or otherwise dispose of any property belonging to the Company and to finance the purchase of any article or articles, whether made by the Company or not, by way of loans or by the purchase of any such article or articles, and the letting thereof on the hire-purchase system or otherwise howsoever.
- (18) To sell, lease, grant licenses, easements and other right over and in any other manner deal with or dispose of, the undertaking, property, assets, rights and effects 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.
- (19) To acquire and undertake the whole or any part of the business property, and liabilities of any person, firm or company carrying on or proposing to carry on any business which the Company is authorized to carry on, or possessed of property suitable for the purpose of this Company, or which can be carried on in conjunction therewith or which is capable of being conducted so as directly or indirectly to the benefit of the Company.
- (20) To amalgamate with and other company or companies, to enter into any partnership or partially amalgamate with or acquire interest in the business of any other company person or firm carrying on or engaged in, or about to carry on or engaged in any business or transaction included in the objects of the Company, or enter into any arrangement for sharing profits, or for co-operation or for limiting competition or for mutual assistance with any such person, firm or company, or to acquire, the business of the Company or connected therewith or which may seem to the Company capable of being conveniently carried on in connection with the above, or calculated directly or indirectly to enhance the values of or render more profitable any of the Company's property, and to give or accept by way of consideration for any of the acts or things aforesaid or property acquired, any shares, debenture-stock or securities that may be agreed upon, and to hold and retain, or sell, mortgage and deal with any shares, debentures, debenture-stock or securities so recieved.
- (21) To enter into partnership, or into any arrangement for sharing profits or losses, or for any union of interest joint adventure, reciprocal concession or co-operation with any person or persons or company or companies carrying on, or engaged in or about to carry on, or engage in or being authorized to carry on or engage in, or in any business or transaction which this Company is authorized to carry on or engage in any business or transaction capable of being conducted so as directly to benefit this Company.
- (22) To underwrite, acquire, take up and hold shares, stocks, debentures, debentures-stock bonds, obligations and securities issued or guaranteed by any company constituted on carrying on business in India or in any foreign country, and debentures, debenture-stock bonds, obligations and securities issued or guaranteed by any Government sovereign ruler, commissioner, public body or authority, supreme, municipal, local or otherwise whether in India or any foreign country.
- (23) To acquire any such shares, stocks, debentures, debenture-stock, bonds, obligations or securities by original subscription, tender, purchase, exchange or otherwise, and to subscribe for the same, either conditionally or otherwise, and to exercise and enforce all rights and powers





conferred by or incidental to the ownership thereof.

- (24) To establish or promote or concur in establishing or promoting any company or companies for the purpose of acquiring all or any of the property, rights and liabilities of the Company or for any other purpose which may seem directly calculated to benefit the Company and to place or guarantee the placing of, underwrite, subscribe for or otherwise, acquire all or any part of the shares, debentures or other securities of any such other company.
- (25) To enter into any arrangement or authority, supreme, municipal, local or otherwise or any person or company that may seem conducive to the Company's objects or any of them and to obtain from any such Government authority, person or company any rights, privileges, charters, contracts, licences, and concessions which the Company may think fit, desirable to obtain and carry out. exercise and comply therewith.
- (26) To apply for, promote, and obtain any Act. charter, privilege, concession, license, authorization, if any, Government, State or municipal, provisional order or license or any authority for enabling the Company to carry any of its objects into effect or for extending any of the powers of the Company, or for effecting any modification of the Company's constitution or for and other purpose which may seem expedient and to oppose, any proceedings or applications which may seem calculated, directly or indirectly, to prejudice the Company's interests.
- (27) To apply for purchase, or otherwise, acquire and protect and renew in any part of the world any patent, patent rights, brevets d'invention, trade marks, designs, licences, concessions, and the like conferring any exclusive or non-exclusive or limited right to their use or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the Company or the acquisition of which may seem calculated, directly or indirectly to benefit the Company and to use. exercise. develop or grant licenses in respect of or otherwise turn to account the property. rights. or information so acquired, and to expend money in experimenting upon. testing or improving any such patents, inventions or rights.
- (28) To establish, provide, maintain and conduct, or otherwise subsidise research laboratories and experimental workshops for scientific and technical researches, experiments and tests of all kinds and to promote studies and research, both scientific and technicals investigations and invention by providing , subsidizing, endowing, or assisting laboratories, workshops, libraries, lectures, meetings and conferences and by providing for the remuneration of scientific or technical professor or teachers and by providing for the award of exhibitions, scholarships, prizes and grants to students or otherwise and generally to encourage, promote and reward studies, researches, investigations, experiments, tests and inventions of any kind that may be considered likely to assist any of the business which the Company is authorized to carry on.
- (29) To train, or pay for training in India or abroad of any member or any of the Company's employees or any other candidate in the interest and for the furtherance of the Company's business.
- (30) To make donations to such persons or institutions and in such cases and either of cash or any other assets as may be thought directly or indirectly conducive to any of the Company's objects or otherwise expedient and in particular, to remunerate any person or corporation introducing business to this Company, and also to subscribe, or otherwise assist or guarantee money for charitable, scientific, religious or benevolent national, public educational or other institutions, objects or for any exhibition or for any public, general or other objects and to establish, and support or aid in the establishment and support of associations, institutions, funds, trusts and conveniences for the benefit of the employee or employees (including Directors) of the Company or its predecessors in business or persons having dealings with the Company or the dependants, relatives or connections of such persons and; in particular, friendly or other benefit societies and to grant pensions, allowances, gratuities and bonuses, either by way of annual payments or a lump sum, and to make payments towards insurance and to form and contribute to provident benefit funds and other welfare funds of or for such persons.
- (31) To refer, or agree to refer, any claim, demand, dispute or any other question, by or against the



Company or in which the Company is interested or concerned and whether between the Company and the member or members or his or their representatives or between the Company and third parties to arbitration in India or at any place outside India, and to observe and perform and to do all facts, deeds, matters and things to carry out or enforce the award.

- (32) To pay out of the funds of the Company all expenses which the Company may lawfully pay with respect to the promotion, formation and registration of the Company or the issue of its capital, including brokerage and commission for obtaining applications for or taking, placing or underwriting or procuring the underwriting of shares, debentures or other securities of the Company.
- (33) To pay all preliminary expenses of any company promoted by the Company, or any company in which the Company is interested, including in such preliminary expenses all or any part of the costs and expenses of owners of any business or property acquired by the Company.
- (34) To establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or super-annuation, provident or gratuity funds for the benefit of and give or procure the giving of the donations, gratuities, pensions, allowances or emoluments to any persons who are or were at any time in the employment or service of the Company, or of any company which is a subsidiary company or who are or were at any time directors or officers of the Company or of any such other company as aforesaid and the wives, widows, families and dependants of any such persons and also to establish and subsidise and subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interest and well being of the Company or of any such other company as aforesaid and to make payments to or towards the insurance of any such persons as aforesaid, and for any of the matters aforesaid, either alone or in connection with any such other company as aforesaid.
- (35) To pay for any rights or property acquired by the Company and to remunerate any person or company for services rendered or to be rendered in placing of shares in the Company's capital or any debentures, debenture-stock, or other securities of the Company, or in or about the formation or promotion of the Company, or in the acquisition of property by the Company or the conduct of its business whether by cash payment or by the allotment of shares, debentures, or other securities of the Company, credited as paid up in full or in part otherwise.
- (36) To adopt such means of making known the business and products of the Company as may seem expedient, and, in particular, by advertising in the press, by circulars by purchase and exhibition of works of art or interest, by publication of books and periodicals, and by granting prizes, rewards and donations.
- (37) To lend and advance money or to give credit to such persons or companies and on such terms as may seem expedient and, in particular, to customers and others having dealings with the Company and to guarantee the performance of any contract or obligation and the payment of money of or by any such persons or companies and generally to give guarantees and indemnities;
- (38) To invest and deal with the moneys of the Company not immediately required in such manner as may from time to time be determined;
- (39) To borrow or raise or secure the payment of money or to receive money on deposit at interest, for any of the purposes of the Company and at such time or times as may be thought fit, by promissory notes, by taking credits in or opening Current Account with any person, firm, bank, or company and whether with or without any security or by such other means as the Directors may in their absolute discretion deem expedient and in particular by the issue of debentures or debenture-stock, perpetual or otherwise and as security for any such money so borrowed, raised, received and of any such debentures or debenture-stock so issued to mortgage, pledge or charge the whole or any part of the property and assets of the Company, both present and future including its uncalled capital, by special assignment or otherwise or to transfer or convey the same absolutely or in trust, and to give the lenders power or sale and other powers as may seem expedient and to purchase, redeem, or pay off any such securities, provided that the



Company shall not accept any deposits for the purpose of doing banking business as defined in Banking Regulation Act, 1949.

- (40) To undertake and execute any trusts, the undertaking of which may seem to the Company desirable, and either gratuitous or otherwise;
- (41) To draw, make, accept, endorse, discount, execute and issue bills of exchange, promissory notes, bills of lading, warrants, debentures and other negotiable or transferable instruments or securities;
- (42) To sell, improve, manage, develop, exchange, lease, mortgage dispose of, turn to account or otherwise deal with all or any part of the property and rights of the Company for the time being;
- (43) Subject to the provisions of Section 205 of the Companies Act, 1956, to distribute among the members in specie any property of the Company, or any proceeds of sale or disposal of any property of the Company, but so that no distribution amounting to a reduction of capital be made except with the sanction, if any, for the time being required by law;
- (44) To insure the whole or any part of the property of the Company, either fully or partially, to protect and indemnify the Company from liability or loss in any respect, either fully or partially, and also to insure and to protect and indemnify any part or portion thereof either on mutual principal or otherwise;
- (45) To carry out in any part of the world all or any part of the Company's objects as principals, agents, factor, trustee, contractor, or otherwise, either alone or in conjunction with any other person, firm, association, corporate body, municipality, province, state, or government or colony or dependency thereof;
- (46) To exercise all or any of its corporate powers, rights and privileges and to conduct its business in all or any of its branches in the Union of India and in any or all states, territories, possessions, colonies and dependencies thereof and in any or all foreign countries, and for this purpose to have and maintain and to discontinue such number of offices and agencies therein as may be convenient;
- (47) To open, maintain, continue, close and reopen offices, shops, showrooms, stores, depots, workshops, factories, warehouses, garages and other establishments for the business of the Company at any places.
- (48) To undertake, carry out, promote and sponsor or assist any activity for the promotion and growth of the national economy and for discharging what the Directors may consider to be social and moral responsibilities of the Company to the public or any section of the public as also any activity which the Directors consider likely to promote national welfare or social, economic or moral uplift of the public or any section of the public and in such manner and by such means as the Directors may think fit and the Directors may without prejudice to the generality of the foregoing, undertake, carry out, promote, and sponsor any activity for publication of any books, literature, newspapers or for organising lectures or seminars likely to advance these objects or for giving merit awards, for giving scholarship, loans, or any other scholars or persons to enable them to prosecute their studies or academic pursuits or researches or for establishing, conducting, or assisting any institution, fund, trust having any one of the aforesaid objects, by giving donations or otherwise in any other manner and the Directors may at their discretion in order to implement any of the above mentioned objects or purposes transfer without consideration or at such fair or concessional value as the Directors may think fit and divest the ownership or any property of the Company to or in favour of any public or local body or authority or Central/State Government or any public institution or trust or organisations or persons as the Directors may approve.
- (49) To procure the Company to be registered or recognized in any part of the world;



**C. OTHER OBJECTS NOT INCLUDED IN 'A' AND 'B' ABOVE:**

- (50) To manufacture, deal in or process styrene, butadiene, ethylene, alcohol, petroleum fractions and other chemicals, substances of all kinds and to manufacture compounds, synthetics and other substances, basic, intermediate or otherwise from petroleum and chemical substances of all kinds.
- (51) To carry on the business of manufacturers, and producers of fats, plasticisers, extenders, fertilisers, manures, dips, sprays, vermifuges, fungicides, medicines and remedies by any chemical, biological and synthetic process for human beings, animals, plants, agricultural, fruit growing or other purposes.
- (52) To carry on business of manufacturing synthetic drugs, dyestuffs and their intermediates, perfumes and flavouring substances, photographic developers, plastics, fertilisers, oils and chemicals.
- (53) To carry on business of manufacturers, producers, refiners, developers and dealers in petrol, kerosene, light diesels, fuel oil, naphtha, automotive and mobil oils, industrial oils, textile machine oils, aromatic and cosmetic oils, aviation, turbine fuel, liquified petroleum, gasoline, benzene, jute batching oils, raw petroleum coke, carbon black feed stock, phenol extract, aromax solvents and all petrochemicals and petro-products.
- (54) To carry on business of manufacturers, producers, refiners, developers and dealers in all kinds of metals, materials, chemicals, substances and products whether natural or artificial in plastics, resins and goods and articles made from the same and compounds, intermediates, derivatives and by-products thereof.
- (55) To carry on business of garage proprietors and of a service station for motor vehicles of all kinds.
- (56) To operate motor transport of all kinds including the learning or hiring of any period or number of journeys of cars, lorries, trucks, tractors and vehicles used in the repair to such vehicles. To finance the purchase, hire-purchase or sale of any such vehicles or other accessories.
- (57) To carry on business as company promoters, underwriters, financiers and bill brokers, and generally to undertake and execute agencies and commissions of any kind and to negotiate and arrange for the borrowing or lending of money or the subscription or underwriting of shares, debentures and other securities.
- (58) To carry on business of iron founders, iron makers, steel makers and forgers, metallurgists, rollers and re-rollers, iron and steel converters, smiths, smelters, mechanical, electrical, civil, chemical, metallurgical, structural, plumbing, sanitary, water supply and general engineers, fabricators, contractors, manufacturers of all kinds of industrial and agricultural machinery, domestic appliances, fire-fighting equipments, manufacturers of life saving devices, tool makers, wire-drawers, galvanisers, jaspers, annealers, heat treaters, enamellers, electroplaters, brass founders, metal workers, boiler makers, mill-wrights, machinists, builders, wood workers, painters, packers, packing case makers, furnishers, farmers, printers, stationers, gas makers, carriers and merchants and to buy, sell take on lease or hire, import, export, manufacture, process, repair, convert, let on hire or otherwise deal in such products, their raw materials, by-products and allied commodities, machineries, rolling stock, implements, tools, utensils, materials and conveniences, of all kinds and generally to carry on the said business in all or any of their branches.
- (59) To manufacture, buy, sell, import and export and generally deal in any plant, machinery, tools, millstones, hardware, machinery tools, automobile parts, tools, implements, appliances, plastic articles, electrical goods along with their spare parts and accessories and articles, goods and things of all kinds and description in the allied lines.
- (60) To carry on business of manufacturers, merchants, importers, exporters, repairers and agents for the sale and purchase of and dealers in instruments, apparatus, appliances and



accessories of all kinds for indicating, recording, controlling, measuring, and timing pressure, humidity, flow, depth, density, movement and temperature and for other industrial, commercial and scientific and other purposes and materials of all kinds capable of being used in connection therewith.

