

FOLIO : 8

CHARGE : 6.

U/5871/2006

Read by :

Prepared by : NARENDRASINH S

JADEJA

Examined by :

Applied on : 05/10/2006

Prepared on : 06/10/2006

Noified on : 9-10-06

Delivered on :

Dy.S.O.

Decree Department

Section Officer

Decree Department

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

1.1.0

DINESH PLATECHEM LTD.
AT ATLADRA, PADRA ROAD, \\\nVADODARA-390012

Versus

.....Petitioner(s)

1.1.0

.....Respondent(s)
Being COMPANY PETITION No 22 of 2006

In COMPANY APPLICATION No. 411 of 2005

Appearance on Record :

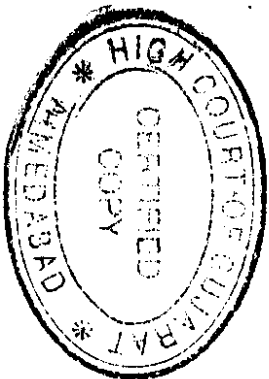
MRS SWATI SOPARKAR as ADVOCATE for the Petitioner(s) no. 1
MR PURVISH J MALKAN as ADVOCATE for the Respondent(s) no. 1

COURTS ORDER

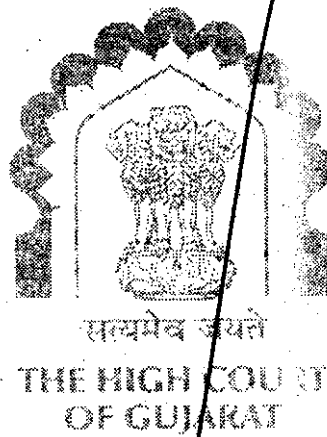
Coram :

HONOURABLE MR. JUSTICE A.S.DAVE
Date of Decision : 15/06/2006

(COPY OF ORDER ATTACHED HEREWITH)



NATIONAL INFORMATICS CENTRE



IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

COMPANY PETITION No. 22 of 2006

In

COMPANY APPLICATION No. 411 of 2005

=====

DINESH PLATECHEM LTD.

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Appearance :

Mrs. Swati Soparkar for the petitioner

Ms. Alpa Dave for Mr. Purvish J. Malkan, Additi
Central Government Standing Cou

=====

CORAM : HONOURABLE MR. JUSTICE A.S.DAVE

Date : 15/06/2006

ORAL ORDER

1. This is a petition filed by the petitioner-company for sanction of a Scheme of amalgamation of Dinesh Platechem Limited (the Transferor Company) with Dinesh Mills Limited (the Transferee Company) under Section 391 read with Section 394 of the Companies Act, 1956. The petitioner- Transferor Company is 100% subsidiary of the Transferee Company. separate proceedings for the Transferee Company were therefore, dispensed with vide the order dated 16.12.2005 passed in the Company Application No. 411.

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(3)

2005 in light of various decisions referred in affidavit thereto.

2. The petitioner-Transferor Company was originally promoted by the Transferee Company as a joint venture company with a collaborator from USA. On amicable termination of the collaboration Agreement, petitioner became a wholly owned subsidiary of Transferee Company. It is engaged in the business manufacturing of Metal Surface Finishing Products. Transferee Company, a public limited company, engaged in the manufacturing and marketing of woollen and worsted fabrics, Paper machine clothing and Filament Fabrics. Both the companies are profit making companies. The relationship between the two companies being that of the holding and subsidiary company, amalgamation is proposed for the synergic advantage. The petition gives details of the advantages which would flow by virtue of the amalgamation of the two companies.

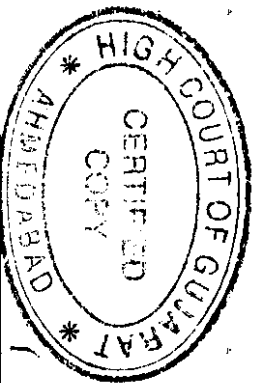
3. Vide order dated 16.12.2005, the meetings of Equity shareholders and the unsecured creditors of petitioner-Transferor Company were dispensed with in view of the consent letters from all the shareholders and unsecured creditors of the company approving the scheme being put on record. There are no secured creditors of the petitioner company.

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4. After the petition was admitted, the same was advertised in the newspapers being 'Indian Expr Vadodara edition and 'Loksatta-Jansatta' Vado edition of 8.3.2005 and the publication in Government gazette was dispensed with as directed the order dated 28.2.2006. No one has come forward with any objections to the said petition even at the publication.

5. Notice of the petition of the petitioner-company served upon the Official Liquidator attached to Court. The report dated 15.6.2006 filed by Official Liquidator confirms that the affairs of company have not been conducted in a manner prejudicial to the interest of its members or to public interest.

6. Notice of the petition has been served upon Central Government and Ms. Alpa Dave for Mr. Pur J. Malkan, Additional Central Government Standing Counsel, appears for the Central Government. Affidavit dated 10th May 2006 is filed by Registrar of Companies placing on record the letter dated 2nd May 2006 from the Regional Director. Only observation pertains to the latest financial position of the petitioner-company. An additional affidavit dated 14th June 2006 has been filed on behalf of the petitioner placing on record the Aud



Balance Sheet of the petitioner as at 31.3.2005
the Provisional Balance Sheet as at 31.3.2006. In
of this, there is no reason to withhold the sanction
to the Scheme of amalgamation.

7. Heard Smt. Swati Saurabh Soparkar, learned advocate
for the petitioner-company. Having gone through
petition, and being satisfied that the amalgamation
would be in the interest of the companies and the
members and creditors, prayers in terms of paragraph
16 (A) of the petition are hereby granted.

8. The petition is disposed of accordingly. So far
the costs to be paid to the Central Government
Standing Counsel is concerned, the same are quantified
at Rs.3,500/- per petition.

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SL [Anant S. Dave, J.]

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Deputy Registrar
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corrected
by

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Section Officer

of Department

Di. 9-10/2006

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

(ORIGINAL JURISDICTION)

COMPANY PETITION NO. 22 OF 2006

CONNECTED WITH

COMPANY APPLICATION NO. 411 OF 2005

Filed on 5-10-06

Filed on 9-10-06

Delivered on

by

Regd. by Posts

Dy. S.O.

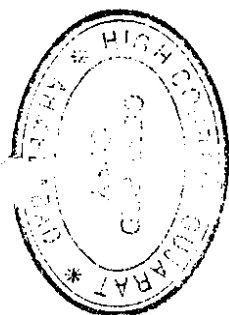
In the matter of
Scheme of Amalgamation under Section
391 and 394 of the Companies Act, 1956;
And

In the matter of
Dinesh Platechem Limited.

A Company registered under the
Companies Act, 1956 and having its
registered office at Atladra, Padra Road,
Vadodara 390 012 in the state of Gujarat.

And

In the matter of Scheme of Amalgamation
between Dinesh Platechem Limited and
Shri Dinesh Mills Limited.



Dinesh Platechem Limited.

A Company registered under the Companies
Act, 1956 and having its registered office at
Atladra, Padra Road, Vadodara 390 012
in the state of Gujarat.

.....Petitioner

BEFORE HONOURABLE Mr. JUSTICE A. S. DAVE

Date: 15th June 2006

ORDER UNDER SECTION 394

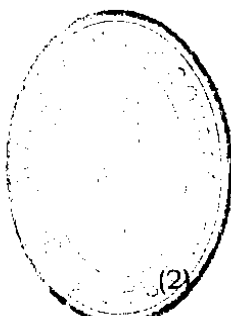
The above petition coming on for hearing on 15th June 2006, upon
reading the said petition, the order dated 16th December 2005 passed in
the Company Application No. 411 of 2005 whereby the meetings of the
Equity Shareholders as well as Unsecured Creditors of the Company
(there being no Secured Creditors), for the purpose of considering, and if
thought fit, approving, with or without modification the arrangement
proposed to be made between the said Company and its members and
creditors by the scheme of Amalgamation of Dinesh Platechem Limited,
the Petitioner Company, with Shri Dinesh Mills Limited were dispensed
with, and upon hearing Smt. Swati Soparkar, Advocate for the Petitioner
Company, Shri P. J. Malkan, the advocate for the Central Govt.,
considering the affidavit dt. 10th May 2006 filed by the Registrar of
Companies, Gujarat and the additional affidavit dt. 14th June 2006 filed

by

(4)

by the Petitioner Company, and it appearing from the consent letters that the proposed arrangement has been approved unanimously by all the Equity Shareholders as well as Unsecured Creditors of the Company, and it appearing from the report dated 15th June 2006 of the Official Liquidator, Gujarat High Court, that the affairs of the Company have not been conducted in a manner prejudicial to the interest of its members or to the public interest;