- (61) To carry on business of manufacturers, fabricators, processors, producers, makers, importers, exporters, buyers, sellers, suppliers, stockists, agents, merchants, distributors and concessionaries of and dealers in synthetic rubber, elastomers, polymers, co-polymers, monomers, synthetic resins, carbon black, rubber, latex, plastics latexes and formulations thereof, including reclaimed rubber, natural rubber, plastics, resins, compounds, and other products, petrochemicals, calcium carbide, styrene, butanone ethylene ethyl and methyl alcohol, hydrocarbons, petroleum fractions, inorganic chemicals, organic chemicals, fine chemicals, including photographic chemicals, coke oven by-products, coal tar distillation products like naphthalene, thracene, benzene, phenol and the like phthalic anhydride, asbestos paper and special joining materials, graphite and silicon carbide crucibles, cryolite, aluminium fluoride, bromine, electrodes, including graphite electrodes, arc welding rods, calcined petroleum coke, salt and allied products, chlorine thermo-setting and thermoplastics, plastics and compounding agents and additives thereof amines and plasticizers, enzymes, sulphates and other synthetic chemical and chemical substance-basic, intermediate, finished or otherwise.
- (62) To carry on the business as manufacturers, buyers, sellers, exporters, importers, and dealers in caprolactam and allied chemicals, laboratory chemicals, soda ash, soda bicarbonate, caustic soda, plaster of paris, crude wax, film materials, including photographic paper, titanium dioxide, its derivatives, by-products and compounds and other heavy chemicals and fine chemicals and of and in all kinds of chemical preparations, industrial, agricultural, pharmaceutical, toilet and otherwise, and allied and auxiliary products and intermediates thereof.
- (63) To carry on the business of manufactureres, buyers, sellers, importers, exporters and dealers in textile and leather auxiliaries, textile chemicals, surface agents of anionic, nonionic and cationic nature, synthetic, resins, carboxy methyl cellulose binder materials and fatty alcohol, textile bleaching, auxiliaries and dyeing materials and materials of all kinds, for processing treating and finishing textile cloth and other materials goods of all kinds and to carry on the business of dyers, bleachers, painters, mercerisers, processors and finishers.
- (64) To carry on the business of manufactures, producers, exporters, importers, buyers, sellers, processors, refiners, miners and dealers in all any fats, fertilizers, plasticizers, enzymes, acids, amino acid, sulphates, by any chemical or synthetic process, manures, dips, sprays, varmi fuges, fungicides, insecticides, pesticides, germicides, disinfecting preparations, fumigators, medianes and remedies and preservatives of all kinds for agricultural, fruit growing, gardening, horticultural and for other purposes, or as disinfectants or preventives, remedies, for humans or animals and whether produced from vegetable, mineral, gaseous, whether chemical, synthetic, mechanical, electrical or otherwise.
- (65) To carry on business as business consultants, market research consultants, technical, industrial or administrative consultants, business transfer agents, valuers and estate agents and to act as intermediaries in the introduction of sellers, producers, partners and employees.
- (66) To carry on business as financiers and to advance, deposit or lend money, securities and property to or with such persons on such terms as may be deemed expedient, to discount, buy, sell and deal in bills, notes, warrants, coupons and other negotiable or transferable securities or documents to guarantee or become liable for the payment of money or for the performance of any obligations and to subscribe for conditionally or unconditionally, to underwrite, issue on commission or otherwise take, hold and deal in stocks, shares and securities of all kinds.
- (67) To carry on business of agriculture and/or farming and as dealers in and producers of dairy farm and garden produce of all kinds and in particular cream, butter, cheese, poultry and eggs, fruits and vegetables.
- (68) To carry on business as agents of fire and accident, indemnity and general insurance in all its branches.



- (69) To carry on all or any of the business of transport, cartage and haulage contractor, garage proprietors, owners and charterers of road vehicles and carries of goods and passengers by road and rail, Carmen, forwarding, transport and clearing agents, custom agents, stevedores, wharfingers, cargo superintendents, packers, hauliers, warehouse men., store-keepers, engineers, electricians and job masters.
- (70) to carry on business as road and pavement makers and repairs and manufacturers of and dealers in lime, cement, mortar, concrete and building materials of all kinds and as builders and contractors for the execution of works and buildings of all kinds.
- (71) To carry on business as house, land and estate agents and to arrange or undertake the sale, purchase of, advertise for sale or purchase, assist in selling or purchasing and find or introduce purchasers or vendors of and to let any purchases of any premises for residential, trade or business, or other private or public purpose, and to collect rents and income and to supply to tenants and occupiers and other refreshments, attendants, messengers, lights, waiting rooms, reading rooms. Lavatories, laundry and electric conveniences, garages and other advantages.
- (72) to carry on business as general Merchants, Commission Agents, Importers, Exporters, stockists, suppliers, distributors and contractors in all products, goods and articles dealt in by the Company.
- \* (73) (a) To carry on the business in India or abroad to buy or sell, resale import, export, research, pack, repack, and to act as consultant, commission agent, distributor, dealer, broker, broker, adatiya, representative, stockist, patent, owner, trader, marketing-man, transporter, C & F agent, warehousing, liasoner, vendor, franchiser or otherwise to deal in all kind of finished or semi finished goods, articles, and/or service in whatever form of nature that they may be including all industrial, commercial, agricultural, scientific, household and domestic items like machineries, instruments, equipments, implements, devices, systems, apparatus, components, parts, fittings, toold, tackles, raw materials, all kinds of products, by-products, or any other merchandise.
- (b) To carry on the business in India or abroad to buy, sell, resale, import, export, research, process purify, refine, filter, assemble, disinfect, explore, extract, brand, prepare, convert, compound, mix grade, treat, invent manipulate, commercialise, pack, repack and to deal in petrochemicals, petroleum and other industrial and specialty oils and chemicals, jellies and automotive, lubricants and greases and any products, compounds, by-products, derivatives therof.
- \* (74) to carry on the business of builders, contractors, designers, architects, decorators, furniture consultants, constructors and brokers of all types of buildings and structures and to develop, erect, install, alter, improve, add, establish, renovate recondition protect, participate, enlarge, repair, demolish, remove, replace, maintain, manage, buy, sell lease, let on hire, commercialise, turn to account, fabricate, handle & control, all such buildings & structures and to purchase, sale or deal in all types of raw materials, goods, fittings, parts, accessories, know-how, consumables, plant & machineries, toold & tackles used for the foregoing purpose.
- \* The above Clauses were inserted pursuant to the Special Resolution passed as per Section 192A of the Companies Act, 1956 read with the Companies (Passing of the resolution by postal ballot) Rules, 2001.
- \*\* (75) To undertake system development, system design, system architecture, software designing, computer aided designs, data compilation, data proccession and statistical analysis and to carry on the business of traders, developers, assemblers, repairs, importers, exporters of software packages, computer systems, computer peripherals, computer parts, computer consumables and electronic communication systems, data publishing and processing systems and other industrial automation systems and gadgets.
- \*\* The above Clause was inserted pursuant to the Special Resolution passed as per Section 192A of the Companies Act, 1956 read with the Companies (Passing of the resolution by postal ballot) Rules, 2011 dated 9th January, 2012.



And it is hereby declared that:-

- (i) The objects incidental or ancillary to the attainment of the main objects of the Company as aforesaid shall also be incidental or ancillary to the attainment of the other objects of the Company herein mentioned.
- (ii) the word 'Company' (save when used with reference to Company) in memorandum shall be deemed to include any partnership or other body or association of persons whether incorporated or not and wherever domiciled.
- (iii) the objects set forth in each of the several clauses of paragraph III hereof shall have widest possible construction and shall; extend to any part of the word.

\*(Amendment vide 21st Annual General Meeting held on 27th September, 2003)

- (iv) Subject to the provisions of the Companies Act, 1956, the object set forth in any clause of sub-paragraph (C) above shall be in no way limited or restricted by reference to or inference in sub-paragraphs (A) or by the name of the Company. None of the clauses in sub-paragraph (C) or the objects therein specified or the powers thereby conferred shall be deemed subsidiary or auxiliary merely to the objects mentioned in any of the clauses of sub-paragraph (A).
- (v) Nothing in this paragraph shall authorize the Company to do business which may fall within the purview of the Banking Regulations Act, 1949 or the Insurance Act, 1938.

IV. The liability of the members is limited.

V. \*\*\* The Authorised Share Capital of the Company is ₹ 255,500,000/- (Rupees Twenty Five crore Fifty Five lac only) divided into 127,750,000 (Twelve crore Seventy Seven lac Fifty thousand only) Equity Shares of ₹ 2/- (Rupees Two only) each.

\*\*\*\* The above clause was inserted pursuant to resolution passed by the Shareholders at an Annual General Meeting of the Members of the Company held on 4th September, 2014.

We, the several persons whose names and addresses are 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 company set, opposite our respective names.

Names, Addresses, Occupations and Descriptions of Subscribers.	Numbers of Shares taken by each Subscriber	Signature, Names, Address, Descriptions and Occupations of Witness
1. AMIRALI ESSABHAI RAYANI Son of <b>ESSABHAI VALIBHAI RAYANI</b> 31 C, Ismailiabad, V.P. Road, Andheri (West), Bombay - 400 058. Businessman & Industrialist. Sd/- A. E. Rayani	10 (TEN)	<b>VINODCHANDRA NEMICHAND JAIN</b> Chartered Accountant Son of Nemichand Banarasidas Chakla, Near Canara Bank, BHARUCH - 392001. Sd/- V. N. Jain
2. AKBARALI ESSABHAI RAYANI Son of <b>ESSABHAI VALIBHAI RAYANI</b> 28, Ismailiabad, V. P. Road, Andheri (West), Bombay - 400 058. Businessman & Industrialist. Sd/- A. E. Rayani	10 (TEN)	
3. JAYANTILAL MAGANLAL PATEL Son of <b>MAGANLAL JAYRAMBHAI PATEL</b> 11, Teachers Society, Near Nobaria School, Ankleshwar - 393 001. Businessman & Industrialist Sd/- J. M. Patel	10 (TEN)	
TOTAL	30 (Thirty)	

Dated this 18th day of February 1982

**THE COMPANIES ACT, 2013**  
**COMPANY LIMITED BY SHARES**  
**(Incorporated under the Companies Act, 1956)**

**ARTICLES OF ASSOCIATION**  
**OF**  
**PANAMA PETROCHEM LIMITED**

The following regulations comprised these Articles of Association were adopted pursuant to members' resolution passed at the annual general meeting of the Company held on 4th September, 2014 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. (1) The regulations contained in the Table marked 'F' in Schedule 1 to the Companies Act, 2013 shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act.

**Company to be governed by these Articles.**

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





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## INTERPRETATION

2. (1) In these Articles-

### **“Act”**

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

### **“Articles”**

- (b) “Articles” means these articles of association of the Company or as altered from time to time.

### **“Board of Directors” or “Board”**

- (c) “Board of Directors” or “Board” means the collective body of the directors of the company.

### **“Company”**

- (d) “Company” means PANAMA PETROCHEM LIMITED.

### **“Rules”**

- (e) “Rules” mean the applicable rules for the time being in force as prescribed under relevant sections of the Act.

### **“Seal”**

- (f) “Seal” means the common seal of the Company.

### **“Number” and “Gender”**

- (2) Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine and neuter gender.

### **Expressions in the Articles to bear the same meaning as in the Act**

- (3) Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or the Rules, as the case may be.

## SHARE CAPITAL AND VARIATION OF RIGHTS

### **Shares under control of Board**

3. Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board who may issue, allot or otherwise



dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.

#### **Directors may allot shares otherwise than for cash**

4. Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or otherwise than of cash & if so issued, shall be deemed to be fully paid or partly paid-up shares, as the case may be.

#### **Kinds of Share Capital**

5. The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws:
  - a. Equity Share Capital:
    - i. With voting rights; and / or
    - ii. With differential rights as to dividend, voting or otherwise in accordance with the Rules; and
  - b. Preference Share capital

#### **Issue of certificate**

6. (1) 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.

#### **Certificate to bear seal**

- (2) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.

#### **One certificate for shares held jointly**

- (3) 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.

#### **Option to receive share certificate or hold shares with depository**

7. 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 dematerialized 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.

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

8. 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.

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

9. The provisions of the foregoing 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 requires) of the Company.

**Power to pay commission in connection with securities issued.**

10. (1) The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its securities, provided that the rate, percent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the Rules.

**Rate of commission in accordance with Rules**

- (2) The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules.

**Mode of payment of commission**

- (3) 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.

**Variation of members' rights**

11. (1) 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.

**Provisions as to general meetings to apply mutatis mutandis to each meeting.**

- (2) To every such separate meeting, the provisions of these Articles relating to general meetings shall mutatis mutandis apply.

**Issue of further shares not to affect rights of existing members**

12. The rights conferred upon the holders of the shares of any class issued with preferred



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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.

#### **Power to issue redeemable preference shares**

13. 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.

#### **Further issue of share capital**

14. (1) The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, 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.

#### **Mode of further issue of shares**

- (2) 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 and the Rules.

### **LIEN**

#### **Company's lien on shares**

15. (1) The Company shall have a first and paramount lien-
- a. On every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
  - b. On all shares (not being fully paid shares) standing registered in the name of a member, for all monies presently payable by him or his estate to the Company;

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

#### **Lien to extend to dividends, etc.**

- (2) The company's lien, if any, on a share shall extend to all dividends or interest, as



the case may be, payable and bonuses declared from time to time in respect of such shares for any money owing to the Company.

**Waiver of lien in case of registration**

- (3) Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company's lien.

**As to enforcing lien by sale**

16. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:

**Provided that no sale shall be made-**

- a. Unless a sum in respect of which the lien exists is presently payable; or
- b. Until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled thereto by reason of his death or insolvency or otherwise.

**Validity of sale**

17. (1) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

**Purchaser to be registered holder**

- (2) The purchaser shall be registered as the holder of the Shares comprised in any such transfer.

**Validity of Company's receipt**

- (3) The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share.

**Purchaser not affected**

- (4) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by irregularity of invalidity in the proceedings with reference to the sale.

**Application of proceeds of sale**

18. (1) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.



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#### **Payment of residual money**

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

#### **Outsiders lien not to affect Company's lien**

19. In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognize any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.

#### **Provisions as to lien to apply mutatis mutandis to debentures, etc.**

20. The provisions of these Articles relating to lien shall mutatis mutandis apply to any other securities including debentures of the Company.

#### **CALLS ON SHARES**

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

#### **Notice of call**

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

#### **Board may extend time for payment**

- (3) The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.

#### **Revocation or postponement of call**

- (4) A call may be revoked or postponed at the discretion of the Board.

#### **Call to take effect from date of resolution**

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



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**Liability of joint holders of shares**

23. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

**When interest on call or installment payable**

24. (1) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof (the "due date"), the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment at such rate as may be fixed by the Board.

**Board may waive interest**

- (2) The Board shall be at liberty to waive payment of any such interest wholly or in part.

**Sums deemed to be calls**

25. (1) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

**Effect of non-payment of sums**

- (2) In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

**Payment in anticipation of calls may carry interest**

26. The Board-
- a. May, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
  - 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.

**Installments on shares to be duly paid**

27. If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by installments, then every such installment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.

**Calls on shares of same class to be on uniform basis.**

28. All calls shall be made on a uniform basis on all shares falling under the same class.



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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.