THIS COURT DOTH ORDER

- 
- (1) That all the properties, rights and powers of the Transferor Company specified in the Schedule 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 Sec. 394(2) of the Companies Act, 1956 be transferred to and vest in the Transferee Company for all the estate and interest of the Transferor Company therein but subject nevertheless to all charges now affecting the same, and
 - (2) 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
 - (3) That all proceedings now pending by or against the Transferor Company be continued by or against the Transferee Company; and
 - (4) That the Transferor Company do within 30 days after the date of obtaining the certified copy 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 and the Registrar of Companies shall place all documents relating to the Transferor Company, and registered with him on the file kept by him relating to the Transferee Company and the files relating to the said two companies shall be consolidated accordingly; and
- [Handwritten signature]*

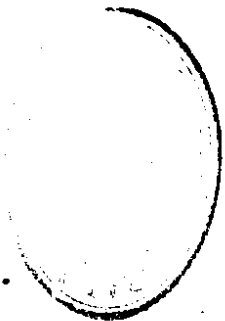
- (5) That any person interested shall be at liberty to apply to the Court in the above matter for any directions that may be necessary.

And this Court doth further order payment of Rs. 3,500/- in aggregate as the cost of this petition awardable to Shri. P. J. Malkan, Advocate, appearing for the Central Government.

SCHEDULE

Parts I, II, III as annexed.

Dated this 15th day of June 2006





SCHEDULE OF PROPERTIES AS AT 15TH JUNE 2006

PART - I

SHORT DESCRIPTION OF FREEHOLD PROPERTY OF THE TRANSFEROR COMPANY DINESH PLATECHEM LIMITED

A piece and parcel of Land & Building etc. situated in the District of Baroda Registration Sub-Dist. of Baroda - 3 (Akota) being and lying in the village Atladra, Taluka - Distt. Baroda which is within Municipal Corporation Limit of Baroda.

[A] Particulars of Landed property:

AS PER REVENUE RECORD		AS PER CITY SURVEY RECORD	
Revenue Survey Nos.	Area in sq.mtrs.	City Survey Nos.	Area in sq.mtrs.
102	4654	850	23125
		851	1091
103	2833	852	47
		853	590
104/1	11,635	854	151
		855	290
104/2	202	856	348
		857	311
105	7891	858	10
		859	10
110/3	202	860	522
		861	179
		862	11
		863 to 882	320
		(16 sq. mtrs. Each)	
TOTAL	27,417	TOTAL	27,005

On or towards East - R. S. No.106/1
On or towards West - R. S. No.38, 39, 40/1, 40/2 etc.
On or towards North - R. S. No.110/1, 109, 108 etc.
On or towards South - R. S. No.101, 98, 99, 97 etc.

[B] Particulars of Building:

Eleven sheds viz; Bonded Warehouse, Pilot Plant & Canteen, Maintenance Dept., Store, Laboratory, Office, Basic chemicals. Fabrication, water tank, Effluent Treatment plant, service Block, tube well and water works etc. admeasuring 4495 sq.mtrs. constructed in land mentioned in (A) above.



For Dinesh Platechem Limited

Director



dinesh Platechem Ltd.