**Partial payment not to preclude forfeiture**

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

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

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

**TRANSFER OF SHARES**

**Instrument of transfer to be executed by transferor and transferee**

31. (1) The instrument of transfer of any share in the Company shall be duly executed by or on behalf of both the transferor and transferee.
- (2) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

**Board may refuse to register transfer**

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

**Board may decline to recognize instrument of transfer**

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

**Transfer of shares when suspended**

34. On giving of previous notice of at least seven days or such lesser period in accordance with the Act and Rules made thereunder, the registration of transfers may be suspended





at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at 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 debentures, etc.**

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

**TRANSMISSION OF SHARES**

**Title to shares on death of a member**

36. (1) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.
- (2) Nothing in clause (1) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

**Transmission Clause**

37. (1) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—
- a. To be registered himself as holder of the share; or
  - b. To make such transfer of the share as the deceased or insolvent member could have made.
- (2) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

**Indemnity to the Company**

- (3) The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.

**Right to election of holder of share**

38. (1) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
- (2) If the person aforesaid shall elect to transfer the shares, he shall testify his election by executing a transfer of the share.



- (3) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

#### **Claimant to be entitled to same advantage**

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

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.

#### **Provisions as to transmission to apply mutatis mutandis to debentures, etc.**

40. The provisions of these Articles relating to transmission by operation of law shall mutatis mutandis apply to any other securities including debentures of the Company.

### **FORFEITURE OF SHARES**

#### **If call or installment not paid must be given**

41. 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 judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or instalment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.

#### **Form of notice**

42. The notice aforesaid shall:
- 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
  - State that, in the event of non-payment on or before the day so named, the shares in respect of which call was made shall be liable to be forfeited.

#### **In default of payment of shares to be forfeited**

43. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.



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

44. Neither the receipt by the Company for a portion of any money which may from time to time be due from any member in respect of his shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.

#### **Entry of forfeiture in register of members**

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

#### **Effect of forfeiture**

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

#### **Forfeited shares may be sold, etc.**

47. (1) A forfeited share shall be deemed to be the property of the Company and may be sold or re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board thinks fit.

#### **Cancellation of forfeiture**

- (2) At any time before a sale, re-allotment or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

#### **Members still liable to pay money owing at the time of forfeiture**

48. (1) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay, and shall pay, to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.

#### **Member still liable to pay money owing at the time of forfeiture and interest**

- (2) All such monies payable shall be paid together with interest thereon at Such rate as the Board may determine, from the time of forfeiture until payment or realization. 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.



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**Cesser of liability**

- (3) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.

**Certificate of forfeiture**

49. (1) A duly verified declaration in writing that the declarant is a director, the manager or the secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;

**Title of purchaser and transferee of forfeited shares**

- (2) The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;

**Transferee to be registered as holder**

- (3) The transferee shall thereupon be registered as the holder of the share; and

**Transferee not affected**

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

**Validity of sales**

50. Upon any sale after forfeiture or for enforcing a lien in exercise of the powers herein above 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.

**Cancellation of share certificate in respect of forfeited shares**

51. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.

**Surrender of share certificates**

52. The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering those on such terms as they think fit.



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### **Sums deemed to be calls**

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

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

54. The provisions of these Articles relating to forfeiture of sharers shall mutatis mutandis apply to any other securities including debentures of the company.

### **Power to alter share capital**

55. Subject to 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 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 denominations;
  - (d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
  - (e) cancel any shares which, at the date of the passing of the resolution have not been taken or agreed to be taken by any person.

### **Shares may be converted into stock**

56. Where shares are converted into stock:
- (a) the holders of stock may transfer the same or any part thereof in the same 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;

### **Right of stockholders**

- (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage;



- (c) such of these Articles of the company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder"/ "member" shall include "stock" and "stock-holder" respectively.

#### **Reduction of capital**

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

### **JOINT HOLDERS**

#### **Joint-holders**

58. Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles:

#### **Liability of Joint-holders**

- (a) The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or installments and other payments which ought to be made in respect of such share.

#### **Death of one or more joint-holders**

- (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.

#### **Receipt of one sufficient**

- (c) Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share.

#### **Delivery of certificate and giving notice to first named holder**

- (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.



### **Vote of 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.

### **Executors or administrators as joint holders**

- (ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint-holders.

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

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

## **CAPITALISATION OF PROFITS**

### **Capitalisation**

59. (1) The company by ordinary resolution in general meeting may, upon the recommendation of the Board, resolve –
- (a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any 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 clause (2) below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

### **Sum how applied**

- (2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in clause(3) below, either in or towards:
- (A) paying up any amount for the time being unpaid on any shares held by such members respectively;
- (B) paying 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).



- (3) A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article; be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;
- (4) The board shall give effect to the resolution passed by the company in pursuance of this Article.

#### **Powers of the board for capitalization**

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

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

- (2) The Board shall have power-
  - (a) to make such provisions, by the issue if 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 members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of an further shares or other securities to which they may entitled upon such capitalization , or as the case may require, for the payment by the companion their behalf, by the application thereto of their respective proportions of profits resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares.

#### **Agreement binding on members**

- (3) Any agreement made under such authority shall be effective and binding on such members.

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

#### **Buy-back of shares**

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





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## GENERAL MEETINGS

### Extraordinary general meeting

62. All general meetings other than annual general meeting shall be called extraordinary general meeting.

### Powers of board to call extraordinary general meeting

63. The Board may, whenever it thinks fit, call an extraordinary general Meeting.

## PROCEEDINGS AT GENERAL MEETINGS

### Presence of Quorum

64. (1) No business shall be treated at any general meeting unless a Quorum of members is present at the time when the meeting proceeds to business.

### Business confined to election of chairperson whilst chair vacant

- (2) No business shall be discussed or transacted at any general meeting except election of chairperson whilst the chair is vacant.

### Quorum of general meeting

- (3) The quorum for a general meeting shall be as provided in the Act.

### Chairperson of the meeting

65. The chairperson of the company shall preside as chairperson at every general meeting of the company.

### Directors to elect a chairperson

66. If there is no such chairperson, or 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, choose one of their members to be chairperson of the meeting.

### Members to elect a chairperson

67. If at any meeting no director is willing to act as chairperson Or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall, choose one of their members to be chairperson of the meeting.

### Casting vote of chairperson at a general meeting

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



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#### **Minutes of proceedings of meeting and resolutions passed by postal ballot**

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

#### **Certain matters not to be included in Minutes**

- (2) There shall not be included in the minutes any matter which, in the opinion of the chairperson of the meeting-
- (a) is, or could reasonably be regarded, as defamatory of any person; or
  - (b) is irrelevant or immaterial to the proceedings; or
  - (c) is detrimental to the interests of the company.

#### **Discretion of chairperson in relation to Minutes**

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

#### **Minutes to be evidence**

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

#### **Inspection of minute books of general meeting**

70. (1) The books containing the minutes of the proceedings of any general meeting of the company or a resolution passed by postal ballot shall:
- (a) be kept at the registered office of the company; and
  - (b) be open to inspection of any member without charge, during 11.00 a.m. to 1.00 p.m. on all working days other than Saturdays.

#### **Members may obtain copy of minutes**

- (2) Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to in clause (1) above:

Provided that a member who has made request for provision of a soft copy of the minutes of any previous general meeting held during the period immediately



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

#### **Powers to arrange security at meeting**

71. The Board, and also any person(s) authorised by it, may take any action before the commencement of any general meeting, or any meeting, 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**

#### **Chairperson may adjourn the meeting**

72. (1) The chairperson may, *sou motu*, adjourn the meeting from Time to time and from place to place.

#### **Business at adjourn meeting**

- 2) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

#### **Notice of adjourned meeting**

- (3) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

#### **Notice of adjourned meeting not required**

- (4) Save as aforesaid, and save as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

### **VOTING RIGHTS**

#### **Entitlement to vote on show of hands and on poll**

73. Subject to any rights or restrictions for the time being in 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**

74. A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.



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**Vote of joint-holders**

75. (1) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

**Seniority of names**

- (2) For this purpose, seniority shall be determined by the order in which the names stand in register of members.

**How many members non compos mentis and minor may vote**

76. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians.

**Votes in respect of shares of deceased or insolvent members, etc.**

77. Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the Transmission clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting, as the case may be at which he proposes to vote, he shall duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.

**Business may proceed pending poll**

78. Any business other than that upon which a poll has take demanded may be proceeded with, pending the taking of the poll.

**Restriction on voting rights**

79. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid or in regard to which the company has exercised any right of lien

**Restriction on exercise of voting rights in other cases to be void**

80. A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in the preceding Article.



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### **Equal rights of members**

81. Any member whose name is entered in the register of members of the company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.

### **PROXY**

#### **Member may vote in person or otherwise**

82. (1) Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.

#### **Proxies when to be deposited**

- (2) The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.

#### **Form of proxy**

83. An instrument appointing a proxy shall be in the form as prescribed in the Rules.

#### **Proxy to be valid notwithstanding death of the principal**

84. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy 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**

85. Unless otherwise determined by the Company in general meeting, the number of directors shall not be less than 3 (three) and shall not be more than 15 (fifteen) or such maximum number as may be prescribed by Central Government from time to time.

#### **Directors not liable to retire by rotation**

86. (1) The Board shall have the powers, to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation.

#### **Independent directors**

- (2) The Company shall have at least one-third of the total number of directors as independent directors.



- (3) An Independent Director shall hold office for such a term as may be decided by the Members in General Meeting either by way of Ordinary or Special Resolution.
- (4) An independent director who resigns or is removed from the Board of the Company shall be replaced by a new independent director at the earliest but not later than the immediate next Board meeting or three months from the date of such vacancy, whichever is later.

#### **Same individual may be chairperson and Managing Director/Chief Executive Officer**

- (5) The same individual may, at the time, be appointed as the chairperson of the company as well as the Managing Director or Chief Executive Officer if the company.

#### **Remuneration of directors**

87. (1) The Remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

#### **Remuneration to require members consent**

- (2) The remuneration payable to the directors, including any managing or whole time director or manager, if any, shall be determined in accordance with and subject to the provision of the Act by an ordinary resolution passed by the company in general meeting.

#### **Traveling and other expenses**

- (3) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all traveling, hotel and other expenses properly incurred by them—
  - (a) in attending and returning from meeting 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**

88. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

#### **Appointment of Additional Directors**

89. (1) Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director together shall not at any time exceed the maximum strength fixed for the Board by Articles.



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#### **Duration of office of Additional Director**

- (2) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.

#### **Appointment of Alternate Director**

90. (1) The Board may appoint an alternate director to act for a director (hereinafter in this Article called "the Original Director") during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.

#### **Duration of office of Alternate Director**

- (2) An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when Original Director returns to India.

#### **Re-appointment provisions applicable to Original Director**

- (3) If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.

#### **Appointment of director to fill a casual vacancy**

91. (1) If the office of any director appointed by the company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board.

#### **Duration of office of Director appointed to fill casual vacancy**

- (2) The director so appointed shall hold office only upto the date upto which the director in whose place he is appointed would have held office if it had not been vacated.

### **POWERS OF BOARD**

#### **General powers of the company vested in Board**

92. The management of the business of the company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the company is by the memorandum of association or otherwise authorised 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 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.



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## PROCEEDINGS OF THE BOARD

### When meeting to be convened

93. (1) The Board of Directors may meet for the conduct of business adjourn and otherwise regulate its meetings, as it thinks fit.

### Who may summon Board meeting

- (2) The chairperson or 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.

### Quorum for Board meeting

- (3) The quorum for a Board meeting shall be as provided in the Act.

### Participation at Board meeting

- (4) The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.

### Questions at Board meeting how decided

94. (1) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

### Casting vote of chairperson at Board meeting

- (2) In case of an equality of votes, the chairperson of the Board, if any, shall have a second or casting vote.

### Directors not to act when number falls below minimum

95. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing there 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

96. (1) The chairperson of the company shall be the chairperson at meetings of the Board. In his absence, the Board may elect a chairperson of its meeting and determine the period for which he is to hold office.

### Directors to elect a chairperson

- (2) If no such chairperson is elected, or if any meeting the chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the directors present may choose one of their members to be chairperson of the meeting.





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### **Delegation of powers**

97. (1) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.

### **Committee to conform to Board regulations**

- (2) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

### **Participation at committee meetings**

- (3) The participation of directors in a meeting of the committee may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.

### **Chairperson of Committee**

98. (1) A committee may elect a chairperson of its meeting unless the Board, while constituting a committee, has appointed a chairperson of such committee.

### **Who to preside at meetings of committee**

- (2) If no such chairperson is elected, or if at any meeting the chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be chairperson of the meeting.

### **Committee to meet**

99. (1) A committee may meet and adjourn as it thinks fit.

### **Questions at committee meeting how decided**

- (2) Questions arising at any meeting of committee shall be determined by a majority of votes of members at present.

### **Casting vote of Chairperson at committee meeting**

- (3) 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**

100. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that



there was some defect in the appointment of any one or more of such directors or of 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 director.

#### **Passing of resolution by circulation**

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

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

##### **Chief Executive Officer, etc.**

102. (a) Subject to the provisions of the Act,--

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

##### **Director may be Chief executive officer, etc.**

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

#### **REGISTERS**

##### **Statutory registers**

103. The Company shall keep and maintain at its registered office all Statutory Registers as are prescribed under the Act in such manner and containing such particulars as prescribed by the Act and the Rules made thereunder from time to time. The Statutory Registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, at the registered office of the company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.

##### **Foreign register**

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



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## THE SEAL

### The seal, its custody and use Affixation of seal

105. (1) The Board shall provide for the safe custody of the seal.
- (2) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least one director or the manager, if any, or of the secretary or such other person as the Board may appoint for the purpose; and such director or manager or the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

## DIVIDENDS AND RESERVES

### Company in general meeting may declare dividends

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

### Interim dividends

107. Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit.

### Dividends only to be paid out of profits

108. (1) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applied for any purpose to which the profits of the company may be properly applied, including provisions for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.

### Carry forward of profits

- (2) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

### Division of profits

109. (1) Subject to the rights of the 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.



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#### **Payments in advance**

- (2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.

#### **Dividends to be apportioned**

- (3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

#### **No member to receive dividend whilst indebted to the company and company's right to reimbursement therefrom**

110. (1) The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.

#### **Retention of dividends**

- (2) The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission clause hereinafter contained, entitled to become a member, until such person shall become a member in respect of such shares.

#### **Dividend how remitted**

111. (1) Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by Cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or joint holders may in writing direct.

#### **Instrument of payment**

- (2) Every such Cheque or warrant shall be made payable to the order of the person to whom it is sent.

#### **Discharge to company**

- (3) Payment in anyway whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The company will not be responsible for a payment which is lost or delayed. The company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.

#### **Receipt of one holder sufficient**

112. Any one of the two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.



#### **No interest on dividends**

113. No dividend shall bear interest against the company.

#### **Waiver of dividends**

114. The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the company and of or to extent that the same is accepted as such or acted upon by the Board.

### **ACCOUNTS**

#### **Inspection by Directors**

115. (1) The books of account and books and papers of the company, or any of them, shall be open to the inspection of directors on accordance with the applicable provisions of the Act and the Rules.

#### **Restriction on inspection by members**

(2) No member (not being a director) shall have any right of inspecting any books of account or books and papers or document of the company except as conferred by law or authorised by the Board.

### **WINDING UP**

#### **Winding up of a company**

116. Subject to the applicable provisions of the Act and the Rules made thereunder –

- (a) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction requires 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 consider necessary, but so that no member shall be compelled to accept any shares or other securities whereon there in any liability.

### **INDEMNITY AND INSURANCE**

#### **Directors and officers right to indemnity**

- 117.
- (a) Subject to the provisions of the Act, every director, managing director, whole-time director, manager, company secretary and other officer of the company shall be indemnified by the company out of the funds of the company, to pay all costs, losses and expenses (including traveling expense) which such director, manager, company secretary and officer may incur or become liable for any 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 ways in the discharge of his duties in such capacity including expenses.
  - (b) Subject as aforesaid, every director, managing director, manager, company



secretary or other officer of the company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.

#### Insurance

- (c) The company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the company for which they may be liable but have acted honestly and reasonably.

### GENERAL POWER

#### General power

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

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

Names, Addresses, Occupations and Descriptions of Subscribers.	Numbers of Shares taken by each Subscriber	Signature, Names, Address, Descriptions and Occupations of Witness
1. AMIRALI ESSABHAI RAYANI Son of <b>ESSABHAI VALIBHAI RAYANI</b> 31 C, Ismailiabad, V.P. Road, Andheri (West), Bombay - 400 058. Businessman & Industrialist. Sd/- A. E. Rayani	10 (TEN)	<b>VINODCHANDRA NEMICHAND JAIN</b> Chartered Accountant Son of Nemichand Banarasidas Chakla, Near Canara Bank, Bharuch - 392001. Sd/- V. N. Jain
2. AKBARALI ESSABHAI RAYANI Son of <b>ESSABHAI VALIBHAI RAYANI</b> 28, Ismailiabad, V. P. Road, Andheri (West), Bombay - 400 058. Businessman & Industrialist. Sd/- A. E. Rayani	10 (TEN)	
3. JAYANTILAL MAGANLAL PATEL Son of <b>MAGANLAL JAYRAMBHAI PATEL</b> 11, Teachers Society, Near Nobaria School, Ankleshwar - 393 001. Businessman & Industrialist Sd/- J. M. Patel	10 (TEN)	
<b>TOTAL</b>	30 (Thirty)	

Dated this 18th day of February 1982

**IN THE HIGH COURT OF GUJARAT AT AHMEDABAD**

**ORIGINAL JURISDICTION**

**COMPANY PETITION NO. 240 OF 2008**

**CONNECTED WITH**

**COMPANY APPLICATION NO. 399 OF 2008**

In the matter of the Companies Act, 1956;

And

In the matter of

**Panama Petrochem Limited**

A Company registered under the Companies Act, 1956 and having its registered office at Plot No. 3303, GIDC Estate, Ankleshwar-393 002 in the state of Gujarat.

And

In the matter of

Scheme of Arrangement for De-merger of securities investment business of Mobil Petrochem Pvt Ltd into Ittefaq Ice and Cold Storage Co. Pvt Ltd; and Amalgamation of Mobil Petrochem Pvt Ltd (residual business) with Panama Petrochem Ltd.

**Panama Petrochem Limited** ]  
A Company registered under the Companies Act, 1956 ]  
and having its registered office at Plot No. 3303, GIDC ]  
Estate, Ankleshwar-393 002 in the state of ]  
Gujarat..... ] **PETITIONER**

Appearance:

Mr Rajeev K Goel with Abhishek Mehta, Advocates for Petitioner

Mr Iqbal Shaikh, Advocate for Central Government

**Coram: Honourable Mr Justice K. A. Puj**

**Date: 14/11/2008**

**ORDER UNDER SECTIONS 391 & 394 OF THE COMPANIES ACT, 1956**

1. The above Petition filed by the Petitioner Transferee Company coming on for hearing on 14/11/2008 for sanction of the Scheme of Arrangement for De-merger of securities investment business of Mobil Petrochem Pvt Ltd (the Transferor Company) into Ittefaq Ice and Cold Storage Co. Pvt Ltd (the Resultant Company); and Amalgamation of Mobil Petrochem Pvt Ltd (residual business) with Panama Petrochem Ltd (the Transferee Company) under section 391 and section 394 of the Companies Act, 1956.
2. Vide Order dated 16<sup>th</sup> July, 2008, passed in Company Application No. 399 of 2008, meeting of Equity Shareholders of the Petitioner Transferee Company was directed to be convened for the purpose of considering and, if thought fit, approving, with or without modification(s), the proposed Scheme of Arrangement. This Court appointed Mr Amirali E Rayani, Managing Director and failing him Mr Sanjaya Khare, Company Secretary of the Company as the Chairman of the said meeting.
3. As directed by this Court, meeting of Equity Shareholders of the Petitioner Transferee Company was duly convened and held on Saturday, the 23<sup>rd</sup> August, 2008 at 11.30 A.M. at the registered office and factory premises of the Company at Plot No. 3303, GIDC Estate, Ankleshwar-393 002, Gujarat. The meeting was chaired by Mr Amirali E Rayani, Managing Director of the Petitioner Company and the Scheme of Arrangement was adopted unanimously without any modification in the meeting. The Chairperson of the meeting has already reported the result of the aforesaid meeting to this Court by way of his Report.



4. The present Petition was filed subsequent to the meeting and was admitted vide order dated 15<sup>th</sup> September, 2008. The Public notices for the Petition were duly advertised in the newspapers "The Indian Express"- English daily, Ahmedabad Edition dated 25<sup>th</sup> October, 2008 and "Gujarat Samachar"-Gujarati daily, Ahmedabad Edition dated 25<sup>th</sup> October, 2008. The publication in the Government Gazette was dispensed with. Affidavit dated 6<sup>th</sup> November, 2008 confirms the same.
5. Despite the Public Notices, no one has come forward with any objections to the said Petition.
6. Notice of the Petition has been served upon the Central Government and Shri Iqbal Shaikh, learned Standing Counsel appears for the Central Government. An affidavit dated 7<sup>th</sup> November, 2008 is filed by Mr R K Dalmia, Deputy Registrar of Companies along with the letter of the Regional Director dated 5<sup>th</sup> November, 2008 whereby the only observation pertains to the latest financial statement of the Petitioner Transferee Company. The said issue is dealt with by the additional affidavit dated 14<sup>th</sup> November, 2008 of the authorized signatory of the Transferee Company. The provisional financial statement for the quarter/half year ended 30<sup>th</sup> September, 2008 has been placed on record.
7. The respective Registered Office of the Transferor Company-Mobil Petrochem Pvt Ltd and the Resultant Company-Ittefaq Ice and Cold Storage Co. Pvt Ltd is situated at 5, Mahavir Darshan, 416, Narshi Natha Street, Mumbai 400 009, in the state of Maharashtra which falls under the jurisdiction of the Hon'ble High Court of Judicature at Bombay. It is informed that the Transferor Company has moved 2<sup>nd</sup> motion Petition being CP 767 of 2008 connected with CA 1082 of 2008 before the Hon'ble High Court of Judicature at Bombay whereas the Resultant

- c. That all the proceedings now pending by or against the Transferor Company (pertaining to the residual business) be continued by or against the Transferee Company; and
- d. That the Transferee Company do without further application allot to such members of the Transferor Company as have not given such notice of dissent, the shares in the Transferee Company to which they are entitled under the said arrangement; and
- e. That the Transferee Company do within 30 days after the date of this order cause a certified copy of this order to be delivered to the Registrar of Companies for registration and on such certified copy being so delivered, the Transferor Company shall be dissolved without resorting to the process of winding up and the Registrar of Companies shall place all documents relating to the Transferor Company and registered with him on the file kept by him in relation to the Transferee Company and the files relating to the said Transferor and Transferee Companies shall be consolidated accordingly; and
- f. That the parties to the arrangement or other persons interested shall be at liberty to apply to this Court for any directions that may be necessary in regard to the working of the arrangement.

SCHEDULES

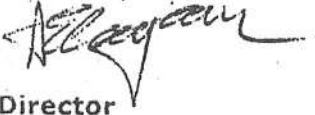
(AS PER ATTACHMENT)

**Schedule of Properties**  
(Residual Business)  
(As on 31<sup>st</sup> March, 2008)

Particulars	Amount (Rs)
<b>PART-I</b>	
<b>Short Description of the Free hold Property of the Transferor Company</b>	
NIL	NIL
<b>PART-II</b>	
<b>Short Description of the Lease hold Property of the Transferor Company</b>	
Factory Land, Shed and building situated at 127 - 128, Marol Co-operative Industrial Estate, Sakinaka, Marol, Andheri (E), Mumbai - 400059.	19,53,82,454
<b>PART-III</b>	
<b>Short Description of all the Stocks, Shares, Debentures and other Charges in Action of the Transferor Company</b>	
<u>Fixed Assets</u>	
Furniture & Fixtures	348
Plant & Machinery	3,306
Lab Equipments	1,115
<u>Current Assets</u>	
Stock in Trade	5,30,235
Debtors	
Asiatic Corporation	23,81,064
Sterling Auxilleries	6,000
Loans & Advances	
BMC Deposit	9,600
BSES Deposit	500
License Deposit	2,985
Metro Motors Pvt. Ltd.	2,240
VAT Setoff Refund Receivable	21,209
Panama Builders & Developers	78,40,000
Iqbal Rayani Consultancy	1,40,701
Ittefaq Ice & Cold Storage Co. Pvt Ltd	18,50,000
Securities Transaction Tax Paid	8,372
Tax Deducted at Source	1,35,300
Cash & Bank balances	
Cash in Hand	1,06,404

Bank Balance: Current Account no: 01920100001198 with Development Credit Bank, Mohd'ali Road Branch, Mumbai - 400001.	1,19,190
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For Mobil Petrochem Pvt Ltd



Director

**SCHEME OF ARRANGEMENT BEING  
COMPOSITE SCHEME OF DE-MERGER AND AMALGAMATION  
BETWEEN  
MOBIL PETROCHEM PVT LTD  
ITTEFAQ ICE AND COLD STORAGE CO. PVT LTD  
AND  
PANAMA PETROCHEM LTD  
AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS  
UNDER SECTIONS 391 & 394 OF THE COMPANIES ACT, 1956**

**A.** This Scheme of Arrangement being Composite Scheme of De-merger and Amalgamation is presented under sections 391 and 394 of the Companies Act, 1956 and other relevant provisions:

- i. For De-merger and vesting of securities investment business of Mobil Petrochem Pvt Ltd as a going concern into Ittefaq Ice and Cold Storage Co. Pvt Ltd; and
- ii. For Amalgamation of Mobil Petrochem Pvt Ltd (after the aforesaid de-merger) with Panama Petrochem Ltd.

**B. Parts of the Composite Scheme of Amalgamation and De-merger:**

This Scheme provides for matters connected with the aforesaid de-merger and amalgamation. Accordingly, this Scheme is divided into the following parts:

- i. **Part-1** which deals with the Definitions and Share Capital;
- ii. **Part-2** which deals with De-merger of securities investment business of Mobil Petrochem Pvt Ltd into Ittefaq Ice and Cold Storage Co. Pvt Ltd;
- iii. **Part-3** which deals with Amalgamation of Mobil Petrochem Pvt Ltd with Panama Petrochem Ltd;
- iv. **Part-4** which deals with the Accounting Treatment;
- v. **Part-5** which deals with the General Clauses; and

vi. **Part-6** which deals with Other Terms and Conditions

**DEFINITIONS AND SHARE CAPITAL**

**DEFINITIONS**

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

- 1.1 "The Act"** means the Companies Act, 1956 (1 of 1956) and the Rules made there under;
- 1.2 "The Appointed Date"** means commencement of business on 1<sup>st</sup> January, 2008 or such other date as the Hon'ble High Court(s) may direct.
- 1.3 "Securities Investment Business" or "the De-merged Business/Undertaking"** means Securities Investments made by the Transferor Company consisting of investments in shares etc. as reflected in its Balance Sheet and includes the undertaking comprising of:
- 1.3.1** All assets (whether movable or immovable, real or personal, corporeal or incorporeal, present future or contingent, tangible or intangible) wherever situated pertaining thereto.
- 1.3.2** All present and future liabilities (including contingent liabilities) arising out of the activities or operations of Securities Investment Business, including loans, debts, current liabilities and provisions; duties and obligations relating to Securities Investment Business.
- 1.3.3** Without prejudice to the generality of the above, Securities Investment Business shall include in particular.
- a.** All properties and assets of Securities Investment Business wherever situated;
- b.** All rights, entitlements and other statutory permissions, approvals, consents, licenses, registrations, goodwill, intellectual property, investment, cash balances, the benefit of any deposit, financial assets, funds belonging to or proposed to be utilized for Securities Investment Business, bank balances and bank accounts relating to the day to day operations and specific to the working of Securities Investment Business; and all other fiscal and non fiscal incentives, benefits and privileges which are available to or being availed by the Transferor Company or which the Transferor Company may be entitled to at any time for its

Securities Investment Business, shall be continued to be available in the Resultant Company for Securities Investment Business after the proposed De-merger;

- c. All records, files, papers, computer programs, manuals, data and other records, whether in physical form or electronic form in connection with or relating to Securities Investment Business;
- d. All duties and obligations, which are relatable to Securities Investment Business;
- e. All earnest moneys and/or security deposits, if any, paid or received by the Transferor Company in connection with or relating to Securities Investment Business;

**1.3.4** For the purpose of this scheme, it is clarified that liabilities pertaining to Securities Investment Business include:

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

**1.3.5** All employees of the Transferor Company employed in Securities Investment Business, as identified by the Board of Directors of the Transferor Company, as on the effective Date;

**1.3.6** Any question that may arise as to whether a specified asset or liability pertains or does not pertain to Securities Investment Business or whether it arises out of the activities or operations of Securities Investment Business shall be decided by mutual agreement between the Board of Directors of the Transferor Company and the Resultant Company.

Performa Balance Sheet of Securities Investment Business of the Transferor Company is set out in **Schedule-I**.

- 1.4 "The Effective Date"** means the date on which the certified copies of the High Court(s) Order sanctioning the Composite Scheme of Amalgamation and De-merger are filed with the concerned Registrar of Companies.
- 1.5 "Remaining Business of the Transferor Company"** means all the undertakings, businesses, activities and operations of the Transferor Company other than the Securities Investment Business.
- 1.6 "This Scheme" or "the Scheme"** means the present Scheme of Arrangement being Composite Scheme of De-merger and Amalgamation framed under the provisions of sections 391 and 394 of the Companies Act, 1956, and other applicable provisions, if any, where under (a) the Securities Investment Business of the Transferor Company is proposed to be de-merged into the Resultant Company; and (b) the Transferor Company is proposed to be amalgamated with the Transferee Company, in the present form or with any modification(s) approved or imposed or directed by Members/Creditors of the respective Companies and/or by any competent authority and/or by the Hon'ble High Court(s).
- 1.7 "The Transferor Company"** means **Mobil Petrochem Pvt Ltd** being a company incorporated under the provisions of the Companies Act, 1956, and having its registered office at 5, Mahavir Darshan, 416, Narshi Natha Street, Mumbai 400 009 in the state of Maharashtra.
- 1.8 "The Resultant Company"** means **Ittefaq Ice and Cold Storage Co. Pvt Ltd** being a company incorporated under the provisions of the Companies Act, 1956, and having its registered office at 5, Mahavir Darshan, 416, Narshi Natha Street, Mumbai 400 009 in the state of Maharashtra.
- 1.9 "The Transferee Company"** means **Panama Petrochem Ltd** being a company incorporated under the provisions of the Companies Act, 1956, and having its registered office at Plot No. 3303, GIDC Estate, Ankleshwar-393 002, in the state of Gujarat.