Registered Office : Atladra, Padra Road, Vadodara - 390 012
Ph : 330399, 330400 Fax : 0265-313166 E-mail : dpl@dineshmills.com

SCHEDULE OF PROPERTIES AS AT 15TH JUNE 2006

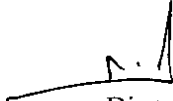
PART - II

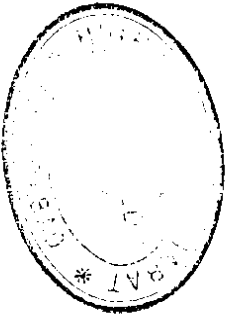
SHORT DESCRIPTION OF LEASE HOLD PROPERTY OF THE TRANSFEROR
COMPANY - DINESH PLATECHEM LTD

NIL



For Dinesh Platechem Limited


Director





SCHEDULE OF PROPERTIES AS AT 15TH JUNE 2006

PART III

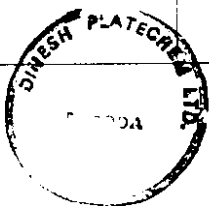
(Short description of all Stocks, Shares, Debentures and other charges in action of the transferor company - DINESH PLATECHEM LTD)

All the. licenses, rights to carry on business, approvals, permissions, registrations, agreements and the like issued/granted/agreed to by whatsoever authority/ies in favour of the transferor company without any limitation but including the following:

Sr. No.	Particulars of the Authority	Particulars of the Right/ license/ permission/ approval, registration, agreement etc.
1	Income Tax	PAN No.AABCM6414A
2	Sales Tax	CST No.2469020504 GST No.2419020504
3	Government of India -- Ministry of Industry	IEM No.FC-II/210/98/151/98
4	Gujarat Pollution Control Board a) Water Consent b) Air Consent c) Hazardous Waste Authorisation	C.C.A.No.818 dated 17-11-2003
5	Gujarat Electricity Company Ltd.	GEB No.15501/57479/9
6	Regional Provident Fund Commissioner	P. F. Registration No.GJ/3987
7	Factory Inspector	Factory Licence No.095006
8	Professional Tax	P.T.Regno.No.R-312005548
9	Regional Transport Office, Vadodara	(1) Vehicle Registration No.GJ-06-AH-6948 dated 11-06-2003. (2) Vehicle Registration No.GJ-6/W-6183 dated 25-3-1998.
10	Vadodara Municipal Corporation	Property Card No.850 to 882 and Property Tax No.0603391951000021
11	Banking Accounts with	(1) Bank Of Baroda, Akota Branch, CA No.100664 (2) Centurion Bank of Punjab Ltd., Productivity Road Branch, CA No. 601115
12	Investments with	1. Rs. 2,50,00,000 :- 25,00,000 equity shares of Rs. 10/- each of Dinesh Remedies Ltd. 2. Rs. 36,72,396 :- 1,95,223.333 Units of HDFC Prudence fund

For Dinesh Platechem Limited

Director

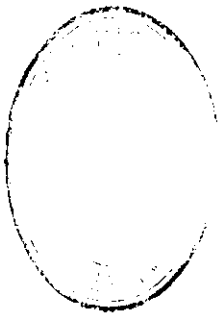


Dated this 15th day of June 2006.

Witness Y. R. Meena Esquire,

the Acting Chief Justice at Ahmedabad

aforesaid this 15th day of June Two Thousand Six.



By the order of the Court

G. V. Poddar
Registrar (Judicial)

21/8/06
this *21* day of *August* 2006

Order drawn by:

Swati Soparkar

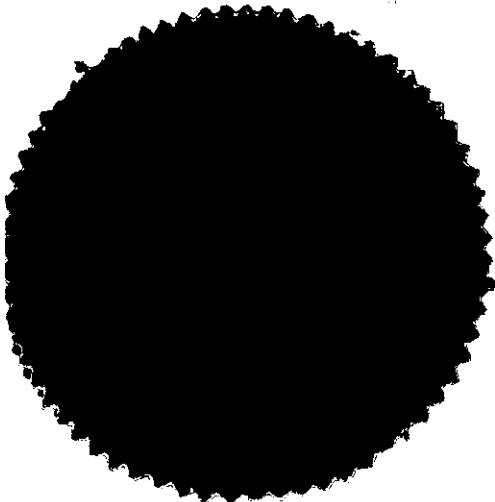
(Swati Saurabh Soparkar)
Advocate

204, Aakanksha, Opp. Vadilal House,
Nr. Mount Carmel Railway Crossing,
Navrangpura, Ahmedabad.