#### **1.10 SHARE CAPITAL**

- 1.10.1** The present Authorised Share Capital of the Transferor Company is Rs. 2,16,00,000 divided into 21,60,000 Equity Shares of Rs. 10 each. Rs. 2,15,64,800 divided into 21,56,480 Equity Shares of Rs. 10 each.
- 1.10.2** The present Authorised Share Capital of the Resultant Company is Rs. 25,00,000 divided into 2,50,000 Equity Shares of Rs. 10 each. The present Issued, Subscribed and Paid-up Share Capital of the Company is Rs. 25,00,000 divided into 2,50,000 Equity Shares of Rs. 10 each.



**1.10.3** The present Authorised Share Capital of the Transferee Company is Rs. 11,00,00,000 divided into 1,10,00,000 Equity Shares of Rs. 10/- each. The present Issued, Subscribed and Paid-up Share Capital of the Company is Rs. 4,76,20,000 divided into 47,62,000 Equity Shares of Rs. 10/- each. The Company issued 4,25,000 convertible warrants to the Promoters Group with entitlement of equal no. of equity shares at a price of Rs. 150 (10+140) per share. These warrants will expire on 30<sup>th</sup> June, 2009.

**PART-2**  
**DE-MERGER OF SECURITIES INVESTMENT BUSINESS OF**  
**MOBIL PETROCHEM PVT LTD INTO**  
**ITTEFAQ ICE AND COLD STORAGE CO. PVT LTD**

**2. Transfer and vesting of undertaking of the Transferor Company**

**2.1** The Securities Investment Business of the Transferor Company, as defined in Clause 1.3, shall stand transferred to and vested in or deemed to be transferred to and vested in the Resultant Company, as a going concern in the following manner;

**2.1.1** With effect from the Appointed Date, the whole of the undertaking and properties of the Securities Investment Business, shall pursuant to the provisions contained in Sections 391 and 394 and all other applicable provisions, if any, of the Act and without any further act, deed, matter or thing, stand transferred to and vested in and/or be deemed to be transferred to and vested in the Resultant Company so as to vest in the Resultant Company all rights, title and interest pertaining to the Securities Investment Business.

**2.1.2** With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of every kind nature and description of the Transferor Company relating to Securities Investment Business shall also, under the provisions of Sections 391 and 394 and all other applicable provisions, if any, of the Act, and without any further act or deed, be transferred to or be deemed to be transferred to the Resultant Company, so as to become from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of the Resultant Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub clause.

- 2.1.3** With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, permissions or approvals or consents held by the Transferor Company required to carry on operations of Securities Investment Business shall stand vested in or transferred to the Resultant Company without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Resultant Company. The benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses, and consents shall vest in and become available to the Resultant Company pursuant to the Scheme. In so far as the various incentives, subsidies, rehabilitations schemes, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by the Transferor Company relating to the Securities Investment Business, are concerned, the same shall vest with and be available to the Resultant Company on the same terms and conditions.
- 2.1.4** The transfer and vesting of Securities Investment Business as aforesaid shall be subject to the existing securities, charges, mortgages and other encumbrances if any, subsisting over or in respect of the property and assets or any part thereof relating to Securities Investment Business to the extent such securities, charges, mortgages, encumbrances are created to secure the liabilities forming part of the Securities Investment Business.
- 2.1.5** This Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under section 2(19AA) of the Income Tax Act, 1961 and other applicable provisions, if any. If any terms or provisions of the Scheme is/are inconsistent with the provisions of section 2(19AA) of the Income Tax Act, 1961, the provisions of section 2(19AA) of the Income Tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent necessary to comply with section 2(19AA) of the Income Tax Act, 1961.

#### **REMAINING BUSINESS OF THE TRANSFEROR COMPANY**

- 2.2 Remaining Business of the Transferor Company to continue with the Transferor Company**
- 2.2.1** The Remaining Business of the Transferor Company and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Transferor Company.
- 2.2.2** All legal and other proceedings by or against the Transferor 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 of the Transferor Company (including those relating to any property, right power, liability, obligation or duty, of the Transferor Company in respect of the Remaining Business of the Transferor Company) shall be continued and enforced by or against the Transferor Company.

**2.2.3** With effect from the Appointed Date and including the Effective Date:

- a. The Transferor Company shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Remaining Business of the Transferor Company for and its own behalf;
- b. All profit accruing to the Transferor Company thereon or losses arising or incurred by it relating to the Remaining Business of the Transferor Company shall, for all purposes, be treated as the profit, or losses, as the case may be, of the Transferor Company.

### **2.3 Issue of Shares by the Resultant Company**

**2.3.1** Upon the Scheme finally coming into effect and in consideration of de-merger and vesting of the Securities Investment Business of the Transferor Company into the Resultant Company, in terms of this Scheme, the Resultant Company shall, without any further application or deed, issue and allot 1 (one) Equity Share of the face value of Rs. 10 each in the Resultant Company, credited as fully paid up, to the Members of the Transferor Company whose names appear in the Register of Members as on a particular date (Record Date), to be fixed by the Board of Directors of the Resultant Company, for every 6 (six) Equity Share of Rs. 10 each held in the Transferor Company.

**2.3.2** Any fraction of share arising out of the aforesaid share exchange process, if any, will be rounded off to nearest whole number.

**2.3.3** The Equity Shares to be issued in terms of clause 2.3.1 above shall be subject to the provisions of the Memorandum and Articles of Association of the Resultant Company. The new Equity Shares shall rank pari passu in all respects, including dividend, with the existing Equity Shares of the Resultant Company.

**2.3.4** It is clarified that the Resultant Company will issue shares to all the pre-merger shareholders of the Transferor Company. The

Resultant Company will remain a closely held company and will not be listed on any stock exchange pursuant to this Scheme.

- 2.3.5** The issue and allotment of Shares by the Resultant Company to the shareholders of the Transferor Company, as provided in this Scheme, is an integral part thereof. The members of the Resultant Company, on approval of the Scheme, shall be deemed to have given their approval u/s 81(1A) of the Act and other applicable provisions, if any, for issue of fresh Shares to the Members of the Transferor Company in terms of this Scheme.
- 2.3.6** The reduction of the paid up capital, reserves & surplus, etc., as the case may be, of the Transferor Company shall be effected as an integral part of the Scheme only. Approval of this Scheme by the Shareholders and/or Creditors of the Transferor Company and the Resultant Company, as the case may be, and sanction by the High Court under section 391 and 394 of the Companies Act, 1956, shall be sufficient compliance with the provisions of sections 100 to 104 of the Companies Act, 1956, rule 85 of the Companies (Court) Rules, 1959, and other applicable provisions, if any, relating to the reduction of paid up capital and reserves & surplus of the Transferor Company, if any. The Order of the High Court sanctioning the Scheme shall be deemed to be also the Order under section 102 of the Act for the purpose of confirming the reduction. Such reduction would not involve either the diminution of any liability in respect of un-paid share capital or the payment to any shareholder of any paid-up share capital, and accordingly, the provisions of section 101 of the Act will not be applicable.
- 2.3.7** Save as provided elsewhere in this Scheme, the Resultant Company shall increase/modify its Authorized Share Capital for implementing the terms of the Scheme, to the extent necessary.

**PART-3**  
**AMALGAMATION OF MOBIL PETROCHEM PVT LTD WITH**  
**PANAMA PETROCHEM LTD**

**3.1 Transfer and vesting of Undertaking**

- 3.1.1** With effect from the commencement of business on 1<sup>st</sup> January, 2008, i.e., the Appointed Date, subject to the provisions of the Scheme in relation to the modalities of transfer and vesting, the undertaking and entire business and all immovable properties where so ever situated and incapable of passing by physical delivery as also all other assets, capital work-in-progress; current assets, investments, bookings and advances against bookings for/in residential and commercial plots and buildings,

powers, authorities, allotments, approvals and consents, licenses, registrations, contracts, engagements, arrangement, rights, intellectual property rights, titles, interests, benefits and advantages of whatsoever nature belonging to or in the ownership, power, possession, control of or vested in or granted in favour of or enjoyed by the Transferor Company, including but without being limited to, all licenses, liberties, easements, advantages, benefits, privileges, leases, tenancy rights, ownership, intellectual property rights including trade marks, brands, copy rights; quota rights, subsidies, capital subsidies, concessions, exemptions, sales tax exemptions, concessions/ obligations under EPCG/Advance/DEPB licenses, approvals, clearances, environmental clearances, authorizations, certification, quality certification, utilities, electricity connections, electronics and computer link ups, services of all types, reserves, provisions, funds, benefit of all agreements and all other interests arising to the Transferor Company (hereinafter collectively referred to as "the said assets") shall, without any further act or deed or without payment of any duty or other charges, be transferred to and vested in the Transferee Company pursuant to the provisions of Section 394 of the Act, for all the estate, right, title and interest of the Transferor Company therein so as to become the property of the Transferee Company but, subject to mortgages, charges and encumbrances, if any, then affecting the undertaking of the Transferor Company without such charges in any way extending to the undertaking of the Transferee Company.

**3.1.2** Notwithstanding what is provided herein above, it is expressly provided that in respect to such of the said assets as are movable in nature or are otherwise capable of being transferred by physical delivery or by endorsement and delivery, the same shall be so transferred by the Transferor Company to the Transferee Company after the Scheme is duly sanctioned and given effect to without requiring any order of the Court or any deed or instrument of conveyance for the same or without the payment of any duty or other charges and shall become the property of the Transferee Company accordingly.

**3.1.3** On and from the Appointed Date, all liabilities, provisions, duties and obligations including Income Tax and other statutory liabilities, if any, of every kind, nature and description of the Transferor Company whether provided for or not in the books of accounts of the Transferor Company shall devolve and shall stand transferred or be deemed to be transferred without any further act or deed, to the Transferee Company with effect from the Appointed Date and shall be the liabilities, provisions, duties and obligations of the Transferee Company.

**3.1.4** Without prejudice to the generality of the provisions contained in Clauses 3.1.1, 3.1.2 and 3.1.3 above, upon the Scheme becoming effective, the Transferee Company shall file such forms as may be required or necessary with the Registrar of Companies with respect to the charges and mortgages created or to be created.

**3.1.5** This Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under section 2(1B) of the Income Tax Act, 1961 and other applicable provisions; if any, If any terms or provisions of the Scheme is/are inconsistent with the provisions of section 2(1B) of the Income Tax Act, 1961, the provisions of section 2(1B) of the Income Tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent necessary to comply with section 2(1B) of the Income Tax Act, 1961.

### **3.2 Dissolution of Transferor Company**

Upon this Scheme becoming effective, the Transferor Company shall stand dissolved without winding up.

### **3.3 Issue of Shares by the Transferee Company**

**3.3.1** Upon the Scheme finally coming into effect and in consideration of the transfer and vesting of all the said assets and liabilities of the Transferor Company to the Transferee Company in terms of the Scheme, the Transferee Company shall, without any further application or deed, issue and allot 1 (one) Equity Share of the face value of Rs. 10/- each in the Transferee Company, credited as fully paid up, to the Members of the Transferor Company whose names appear in the Register of Members as on a particular date (Record Date), to be fixed by the Board of Directors of the Transferee Company, for every 2 (two) Equity Shares of Rs. 10 each held in the Transferor Company.

**3.3.2** Any fraction of share arising out of the aforesaid share exchange process, if any, will be rounded off to nearest whole number.

**3.3.3** The Equity Shares to be issued in terms of clause 3.3.1 above shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company. The new Equity Shares shall rank pari passu in all respects, including dividend, with the existing Equity Shares of the Transferee Company except any stipulation with regard to lock-in period or other conditions that may be imposed or suggested by the Stock Exchange(s) or any other competent authority.

**3.3.4** The issue and allotment of Equity Shares by the Transferee Company to the shareholders of the Transferor Company; as

provided in this Scheme, is an integral part thereof. The members of the Transferee Company, on approval of the Scheme, shall be deemed to have given their approval u/s 81(1A) of the Act and other applicable provisions, if any, for issue of fresh Equity Shares to the Members of the Transferor Company in terms of this Scheme.

**3.4 Upon this Scheme becoming effective:**

- 3.4.1** Entire issued share capital and share certificates of the Transferor Company shall automatically stand cancelled.
- 3.4.2** Cross holding of shares between the Transferor Company and the Transferee Company on the record date, if any, shall stand cancelled. Approval of this Scheme by the Shareholders and/or Creditors of the Transferor and the Transferee Companies, as the case may be, and sanction by the High Court under section 391 and 394 of the Companies Act, 1956, shall be sufficient compliance with the provisions of sections 100 to 104 of the Companies Act, 1956, rule 85 of the Companies (Court) Rules, 1959, and other applicable provisions, if any, relating to the reduction of share capital on cancellation of cross holding, if any. Such reduction would not involve either the diminution of any liability in respect of un-paid share capital or the payment to any shareholder of any paid-up share capital, and accordingly, the provisions of section 101 of the Act will not be applicable.
- 3.4.3** The authorized capital of the Transferor Company shall be added to and shall form part of the authorized capital of the Transferee Company. Accordingly, the authorized capital of the Transferee Company shall stand increased to this extent without payment of any fees or charges to the Registrar of Companies and/or to any other government authority.
- 3.4.4** Save as provided hereinabove, the Transferee Company shall increase/modify its Authorized Share Capital for implementing the terms of the Scheme, to the extent necessary.
- 3.4.5** The Transferee Company is presently listed on the Bombay Stock Exchange Ltd (BSE) whereas the Transferor Company is an un-listed company. In terms of the provisions of the Listing Agreement, SEBI Guidelines and other applicable provisions, if any, new shares to be issued by the Transferee Company to the Shareholders of the Transferor Company pursuant to this Scheme shall be listed on BSE. The Transferee Company will make necessary application(s) for this purpose and comply with the applicable provisions of Listing Agreement and SEBI Guidelines in this regard.

- 3.4.6** In terms of the provisions of the listing agreement and SEBI Guidelines, pre-merger Promoters' holding in the Transferee Company and/or new Shares to be issued to the Shareholders of the Transferor Company in terms of this Scheme, may be placed under lock-in by the Stock Exchange(s) or any other competent authority. However, shares may be transferred within the promoters group during the lock-in period.
- 3.4.7** Shares allotted pursuant to this Scheme may remain frozen in the Depositories system till listing/trading permission is given by the Designated Stock Exchange (BSE).

#### **PART-4 ACCOUNTING TREATMENT**

##### **4.1 In the books of the Transferor Company**

**Upon the Scheme becoming effective, De-merger of Securities Investment Business of the Transferor Company into the Resultant Company will be accounted in the following manner:**

- 4.1.1** The Transferor Company at their book values shall reduce all the assets and liabilities pertaining to Securities Investment Business, which cease to be the assets and liabilities of the Transferor Company.
- 4.1.2** The difference, if any, arising on de-merger will be credited to the Securities Premium Account or debited to Goodwill Account, as the case may be, in the books of the Transferor Company.