Sealer

21/8/06

This *21* day of *August* 2006



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21/8/06
Deputy Registrar
This Day of

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U/o. No. (fls.) 37
Comparison & Copies Charges
Total Rs. 27-25

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Section Officers
IT Department
Dt. 9-10/2006

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

Copy applied on 5-10-06

(ORIGINAL JURISDICTION)

Copy ready on 9-10-06

COMPANY PETITION NO. 22 OF 2006

Copy Delivered on

CONNECTED WITH

Sent by

Regd. by Posts

COMPANY APPLICATION NO. 411 OF 2005

Dy. S.O. 9/10/06

In the matter of
Scheme of Amalgamation under Section
391 and 394 of the Companies Act, 1956;
And

In the matter of
Dinesh Platechem Limited.

A Company registered under the
Companies Act, 1956 and having its
registered office at Atladra, Padra Road,
Vadodara 390 012 in the state of Gujarat.

And

In the matter of Scheme of Amalgamation
between Dinesh Platechem Limited and
Shri Dinesh Mills Limited.

Dinesh Platechem Limited.

A Company registered under the Companies
Act, 1956 and having its registered office at
Atladra, Padra Road, Vadodara 390 012
in the state of Gujarat.

.....Petitioner

BEFORE HONOURABLE Mr. JUSTICE A. S. DAVE

Date: 15th June 2006

Order On Petition

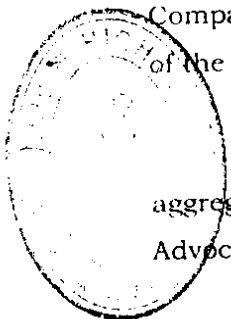
The above petition coming on for hearing on 15th June 2006, upon reading the said petition, the order dated 16th December 2005 passed in the Company Application No. 411 of 2005 whereby the meetings of the Equity Shareholders as well as Unsecured Creditors of the Company (there being no Secured Creditors), for the purpose of considering, and if thought fit, approving, with or without modification the arrangement proposed to be made between the said Company and its members and creditors by the scheme of Amalgamation of Dinesh Platechem Limited, the Petitioner Company, with Shri Dinesh Mills Limited were dispensed with, and upon hearing Smt. Swati Soparkar, Advocate for the Petitioner Company, Shri P. J. Malkan, the advocate for the Central Govt., considering the affidavit dt. 10th May 2006 filed by the Registrar of Companies, Gujarat and the additional affidavit dt. 14th June

2006 filed by the Petitioner Company, and it appearing from the consent letters that the proposed arrangement has been approved unanimously by all the Equity Shareholders as well as Unsecured Creditors of the Company, and it appearing from the report dated 15th June 2006 of the Official Liquidator, Gujarat High Court, that the affairs of the Company have not been conducted in a manner prejudicial to the interest of its members or to the public interest;

30.06.06
RAV-
This Court doth hereby sanction the arrangement set forth in para 15 of the petition herein and in the Schedule hereto, and doth hereby declare the same to be binding on the Equity Shareholders as well as Unsecured Creditors of the above named Company and also on the above-named Company.

And this Court doth further order that 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



This Court doth further order payment of Rs. 3,500/- in aggregate as the cost of this petition awardable to Shri. P. J. Malkan, Advocate appearing for the Central Government.

SCHEDULE

Scheme of Arrangement as sanctioned by the Court.

Dated this 15th day of June 2006.

22

SCHEME OF AMALGAMATION

OF

DINESH PLATECHEM LIMITED

(THE TRANSFEROR COMPANY)

WITH

SHRI DINESH MILLS LIMITED

(THE TRANSFeree COMPANY)

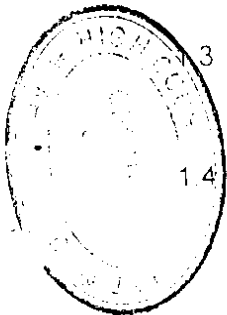
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Certified True Copy
DINESH PLATECHEM LTD.

P. B. Shah
Company Secretary

1. DEFINITIONS

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

- 1.1 "The Transferor Company" means DINESH PLATECHEM LIMITED (DPL) a Company registered under the Companies Act, 1956, whose Registered Office is situated at Atladra, Padra Road, Vadodara 390012 in the state of Gujarat.
- 1.2 "The Transferee Company" means SHRI DINESH MILLS LIMITED (DML), a Company registered under the Companies Act, 1956, whose Registered Office is situated at P.O. Box No. 2501, Padra Road, Vadodara 395005 in the state of Gujarat.
- 1.3 "The Act" means the Companies Act, 1956 including any statutory modifications, re-enactment or amendments thereof.
- 1.4 "The Court" means the Hon'ble High Court of Gujarat of Judicature at Ahmedabad or National Company Law Tribunal as the case may be.
- 1.5 "The Appointed Date" means 1st day of April 2005 or such other date as the Court may direct.
- 1.6 "The Effective Date" means the date on which certified copies of the Orders of the Court vesting the assets, properties, liabilities, rights, duties, obligations and the like of the Transferor Company in the Transferee Company are filed with the Registrar of



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Companies, Gujarat at Ahmedabad after obtaining the consents, approvals, permissions, resolutions, agreements, sanctions and orders necessary therefore.

1.7 'Undertaking' shall mean and include:

- (i) All the assets of the Transferor Company as on the appointed date (hereinafter referred to 'the said Assets').
- (ii) All debts, liabilities, duties and obligations of the Transferor Company as on the appointed date (hereinafter referred to 'the said Liabilities').
- (iii) Without prejudice to the generality of Sub-clause (i) & (ii) above the undertaking of the Transferor Company shall include all the Transferor Company's reserves, provisions, funds, business, moveable and immovable assets and properties, real, corporeal and incorporeal, in possession or reversion, present and contingent, all other assets including investments, claims, powers, authorities, allotment, approvals, consents, registrations, contracts, enactments, arrangements, rights, titles, interest, benefits, advantages, lease-hold rights and other intangible rights, industrial and other licenses, permits, authorizations, quota, rights, trade marks, patents, brands secret formulae, drawings, research rights and all industrial and other properties, import entitlements, rights to use and avail of telephones, facsimile, telexes, email, internet or other utilities, communication facilities including leased line connections, equipments including Computers, Hardware, Software and other electronic equipments and instruments, Electric Connections, system of any kind whatsoever, rights and benefits of all agreements and other interests including all rights and benefits under Income Tax Laws/ other Commercial Laws as may belong to or be available to the Transferor Company, rights and powers of every kind, nature and description of whatsoever probabilities, liberties, easements, advantages, and approval of whatsoever nature and wheresoever situated, belonging to or in

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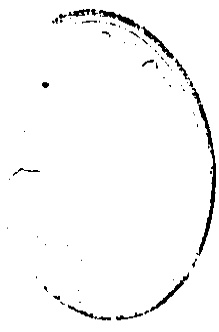
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ownership, power or possession or control or entitlement of the Transferor Company.

- 1.8 "The Scheme" means this Scheme of Amalgamation in its present form submitted to the Court for sanction with any modification(s) approved or imposed or directed by the said Court.

2. TRANSFER OF UNDERTAKING

- 2.1 With effect from the opening of business as on the Appointed Date, the undertaking of the Transferor Company shall, without any further act or deed, be and the same shall stand transferred to and vested in or deemed to have been transferred to or vested in the Transferee Company pursuant to the provisions of Section 394 and other applicable provisions of the said Act.
- 2.2 With effect from the Appointed Date the said Liabilities and losses shall, without any further act or deed, be and stand transferred to the Transferee Company, pursuant to the applicable provisions of the said Act or any other applicable laws, so as to become the debts, liabilities, losses, duties and obligations of the Transferee Company, including, but not limited to, for the purposes of Section 72-A of the Income Tax Act, 1961.
- 2.3 The transfer / vesting as aforesaid shall be subject to charges / hypothecation / mortgage subsisting over or in respect of the said assets or any part thereof on the Appointed Date.



Provided however, any reference in any security documents or arrangements to which the Transferor Company is a party and under which any assets of the Transferor Company are offered or agreed to be offered as security for any financial assistance, or obligations, shall be construed as reference only to the assets pertaining to the Undertaking of the Transferor Company which is vested in the Transferee Company by virtue of the aforesaid clause, to the end and intent that such security, mortgage and charge shall not extend or be deemed to extend, or be applicable to any other assets of any other units, undertakings, divisions or to other properties of the Transferee Company, unless specifically agreed to by the Transferee Company and subject to the

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consents and approvals of the persons entitled to the charge on any assets or properties of the Transferee Company.