##### **4.2 In the books of the Resultant Company**

**Upon the Scheme becoming effective, the Resultant Company will account for De-merger of Securities Investment Business of the Transferor Company into the Resultant Company in the following manner:**

- 4.2.1** The Resultant Company shall record the assets and liabilities (difference between the assets and liabilities hereinafter referred to as "Net Assets") pertaining to Securities Investment Business vested in it pursuant to this Scheme, at the respective book values as appearing in the books of the Transferor Company as on the Appointed Date.
- 4.2.2** The Resultant Company shall credit to its Share Capital Account in its books of account, the aggregate face value of the new equity shares issued by it to the Shareholders of the Transferor Company pursuant to this Scheme.



**4.2.3** Any difference between the Net Assets and the face value of new equity shares issued shall be credited to the Securities Premium Account or debited to Goodwill Account, as the case may be, in the books of the Resultant Company.

**4.3 In the books of the Transferee Company**

**Upon the Scheme becoming effective, amalgamation of the Transferor Company with the Transferee Company will be accounted in the following manner:**

- 4.3.1** The amalgamation shall be an 'amalgamation in the nature of merger' as defined in the Accounting Standard (AS) 14 as prescribed under the Companies (Accounting Standards) Rules, 2006, and shall be accounted for under the 'pooling of interests' method in accordance with the said AS-14.
- 4.3.2** Accordingly, all the assets and liabilities recorded in the books of the Transferor Company shall be transferred to and vested in the Transferee Company pursuant to the Scheme and shall be recorded by the Transferee Company at the respective book values as reflected in the books of the Transferor Company as on the Appointed Date.
- 4.3.3** Inter-company balances, if any, will stand cancelled.
- 4.3.4** All the reserves of the Transferor Company under different heads shall become the corresponding reserves of the Transferee Company. Similarly, balance in the Profit & Loss Accounts of the Transferor and Transferee Companies will also be clubbed together.
- 4.3.5** In terms of the provisions of the Accounting Standard 14, any surplus/deficit arising out of Amalgamation shall be adjusted in the General Reserve of the Transferee Company.
- 4.3.6** Accounting policies of the Transferor Company will be harmonized with that of the Transferee Company following the amalgamation.

**PART-5  
GENERAL CLAUSES**

**5.1 Conduct of business until the Effective Date**

- 5.1.1** With effect from the Appointed Date and upto and including the Effective Date:

- a. The Transferor Company, in relation to the De-merged Business and the Remaining Business shall carry on and be deemed to have carried on the business and activities and shall possess of their properties and assets for and in trust of the Resultant Company and the Transferee Company respectively. All the profits/losses accruing shall for all purposes be treated as profits/losses of the Resultant Company and the Transferee Company respectively.
  - b. The Transferor Company, in relation to the De-merged Business and the Remaining Business shall not without the prior written consent of the Board of Directors of the Resultant Company and the Transferee Company respectively or pursuant to any pre-existing obligation, sell, transfer or otherwise alienate, charge, mortgage or encumber or otherwise deal with or dispose of any undertaking or any part thereof except in the ordinary course of its business.
- 5.1.2 Notwithstanding anything contained in clause 5.1.1 above, The Transferor Company, in relation to the De-merged Business and the Remaining Business, the Resultant Company and the Transferee Company shall be free to conduct their respective businesses and to take all steps in this regard including raising of funds either through fresh share capital or loan during the pendency of this Scheme.

## **5.2 Staff, Workmen and Employees**

- 5.2.1 On the Scheme becoming effective, all staff, workmen and employees of the Transferor Company, in relation to the De-merged Business and the Remaining Business, in service on the Effective Date, shall become and deemed to have become staff, workmen and employees of the Resultant Company and the Transferee Company respectively, on such date without any break or interruption in their service and on the basis of continuity of service, and upon terms and conditions not less favorable than those applicable to them in relation to the De-merged Business and the Remaining Business respectively of the Transferor Company, on the Effective Date.
- 5.2.2 It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund and any other special fund or trusts created or existing for the benefit of the staff, workmen and employees of the Transferor Company, in relation to the De-merged Business and the Remaining Business respectively, for all purposes whatsoever in relation to the administration or operation of such fund or funds or in relation to the obligation to make contributions to the said fund or funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, to the

end and intent that all rights, duties, powers and obligations of the Transferor Company, in relation to the De-merged Business and the Remaining Business respectively, in relation to such fund or funds shall become those of the Resultant Company and the Transferee Company respectively. It is clarified that the services of the staff, workmen and employees of the Transferor Company, in relation to the De-merged Business and the Remaining Business respectively, will be treated as having been continuous for the purpose of the aforesaid funds or provisions.

### **5.3 Legal Proceedings**

5.3.1 All legal proceedings of whatever nature by or against the Transferor Company pending and/or arising on or after the Appointed Date, in relation to the Securities Investment Business and the Remaining Business respectively, shall not abate or be discontinued or be, in any way, prejudicially affected by reason of the Scheme or by anything contained in this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Resultant Company and the Transferee Company respectively in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company, in relation to the De-merged Business and the Remaining Business respectively, as if the Scheme had not been made.

5.3.2 The Resultant Company undertakes to have all legal or other proceedings initiated by or against the Transferor Company, in relation to the Securities Investment Business referred to in clause 5.3.1 above transferred into its name and to have the same continued, prosecuted and enforced by or against the Resultant Company to the exclusion of the Transferor Company, in relation to Securities Investment Business.

### **5.4 Contracts, Deeds, Bonds and Other Instruments**

5.4.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature, to which the Transferor Company, in relation to the De-merged Business and the Remaining Business respectively, is a party, subsisting or having effect on the Effective date, shall remain in full force and effect against or in favour of the Resultant Company and the Transferee Company respectively and may be enforced by or against the Resultant Company and the Transferee Company respectively as fully and effectually as if, instead of the Transferor Company, in relation to the De-merged Business and the Remaining Business respectively, the Resultant Company and the Transferee Company respectively had been a party thereto.

## **5.5 Permissions**

5.5.1 Any statutory licenses, permissions, approvals or consents to carry on the operations of the Transferor Company, in relation to the De-merged Business and the Remaining Business respectively, shall stand vested in or transferred to the Resultant Company and the Transferee Company respectively without any further act or deed and shall be appropriately mutated by the Statutory Authorities concerned in favour of the Resultant Company and the Transferee Company respectively upon the vesting and transfer of the Undertakings pursuant to this Scheme. The benefit of all statutory and regulatory permissions, licenses, environmental approvals and consents, sales tax registrations or other licenses and consents shall vest in and become available to the Resultant Company and the Transferee Company respectively pursuant to this Scheme. In so far as the various incentives, subsidies, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by the Transferor Company, in relation to the De-merged Business and the Remaining Business respectively, are concerned, the same shall vest with and be available to the Resultant Company and the Transferee Company respectively on the same terms and conditions.

## **5.6 Saving of concluded transactions:**

5.6.1 The transfer and vesting of the Securities Investment Business into the Resultant Company and the amalgamation of the Transferor Company with the Transferee Company as above and the continuance of proceedings by or against the Resultant Company and the Transferee Company respectively shall not affect any transaction or proceedings already concluded on or after the Appointed Date till the Effective Date, to the end and intent that the Resultant Company and the Transferee Company respectively accepts and adopts all acts, deeds and things done and executed by the Transferor Company, in relation to the De-merged Business and the Remaining Business respectively, in respect thereto as done and executed on behalf of the Resultant Company and the Transferee Company respectively.

## **5.7 Operative date of the Scheme**

5.7.1 Though this Scheme shall become effective from the Effective Date, the provisions of this Scheme shall be applicable and come into operation from the Appointed Date.

**PART-6**  
**OTHER TERMS AND CONDITIONS**

**6.1 Application to High Courts**

- 6.1.1 The Transferor Company shall make joint/separate applications/petitions under the provisions of sections 391 & 394 of the Companies Act, 1956, the Companies (Court) Rules, 1959 and other applicable provisions, if any, to the Hon'ble High Court of Judicature at Mumbai for sanctioning of this Scheme, dissolution of the Transferor Company without the process of winding up and other connected matters.
- 6.1.2 The Resultant Company shall also make joint/separate application(s)/petition(s) under the provisions of sections 391 & 394 of the Companies Act, 1956, the Companies (Court) Rules, 1959 and other applicable provisions, if any, to the Hon'ble High Court of Judicature at Mumbai for sanctioning of this Scheme and other connected matters.
- 6.1.3 The Transferee Company shall make joint/separate application(s)/petition(s) under the provisions of sections 391 & 394 of the Companies Act, 1956, the Companies (Court) Rules, 1959 and other applicable provisions, if any, to the Hon'ble High Court of Gujarat at Ahmedabad for sanctioning of this Scheme and other connected matters.

**6.2 Modifications/amendments to the Scheme**

- 6.2.1 The Transferor Company, the Resultant Company and the Transferee Company through their respective Board of Directors may make or assent, from time to time, on behalf of all persons concerned, to any modifications or amendments to this Scheme or to any conditions or limitations which the Court(s) and/or any authorities under the law may deem fit to approve of or impose and to resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds, matters and things necessary for carrying the Scheme into effect.
- 6.2.2 In order to give effect to this Scheme or to any modifications or amendments thereof, the Board of Directors of the Transferee Company may give and are authorized to give all such directions as may be necessary including directions for settling any question, doubt or difficulty that may arise.
- 6.2.3 In the event that any conditions are imposed by any competent authority or the Court(s) which the Transferor Company, the Resultant Company or the Transferee Company find un-

acceptable for any reason whatsoever, then the Transferor Company, the Resultant Company and/or the Transferee Company shall be entitled to withdraw from this Scheme.

### **6.3 Interpretation**

- 6.3.1 If any doubt or difference or issue arises between the Transferor Company, the Resultant Company and the Transferee Company or any of their Shareholders or Creditors and/or any other person as to the construction hereof or as to anything else contained in or relating to or arising out of this Scheme, the same shall be referred to Mr Rajeev K Goel, LLB, FCS, Advocate, 138-A, Pocket-F, Mayur Vihar II, Delhi 110 091, Phones: 093124 09354, 011-2277 3618, whose decision shall be final and binding on all concerned.

### **6.4 Expenses connected with the Scheme**

- 6.4.1 All costs, charges and expenses of the Transferor Company, the Resultant Company and the Transferee Company incurred in relation to or in connection with this Scheme or incidental to the completion of the De-merger/ Amalgamation in pursuance of this Scheme; shall be borne and paid by the Transferee Company. However, in the event of the Scheme becoming invalid for any reason whatsoever, all costs, charges and expenses relating to the amalgamation/de-merger exercise or incidental thereto shall be borne and paid by the respective Companies incurring the same.
-

**Schedule - I to the Scheme**  
**Mobil Petrochem Pvt Ltd**  
**Performa Balance Sheet of Securities Investment Business**  
**As at 31<sup>st</sup> December, 2007**

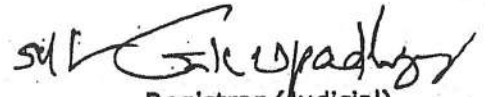
M/S. MOBIL, PETROCHEM PVT, LTD. (INVESTMENT DIVISION)

PROVISIONAL BALANCE SHEET AS AT 31<sup>st</sup> DECEMBER, 2007

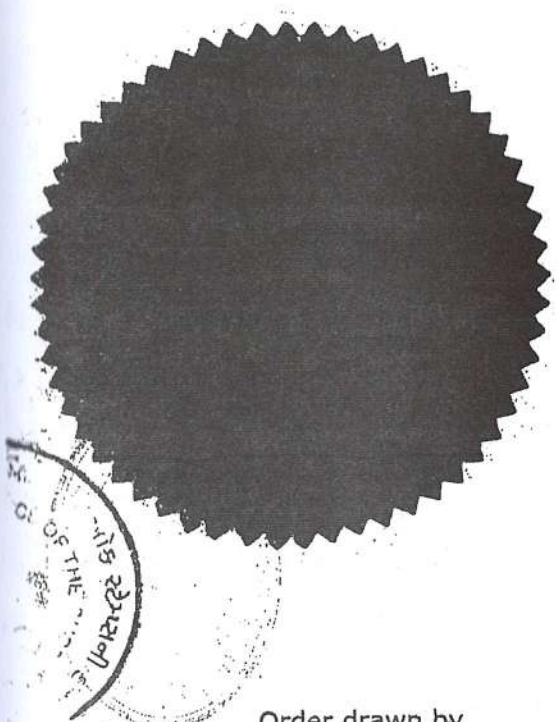

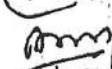
PARTICULARS	SCHEDULE	CURRENT YEAR	PREVIOUS YEAR
<b><u>SOURCES OF FUNDS :</u></b>			
<b>1) <u>SHAREHOLDERS' FUND :</u></b>			
a) Share Capital			
b) Share Application Money			
c) Reserves and Surplus		1,536,850.00	1,877,650.00
<b>2) <u>UNSECURED LOANS :</u></b>			
<b>TOTAL FUNDS EMPLOYED Rs.</b>		1,536,850.00	1,877,650.00
<b><u>APPLICATION OF FUNDS :</u></b>			
<b>1) <u>FIXED ASSETS</u></b>			
<b>2) <u>INVESTMENT :</u></b>			
180596 Shares of M/S. Panama Petrochem Ltd.		1,536,850.00	1,877,650.00
<b><u>CURRENT ASSETS, LOANS AND ADVANCES :</u></b>			
a) Bank Balance with Development Credit Bank Ltd.			
b) Cash on hand			
c) Stock in Hand			
d) Loans & Advances			
e) Sundry Debtors			
f) Deferred Tax Assets			
	<b>TOTAL Rs. (A)</b>	-----	-----
<b><u>LESS : CURRENT LIABILITIES &amp; PROVISIONS :</u></b>			
Security Deposit from Panama Petrochem Ltd			
Deposit from Sterling AUX			
Sundry Creditors			
Provisions			
	<b>TOTAL Rs. (B)</b>	-----	-----
<b>3) NET CURRENT ASSETS (A-B)</b>			
<b>TOTAL ASSETS OWNED (1+2+3) Rs.</b>		1,536,850.00	1,877,650.00

Witness K.S Radhakrishnan, Esquire, the CHIEF JUSTICE at Ahmedabad  
aforesaid this 14<sup>th</sup> day of November 2008.


By the order of the court

  
Registrar (Judicial)

This 14<sup>th</sup> day of December 2008

  
  
11-12-08  
(scanned y.k.)  
  
15/12/08

Sealer

  
Deputy Registrar

This 15<sup>th</sup> day of December 2008

Order drawn by



Abhishek M Mehta

Advocate

2, Sural Bunglows

Near Judges Bunglow,

Bodekdev.

Ahmedabad 380054





**IN THE HIGH COURT OF GUJARAT AT AHMEDABAD**

**ORIGINAL JURISDICTION**

**COMPANY PETITION NO. 156 OF 2010**

**CONNECTED WITH**

**COMPANY APPLICATION NO. 227 OF 2010**

In the matter of the Companies Act, 1956;

And

In the matter of  
Panama Petrochem Ltd.

A Company registered under the Companies Act, 1956 and having its registered office at Plot No. 3303, GIDC Estate, Ankleshwar-393002, Gujarat

And

In the matter of

Scheme of Amalgamation of Monaco Petroleum Pvt. Ltd with Panama Ltd.