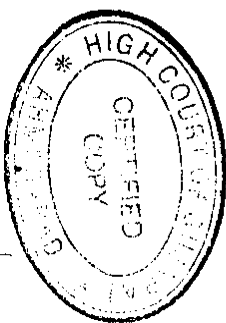
3. SHARE CAPITAL

3.1 The Share Capital of the Transferor Company as at 31st March 2005 is as under:

Authorized	(Rs.)
30,00,000 equity shares of Rs.10/- each.	3,00,00,000
<u>Issued, subscribed and paid-up share capital</u>	
21,00,000 equity shares of Rs.10/- each fully paid-up.	2,10,00,000
The entire share capital of the Company represents shares held by Shri Dinesh Mills Limited, and its nominees.	

3.2 The Share Capital of the Transferee Company as at 31st March 2005 is as under:

Authorized	(Rs.)
9,50,000 equity shares of Rs.100/- each.	9,50,00,000
50,000 Unclassified Shares of Rs.100/- each.	50,00,000
<u>Issued, subscribed and paid-up share capital</u>	
5,27,750 equity shares of Rs.100/- each fully paid-up.	5,27,75,000



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Notes: (1) Of the above, 4,77,542 equity shares of Rs.100/- each fully paid-up were issued as Bonus Shares by way of capitalization of reserves and share premium account.

(2) Of the above, 3078 fully paid equity shares were allotted to the shareholders of Platewel Processors and Chemicals Ltd. in terms of the scheme of amalgamation sanctioned by the Court.

4. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

Subject to other provisions of this Scheme, all contracts, deeds, bonds, debentures, agreements, arrangements and other instruments of whatsoever nature to which the Transferor Company is party or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective date shall be in full force and effect against or in favour of Transferee Company, as the case may be, and may be enforced as fully and as effectively as if, instead of the said Transferor Company, the Transferee Company had been a party or beneficiary thereto. The Transferee Company shall enter into and / or issue and / or execute deeds, writing or confirmations or enter into a tripartite arrangement, confirmation or novation to which the respective Transferor Company will, if necessary also be a party in order to give formal effect to this Clause if so required or become necessary.

LEGAL PROCEEDINGS

If any suit, writ petition, appeal, revision or other proceedings of whatever nature (hereinafter called "the Proceedings") by or against the Transferor Company be pending, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the undertaking of the Transferor Company or of anything contained in the Scheme, but the Proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Transferor Company as if the Scheme had not been made. On and from the effective date, the Transferee Company shall and may initiate any legal proceedings for and on behalf of the Transferor Company.

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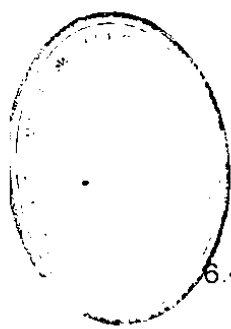
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6.

CONDUCT OF BUSINESS BY TRANSFEROR COMPANY TILL EFFECTIVE DATE:

With effect from the Appointed Date, and till the Effective Date:

- 6.1 The Transferor Company is presently engaged in the business of manufacturing of electroplating salts and chemicals. The Transferor Company shall carry on or deemed to have carried on all their business and activities and shall be deemed to have held or stood possessed of and shall hold and stand possessed of all the said Assets for and on account of and in trust for the Transferee Company.
- 6.2 All the profits or income or benefits accruing or arising to the Transferor Company or expenditure or losses arising or incurred by the Transferor Company shall for all purposes be treated and be deemed to and accrued as the profits and income or expenditure or losses of the Transferee Company as the case may be.
- 6.3 The Transferor Company shall carry on its business activities with reasonable diligence, business prudence and shall not alienate, charge, mortgage, encumber or otherwise deal with the said assets or any part thereof except in the ordinary course of business or pursuant to any pre-existing obligation undertaken by the Transferor Company prior to the Appointed Date except with prior written consent of the Transferee Company.
- 6.4 The Transferor Company shall not vary the terms and conditions and employment of its permanent employees except in ordinary course of business.
- 6.5 The Transferor Company shall not, without prior written consent of the Transferee Company, undertake any new business.
- 6.6 The Transferor Company shall not, without prior written consent of the Transferee Company, take any major policy decisions in respect of management of the Company and for the business of the Company and shall not change their present capital structure.