**PANAMA PETROCHEM LTD.**

A Company registered under the Companies Act, 1956  
and having its registered office at Plot No. 3303, GIDC  
Estate, Ankleshwar - 393 002. Gujarat..... ]

] PETITIONER

**Coram : Before Honourable Mr. Justice J B Pardiwala**

**Date : 23/03/2011**

**ORDER ON PETITION**

1. The Above Petition filed by the Petitioner Transferee Company coming on for hearing on 23/03/2011 for sanction of the Scheme of Amalgamation of Monaco Petroleum Pvt. Ltd. (the Transferor Company) with Panama Petrochem Ltd (the Transferee Company) under section 391 and section 394 of the Companies Act, 1956. Vide Order dated 6th August, 2010, passed in Company Application No. 227 of 2010 meetings of Secured Creditors and Un-secured Creditors of the Transferee Company were dispensed with. The Court Further directed to convene meeting of the Shareholders of the Transferee Company under the supervision of the Court, to consider and approve the Scheme of Arrangement and the said meeting was unanimously of the opinion that the Scheme of Amalgamation be approved, adopted and agreed to without any modification. The present Petition was filed subsequently



and was admitted vide order dated 13th December, 2010. The Public notices for the Petition were duly advertised in the newspapers. The Indian Express (English), and Divya Bhaskar (Gujarati), both Ahmedabad Edition.

2. Despite the Public Notices, no one has come forward with any objections to the said Petition.
3. Notice of the Petition has been served upon the Central Government and Shri P S Champaneri learned Standing Counsel appears for the Central Government. An affidavit dated 11th March, 2011 is filed by Mr. Nahta, the Regional Director whereby by the Central Government has no objection for the proposed Scheme of Amalgamation. The Learned Regional Director had submitted that the Transferee Company is required to prepare its accounts after amalgamation as per Accounting Standard 14 notified by the Central Government. The Learned Counsel of Petitioner Company drew my attention to para 11 of the Scheme of Amalgamation and submitted that para 11 of the Scheme clearly provides that the Transferee Company will comply with Accounting Standard 14 while preparing its accounts after amalgamation. In view of submission made by the Learned Counsel, I am satisfied that the points raised by the Learned Regional Director have been duly answered and the objections raised by the Regional Director do not survive.
4. The Registered Office of the Transferor Company - Monaco Petroleum Pvt. Ltd. is situated at Plot No. 3303, GIDC Estate, Ankleshwar-393 002, in the state of Gujarat which falls under the jurisdiction of this High Court. It is informed that the Transferor Company has already moved 2nd motion Petitor being CP No. 135/2010 connected with CA No. 226/2010 before this High Court which is also listed for final disposal.
5. Having heard Mr. Abhishek M Mehta and Mr. Rajeev K Goel, learned advocates appearing for the Petitioner Transferee Company and Shri P S Chapaneri, Standing Counsel appearing for the Central Government and having gone through the Petition and being satisfied that the amalgamation would be in the interest of the Companies and their members and creditors, prayers in terms of the Prayer Clause are hereby granted.
6. This Court doth order that Scheme of Amalgamation of Transferor Company-Monaco Petroleum Pvt. Ltd. with Transferee Company Panama Petrochem Ltd is hereby sanctioned and approved and prayers in terms of the petition are hereby granted.
7. This Court doth hereby sanction the compromise or arrangement with effect from the appointed date i.e. 01.04.210 and in the schedule hereto and doth hereby declare the same to be binding on the shareholders of the above named company.
8. Ans this Court doth further order the parties to the compromise or arrangement or other persons interested shall be at liberty to apply to this court for any direction that may be necessary in regard to the working of the compromise or arrangement and that the said company do file with the Registrar of the Companies a certified copy of this order within 30 days from the receipt of the same, and
9. This Court doth further order payment of Rs. 7500 in aggregate as the cost of this petition to be certified to Shri PS Champaneri, learned Standing for the Central Government.

#### **SCHEDULE**

Scheme of compromise and arrangement as, sanctioned by this court dated this 23rd of March, 2011.



**SCHEME OF AMALGAMATION  
OF  
MONACO PETROLEUM PVT LTD  
WITH  
PANAMA PETROCHEM LTD  
AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS  
UNDER SECTIONS 391 & 394 OF THE COMPANIES ACT, 1956**

**1.1 DEFINITIONS**

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

- a. **"The Act"** means the Companies Act, 1956 (1 of 1956) and the Rules made there under;
- b. **"The Appointed Date"** means commencement of business on 1st April, 2010 or such other date as the Hon'ble High Court(s) may direct.
- c. **"The Effective Date"** means the date on which the transfer and vesting of the entire undertakings of the Transferor Company shall take effect, i.e., the date as specified in Clause 5 of this Scheme.
- d. **"This Scheme" or "the Scheme"** means the present Scheme of Amalgamation framed under the provisions of sections 391 and 394 of the Companies Act, 1956, and other applicable provisions, if any, where under the Transferor Company is proposed to be amalgamated with the Transferee Company in the present form or with any modification(s) approved or imposed or directed by Members/ Creditors of the respective Companies and/or by any competent authority and/ or by the Hon'ble High Court(s).
- e. **"The Transferor Company"** means Monaco Petroleum Pvt Ltd being a company incorporated under the provisions of the Companies Act, 1956, and having its registered office at Plot No. 3303, GIDC Estate, Ankleshwar-393 002, Gujarat.  
  
The Transferor Company was incorporated under the provisions of the Companies Act, 1956, as a private limited company vide Certificate of Incorporation No. (CIN), U 23200 MH 1996 PTC 099552 dated 15th May, 1996, issued by the Registrar of Companies, Maharashtra at Mumbai. The Registered Office of the Company was shifted from the state of Maharashtra to the state of Gujarat as approved by the Hon'ble Company Law Board, Western Region Bench, Mumbai vide its order dated 7th June, 2010.
- f. **"The Transferee Company"** means Panama Petrochem Ltd being a company incorporated under the provisions of the Companies Act, 1956, and having its registered office at Plot No. 3303, GIDC Estate, Ankleshwar-393 002, Gujarat.



The Transferee Company was originally incorporated under the provisions of the Companies Act, 1956, as a private limited company with the name and style as "Panama Petrochem Pvt Ltd" vide Certificate of Incorporation No. 04-5062 dated 9th March, 1982 issued by the Registrar of Companies, Gujarat at Ahmedabad. The Company was converted into a public limited company and the name of the Company was changed to "Panama Petrochem Ltd" vide Fresh Certificate of Incorporation dated 6th December, 1993 issued by the ROC, Ahmedabad.

## **1.2 SHARE CAPITAL**

- i. The present Authorised Share Capital of the Transferor Company is Rs. 55,00,000 divided into 5,50,000 Equity Shares of Rs. 10 each. The present Issued, Subscribed and Paid-up Share Capital of the Company is Rs. 42,90,000 divided into 4,29,000 Equity Shares of Rs. 10 each.
- ii. The present Authorised Share Capital of the Transferee Company is Rs. 13,16,00,000 divided into 1,31,60,000 Equity Shares of Rs. 10/- each. The present Issued, Subscribed and Paid-up Share Capital of the Company is Rs. 5,84,02,400 divided into 58,40,240 Equity Shares of Rs. 10/- each.

## **2. TRANSFER OF UNDERTAKING**

- a. With effect from the commencement of business on 1st April, 2010, i.e., the Appointed Date, subject to the provisions of the Scheme in relation to the modalities of transfer and vesting, the undertaking and entire business and all immovable properties (including agricultural land, industrial land, residential land and all other land and plots) where so ever situated and incapable of passing by physical delivery as also all other assets, capital work-in-progress, current assets, investments, deposits, bookings and advances against residential and commercial plots and buildings, powers, authorities, awards, allotments, approvals and consents, licenses, registrations, contracts, agreements, engagements, arrangement, rights, intellectual property rights, titles, interests, benefits and advantages of whatsoever nature belonging to or in the ownership, power, possession, control of or vested in or granted in favour of or enjoyed by the Transferor Companies, including but without being limited to, licenses granted by various government authorities for development of real estate projects, lease deeds, lease agreements, conveyance deed, registry, sale agreements, purchase agreements, memorandum of understanding (MOU), joint development agreement, joint venture agreements, award on successful bidding and/or auction, earnest money, deposits, approval/NOC given by various government and other competent authorities like environmental clearances, approval for land use change (CLU), completion certificate, approval/NOC from fire department, approval/NOC for water, electricity and sewerage, clearance by airport authority, approval/NOC from irrigation department, approval/NOC from forest department, approval/NOC from under ground water authority, approval/NOC from national highway authority, approval/ NOC from high tension department, all permits and licenses like liquor license, license to run restaurant, lift/escalator license, liberties, easements, advantages, benefits, privileges, leases, tenancy rights, ownership, intellectual property rights including trade marks, brands, copy rights; quota rights, subsidies, capital subsidies, concessions, exemptions, sales tax exemptions, concessions/ obligations under EPCG/Advance/DEPB licenses, approvals, clearances, authorizations, certification, quality certification, utilities, electricity connections, electronics and computer link ups, services of all types, reserves, provisions, funds, benefit of all agreements and all other interests arising to the Transferor Company (hereinafter collectively referred to as "the said assets") shall, without any further act or deed or without payment of any duty or other charges, be transferred to and vested in the Transferee Company pursuant to the provisions of Section 394 of the Act, for all the estate, right, title and interest of the Transferor Company therein so as to become the property of the Transferee Company but, subject to mortgages, charges and encumbrances, if any,



then affecting the undertaking of the Transferor Company without such charges in any way extending to the undertaking of the Transferee Company.

- b. Notwithstanding what is provided herein above, it is expressly provided that in respect to such of the said assets as are movable in nature or are otherwise capable of being transferred by physical delivery or by endorsement and delivery, the same shall be so transferred, with effect from the appointed date, by the Transferor Company to the Transferee Company after the Scheme is duly sanctioned and given effect to without requiring any order of the Court or any deed or instrument of conveyance for the same or without the payment of any duty or other charges and shall become the property of the Transferee Company accordingly.
- c. On and from the Appointed Date, all liabilities, provisions, duties and obligations including Income Tax and other statutory liabilities, if any, of every kind, nature and description of the Transferor Company whether provided for or not in the books of accounts of the Transferor Company shall devolve and shall stand transferred or be deemed to be transferred without any further act or deed, to the Transferee Company with effect from the Appointed Date and shall be the liabilities, provisions, duties and obligations of the Transferee Company.
- d. Similarly, on and from the Appointed Date, all the taxes and duties including advance tax, tax deducted at source, tax collected at source, credit of MAT, self assessment tax paid by or on behalf of the Transferor Company immediately before the amalgamation shall become or be deemed to be the property of the Transferee Company by virtue of the amalgamation.
- e. Without prejudice to the generality of the provisions contained in Clauses 2.a, 2.b, 2.c and 2.d above, upon the Scheme becoming effective, the Transferee Company shall file such forms as may be required or necessary with the Registrar of Companies with respect to the charges and mortgages created or to be created.

### **3. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS**

- a. Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature, to which the Transferor Company is a party, subsisting or having effect immediately before or after the Effective date, shall remain in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectually, as if instead of the Transferor Company, the Transferee Company had been a party thereto.
- b. The transfer of the said assets and liabilities of the Transferor Company to the Transferee Company and the continuance of all the contracts or legal proceedings by or against the Transferee Company shall not affect any contract or proceedings relating to the said assets or the liabilities already concluded by the Transferor Company on or after the Appointed Date.
- c. The Transferee Company may, at any time after 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 this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and, to implement and carry out all such formalities or compliance referred to above on the part/benefit of the Transferor Company to be carried out or performed.

### **4. LEGAL PROCEEDINGS**

All legal proceedings of whatever nature by or against the Transferor Company pending on the Effective Date, shall not be abated, be discontinued or be, in any way, prejudicially



affected by reason of the transfer of the undertaking of the Transferor Company or of anything contained in this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Transferee 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 Transferor Company as if the Scheme had not been made.

#### **5. OPERATIVE DATE OF THE SCHEME**

- a. This Scheme shall be effective from the last of the dates on which certified copies of the High Court(s) order under Sections 391 and 394 of the Act are filed in the office(s) of the concerned Registrar of Companies. Such date is called as the Effective Date.
- b. Though this Scheme shall become effective from the Effective Date, the provisions of this Scheme shall be applicable and come into operation from the Appointed Date.

#### **6. DISSOLUTION OF TRANSFEROR COMPANY**

On this Scheme, becoming effective as provided in Clause 5 above, the Transferor Company shall stand dissolved without winding up.

#### **7. EMPLOYEES OF TRANSFEROR COMPANY**

- a. All the employees of the Transferor Company in service on the date immediately preceding the date on which the 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 upon terms and conditions not less favorable than those subsisting in the Transferor Company on the said date.
- b. Provident Fund, Gratuity Fund, Superannuation Fund and any other special fund or trusts created or existing for the benefit of the employees of the Transferor Company, if any, upon the Scheme becoming finally effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes and intents, whatsoever, relating 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 the provisions of such funds. It is the 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 continued for the purpose of the aforesaid funds or provisions.

#### **8. CONDUCT OF BUSINESS BY TRANSFEROR & TRANSFEEE COMPANIES**

- 8.1 From the Appointed Date until the Effective Date, the Transferor Company
  - a. Shall stand possessed of all its assets and properties referred to in Clause 2 above, in trust for the Transferee Company.
  - b. Shall be deemed to have carried on business and activities for and on behalf of and for the benefit and on account of the Transferee Company. Any income or profit accruing to the Transferor Company and all costs, charges and expenses or loss arising or incurring by the Transferor Company on and from the Appointed Date shall, for all purposes and intents, be treated as the income, profits, costs, charges, expenses or loss, as the case may be, of the Transferee Company.
- 8.2 If the Transferee Company declares any bonus during the pendency of the amalgamation process, the Shareholders of the Transferor Company shall also be the entitled for such bonus. Accordingly, subject to the approval of the Stock Exchange and/or any other competent authority, if any, bonus entitlement of the Shareholders of the Transferor Company (calculated on the basis on the proposed share exchange ratio) shall be kept in abeyance.



## **9. ISSUE OF SHARES BY TRANSFEREE COMPANY**

- 9.1 Upon the Scheme finally coming into effect and in consideration of the transfer and vesting of all the said assets and liabilities of the Transferor Company to the Transferee Company in terms of the Scheme, the Transferee Company shall, without any further application or deed, issue and allot 3 (three) Equity Shares of Rs. 10 each in the Transferee Company, credited as fully paid up, to the Members of the Transferor Company whose names appear in the Register of Members as on the Record Date, to be fixed by the Board of Directors of the Transferee Company, for every 4 (four) Equity Shares of Rs. 10 each held in the Transferor Company.
- 9.2 Any fraction of share arising out of the aforesaid share exchange process, if any, will be rounded off to nearest whole number.
- 9.3 The Equity Shares to be issued in terms of Para 9.1 above shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company. The new Equity Shares shall rank pari passu in all respects, including dividend, with the existing Equity Shares of the Transferee Company except any stipulation with regard to lock-in period or other conditions that may be imposed or suggested by the Stock Exchange(s) or any other competent authority.
- 9.4 The issue and allotment of Equity Shares by the Transferee Company to the shareholders of the Transferor Company, as provided in this Scheme, is an integral part thereof. The members of the Transferee Company, on approval of the Scheme, shall be deemed to have given their approval u/s 81(1A) of the Act and other applicable provisions, if any, for issue of fresh Equity Shares to the Members of the Transferor Company in terms of this Scheme.
- 9.5 It is, however, clarified that provisions of this Scheme with regard to issue of shares by the Transferee Company will not apply to the share application money, if any, which may remain outstanding in the Transferor Company.

## **10. Upon this Scheme becoming finally effective:**

- a. Entire issued share capital and share certificates of the Transferor Company shall automatically stand cancelled.
- b. Cross holding of shares between the Transferor Company and the Transferee Company on the record date, if any, shall stand cancelled. Approval of this Scheme by the Shareholders and/or Creditors of the Transferor and the Transferee Companies, as the case may be, and sanction by the High Court under section 391 and 394 of the Companies Act, 1956, shall be sufficient compliance with the provisions of sections 100 to 104 of the Companies Act, 1956, rule 85 of the Companies (Court) Rules, 1959, and other applicable provisions, if any, relating to the reduction of share capital on cancellation of cross holding, if any. Such reduction would not involve either the diminution of any liability in respect of un-paid share capital or the payment to any shareholder of any paid-up share capital, and accordingly, the provisions of section 101(2) of the Act will not be applicable.
- c. The authorized capital of the Transferor Company shall be added to and shall form part of the authorized capital of the Transferee Company. Accordingly, the authorized capital of the Transferee Company shall stand increased to this extent without payment of any fees or charges to the Registrar of Companies and/or to any other government authority.
- d. Save as provided in Para 10.c above, the Transferee Company shall increase/modify its Authorized Share Capital for implementing the terms of the Scheme, to the extent necessary.
- e. The Transferee Company is presently listed on the Bombay Stock Exchange Ltd (BSE). New equity shares to be issued by the Transferee Company to the Shareholders of the Transferor Company shall be listed on BSE. The Transferee Company will make



necessary application(s) for this purpose and comply with the Listing Agreement and SEBI Guidelines in this regard.

- f. In terms of the provisions of the listing agreement and SEBI Guidelines, pre-merger Promoters' holding in the Transferee Company and/or new Shares to be issued to the Promoters in terms of this Scheme, may be placed under lock-in by the Stock Exchange(s) or any other competent authority. However, shares may be transferred within the promoters group during the lock-in period.
- g. Shares allotted pursuant to this Scheme shall remain frozen in the Depositories system till listing/trading permission is given by the Designated Stock Exchange (BSE).

#### **11. ACCOUNTING FOR AMALGAMATION**

Upon the Scheme becoming effective, amalgamation of the Transferor Company with the Transferee Company will be accounted in the following manner:

- a. The amalgamation shall be an 'amalgamation in the nature of merger' as defined in the Accounting Standard (AS) 14 as prescribed under the Companies (Accounting Standards) Rules, 2006, and shall be accounted for under the 'pooling of interests' method in accordance with the said AS-14.
- b. Accordingly, all the assets and liabilities recorded in the books of the Transferor Company shall be transferred to and vested in the Transferee Company pursuant to the Scheme and shall be recorded by the Transferee Company at the respective book values as reflected in the books of the Transferor Company as on the Appointed Date.
- c. Inter-company balances, if any, will stand cancelled.
- d. All the reserves of the Transferor Company under different heads shall become the corresponding reserves of the Transferee Company. Similarly, balance in the Profit & Loss Accounts of the Transferor and Transferee Companies will also be clubbed together.
- e. In terms of the provisions of the Accounting Standard 14, any surplus/deficit arising out of Amalgamation shall be adjusted in the General Reserve of the Transferee Company.
- f. Accounting policies of the Transferor Company will be harmonized with that of the Transferee Company following the amalgamation.

#### **12. APPLICATION TO HIGH COURTS**

- a. The Transferor Company shall make joint/separate applications/ petitions under the provisions of sections 391 & 394 of the Companies Act, 1956, the Companies (Court) Rules, 1959 and other applicable provisions, if any, to the Hon'ble High Court of Gujarat at Ahmedabad for sanctioning of this Scheme, dissolution of the Transferor Company without the process of winding up and other connected matters.
- b. The Transferee Company shall also make joint/separate application(s)/petition(s) under the provisions of sections 391 & 394 of the Companies Act, 1956, the Companies (Court) Rules, 1959 and other applicable provisions, if any, to the Hon'ble High Court of Gujarat at Ahmedabad for sanctioning of this Scheme and other connected matters.

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

- a. The Transferor Company and the Transferee Company through their respective Board of Directors may make or assent, from time to time, on behalf of all persons concerned, to any modifications or amendments to this Scheme or to any conditions or limitations which the Court(s) and/or any authorities under the law may deem fit to approve of or impose and to resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds, matters and things necessary for carrying the Scheme into effect.





- b. In order to give effect to this Scheme or to any modifications or amendments thereof, the Board of Directors of the Transferee Company may give and are authorised to give all such directions as may be necessary including directions for settling any question, doubt or difficulty that may arise.
- c. In the event that any conditions are imposed by any competent authority or the Court(s) which the Transferor Company or the Transferee Company find un-acceptable for any reason whatsoever, or otherwise deem fit by any of these Companies, then the Transferor Company and/or the Transferee Company shall be entitled to withdraw from this Scheme.
- d. This Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under section 2(1B) of the Income Tax Act, 1961 and other applicable provisions, if any. If any terms or provisions of the Scheme is/are inconsistent with the provisions of the Income Tax Act, 1961, the provisions of the Income Tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent necessary to comply with section 2(1B) of the Income Tax Act, 1961 and other applicable provisions, if any.

#### **14. INTERPRETATION**

If any doubt or difference or issue arises between the Transferor Company and the Transferee Company or any of their Shareholders or Creditors and/or any other person as to the construction hereof or as to anything else contained in or relating to or arising out of this Scheme, the same shall be referred to Mr Rajeev K Goel, LLB, FCS, Advocate, 138-A, Pocket-F, Mayur Vihar II, Delhi 110 091, Phone 93124 09354, 011-2277 3618, whose decision shall be final and binding on all concerned.

#### **15. EXPENSES CONNECTED WITH THE SCHEME**

All costs, charges and expenses of the Transferor Company and the Transferee Company incurred in relation to or in connection with this Scheme or incidental to the completion of the Amalgamation of the Transferor Company with the Transferee Company in pursuance of this Scheme, shall be borne and paid by the Transferee Company. However, in the event of the Scheme becoming invalid for any reason whatsoever, all costs, charges and expenses relating to the amalgamation exercise or incidental thereto shall be borne and paid by the respective Companies incurring the same.

Witness S.J Mukhopadhyoh as Esquire,  
the Chief Justice of Gujarat at Ahmedabad,  
aforesaid this 23rd of March 2011

*JS*  
27.04.11  
*JS*  
28/4/11

By the order of the court  
*S.W. H.M. Sheikh*  
Additional Registrar (Judicial)

This *29th* day of April 2011

Order drawn by

*AMS*  
(Abhishek M Mehta)

Advocate

201, 202 Iskon park,  
opposite Star Bazaar,  
Jodhpur crossroads,  
satellite  
Ahmedabad

*Sd/- N.P. Telani*

Sealer

*li*

By the order of the court

*deputy*  
Assistant Registrar (Judicial)

This *29th* day of April 2011

TRUE COPY

*NK*

02/5/11  
REGISTER  
OF



**IN THE HIGH COURT OF GUJARAT AT AHMEDABAD**

**ORIGINAL JURISDICTION**

**COMPANY PETITION NO. 156 OF 2010**

**CONNECTED WITH**

**COMPANY APPLICATION NO. 227 OF 2010**

In the matter of the Companies Act, 1956;

And

In the matter of  
Panama Petrochem Ltd.

A Company registered under the Companies Act, 1956 and having its registered office at Plot No. 3303, GIDC Estate, Ankleshwar-393002, Gujarat

And

In the matter of

Scheme of Amalgamation of Monaco Petroleum Pvt. Ltd with Panama Ltd.

**PANAMA PETROCHEM LTD.**

A Company registered under the Companies Act, 1956  
and having its registered office at Plot No. 3303, GIDC  
Estate, Ankleshwar - 393 002. Gujarat.....  
] PETITIONER

**Coram : Before Honourable Mr. Justice J B Pardiwala**

**Date : 23/03/2011**

**ORDER UNDER SECTION 394 OF THE COMPANIES ACT, 1956**

1. The Above Petition filed by the Petitioner Transferee Company coming on for hearing on 23/03/2011 for sanction of Scheme of Amalgamation of Monaco Petroleum Pvt. Ltd. (the Transferor Company) with Panama Petrochem Ltd (the Transferee Company) under section 391 and section 394 of the Companies Act, 1956. Vide Order dated 6th August, 2010, passed in Company Application No. 227 of 2010 meetings of Secured Creditors and Un-secured Creditors of the Transferee Company were dispensed with. The Court Further directed to convene meeting of the Shareholders of the Transferee Company under the supervision of the Court, to consider and approve the Scheme of Arrangement and the said meeting was unanimously of the opinion that the Scheme of Amalgamation be approved, adopted and agreed to without any modification. The present Petition was filed subsequently and was



admitted vide order dated 13th December, 2010. The Public notices for the Petition were duly advertised in the newspapers. The Indian Express (English), and Divya Bhaskar (Gujarati), both Ahmedabad Edition.

2. Despite the Public Notices, no one has come forward with any objections to the said Petition.
3. Notice of the Petition has been served upon the Central Government and Shri P S Champaneri learned Standing Counsel appears for the Central Government. An affidavit dated 11th March, 2011 is filled by Mr. Nahta, the Regional Director whereby by the Central Government has no objection for the proposed Scheme of Amalgamation. The Learned Regional Director had submitted that the Transferee Company is required to prepare its accounts after amalgamation as per Accounting Standard 14 notified by the Central Government. The Learned Counsel of Petitioner Company drew my attention to para 11 of the Scheme of Amalgamation and submitted that para 11 of the Scheme clearly provides that the Transferee Company will comply with Accounting Standard 14 while preparing its accounts after amalgamation. In view of submission made by the Learned Counsel, I am satisfied that the points raised by the Learned Regional Director have been duly answered and the objections raised by the Regional Director do not survive.
4. The Registered Office of the Transferor Company - Monaco Petroleum Pvt. Ltd. is situated at Plot No. 3303, GIDC Estate, Ankleshwar-393 002, in the state of Gujarat which falls under the jurisdiction of this High Court. It is informed that the Transferor Company has already moved 2nd motion Petition being CP No. 135/2010 connected with CA No. 226/2010 before this High Court which is also listed for final disposal.
5. Having heard Mr. Abhishek M Mehta and Mr. Rajeev K Goel, learned advocates appearing for the Petitioner Transferee Company and Shri P S Chapaneri, Standing Counsel appearing for the Central Government and having gone through the Petition and being satisfied that the amalgamation would be in the interest of the Companies and their members and creditors, prayers in terms of the Prayer Clause are hereby granted.

**AND THIS COURT DOTH FURTHER ORDER**

- a. That all the property, rights and powers of the Transferor Company specified in the First, Second and Third parts of the Schedule-11 hereto and all other property, rights and powers of the Transferor Company be transferred without further act or deed to the Transferee Company and accordingly the same shall pursuant to Section 394 (2) of the Companies Act 1956 be transferred to and vest in the Transferee Company for all subject nevertheless to all charges now affecting the same; and
- b. That all the liabilities and duties of the Transferor Company be transferred without further act or deed to the Transferee Company and accordingly the same shall pursuant to Section 394 (2) of the Companies Act, 1956 be transferred to and become the liabilities and duties of the Transferee Company; and
- c. That all the proceedings now pending by or against the Transferor Company be continued by or against the Transferee Company; and
- d. That all the proceedings now pending by or against the Transferor Company be continued by or against the Transferee Company as have not given such notice of dissent, the shares in the Transferee Company to which they are entitled under the said amalgamation; and
- e. That the Transferee Company do within 30 days after the date of this order cause a certified copy of this order to be delivered to the Registrar of Companies for registration and on such certified copy being so delivered, the Transferor Company shall be dissolved without resorting to the process of winding up and the Registrar of Companies shall place all documents relating to the Transferor Company and registered with him on the file kept by him in relation to the Transferee Company and the files relating to the said Transferor and Transferee Companies shall be consolidated accordingly and



- 
- f. That the parties to the arrangement or other persons Interested shall be at liberty to apply to this Court for any directions that may be necessary in regard to the working of the arrangement.

This Court doth further order payment of Rs. 7500 in aggregate as the cost of this petition to be certified to Shri PS Champaneri, learned Standing for the Central Government.

**Schedule**

**Parts I, II, III as annexed**

Dated this 23rd March, 2011.



**Monaco Petroleum Private Limited  
Transferor Company**

**Schedule of Properties  
(As on 31.03.2010)**

<b>Particulars</b>	<b>Amount (Rs.)</b>
<b>PART - I</b>	
<b>Short Description of the Free hold Property of the Transferor Company</b>	N. A.
<b>PART - II</b>	
<b>Short Description of the Lease hold Property of the Transferor Company</b>	
Factory Land Plot No. H-11, Taloja, District Raigad, Maharashtra	38500000.00
Factory Building Plot No. H-11, Taloja District Raigad, Maharashtra	4777599.70
<b>Total</b>	<b>43277599.70</b>
<b>PART - III</b>	
<b>Short Description of all the Stocks, Shares, Debentures and other Charges in Action of the Transferor Company</b>	
<b><u>Fixed Assets</u></b>	
<b>Plant &amp; Machinery</b>	2526750.00
<b>Computers</b>	14487.20
<b>Total</b>	<b>2541237.20</b>
<b><u>Current Assets</u></b>	
<b>Investment in Shares/Membership</b>	
Taloja Cetp. Co. Op. Society Ltd. (Membership)	500
<b>Debtors</b>	
Genuine Trading Corporation	15,86,000
Pickol Fibrotech	24,50,000
Panama Petrochem Ltd.	4,50,000



<b>Loan &amp; Advances</b>	
MSEB Security Deposit	10000.00
Service Tax Credit	226162.25
<b>Tax Deducted at Source</b>	70600.00
<b>ADVANCE TAX</b>	175000.00
<b>Cash &amp; Bank balances</b>	
Cash in Hand	68136.00
Bank Balance :	790045.67
Corporation Bank, Masjid Bunder Branch Current Account No. 5395	
Deffered Tax Assets	152539.00

For **PANAMA PETROCHEM LTD.**

Managing Director

Witness S.J Mukhopadhyoi as Esquire,  
the Chief Justice of Gujarat at Ahmedabad,  
aforesaid this 23rd of March 2011

By the order of the court

*Sd/- R.M. Shukla*  
Additional Registrar (Judicial)

*28/4/11*  
*28/4/11*

This *25th* day of April 2011

Order drawn by



(Abhishek M Mehta)

Advocate

201, 202 iskon park,  
opposite star Bazaar,  
Jodhpur crossroads,  
satellite,  
Ahmedabad

*Sd/- N.P. Tekum*  
Sealer

*e*  
By the order of the court.

*Deputy*  
Assistant Registrar (Judicial)

This *24th* day of April 2011

TRUE COPY

*N*  
ASSISTANT REGISTRAR  
THIS 22/5/11