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Provided that as far as the obligations referred as above are concerned, the restrictions there under shall be applicable from the date of the acceptance of the present Scheme by the respective Board of Directors of the Transferor and Transferee Company.

7. ISSUE OF SHARES BY THE TRANSFEE COMPANY

Since, the Transferor Company is a wholly owned subsidiary of the Transferee Company, the entire issued, subscribed and paid-up equity capital of the Transferor Company is held by the Transferee Company and its nominees. Upon the Scheme becoming finally effective the said share capital of the Transferor Company will stand automatically cancelled and there will be no issue and allotment of shares of the Transferee Company as the Transferee Company and its nominees are themselves the only shareholders of the Transferor Company.

8. PROCEDURE TO DEAL WITH BALANCES AS BETWEEN THE TRANSFEROR COMPANY AND THE TRANSFEE COMPANY

To the extent that there are inter-company loans or balances between the Transferor Company and the Transferee Company, the obligations in respect thereof shall come to an end and there shall be no liability in that behalf and corresponding effect shall be given in the books of account and records of the Transferee Company for the reductions of any assets or liabilities as the case may be.

9. ACCOUNTING TREATMENT OF ASSETS, LIABILITIES AND RESERVES OF THE TRANSFEROR COMPANY:

9.1. Upon the scheme being effective, the Transferee Company shall pass appropriate entries in its books of account for vesting of assets, balances and reserves and passing of liabilities and obligations of the Transferor Company in consultation with its auditors. While passing such accounting entries, if any surplus arises of the assets over the liabilities the same shall be considered as 'general reserve' in the nature of free reserve and if any shortfall arises it shall be considered as 'goodwill' to be written off over a period of three years.

9.2. In case of any difference in accounting policy between the Transferor Company and the Transferee Company, the Board of Directors of the Transferee Company in consultation with its

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auditors is authorized to take appropriate decision to ensure that the financial statement of the Transferee Company reflects the financial position on the basis of consistency in the accounting policy:

10. DIVIDEND, PROFIT, BONUS, RIGHT SHARES:

At any time up to the Effective Date:

10.1 Apart from dividend, if any, already paid in relation to the period commencing on or after the appointed date the Transferor Company shall not declare / or pay dividends which are interim or final to the respective members unless, agreed to by the Board of Directors of the Transferee Company.

10.2 The Transferor Company shall not issue or allot any right shares or Bonus Shares or any other security convertible into Equity or other Share Capital or obtain any other financial assistance converting into Equity or other Share Capital, unless agreed to by the Board of Directors of the Transferee Company.

11. TRANSFEROR COMPANY'S EMPLOYEES:

All the employees of the Transferor Company in service on the Effective Date, shall become the employees of the Transferee Company from that date and shall be governed by their terms of appointment, as if they were in continuous service without any break or interruption in service and on the terms and conditions, including remuneration not less favorable than those subsisting with the Transferor Company.

The existing provident fund, gratuity fund, superannuation fund or any other special funds / Scheme(s) / Trust(s) created or existing (if any), for the benefit of the employees of the Transferor Company shall at an appropriate time be transferred to the relevant funds of the Transferee Company and till such time shall be maintained separately.

12. DISSOLUTION OF THE TRANSFEROR COMPANY:

The Transferor Company shall be dissolved without winding up on an order made by the Court under Section 394 of the Companies Act.

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13. APPLICATION

The Transferor Company with all reasonable dispatch make application / petition under Sections 391 and 394 and other applicable provisions of the Act to the Court for sanctioning of this Scheme and for dissolution of the Transferor Company without winding up under the provisions of the Act. The Transferee Company shall also with reasonable dispatch make applications / petitions, if so required, under Sections 391 and 394 and other applicable provisions of the Act to the Court for sanctioning of the Scheme under the provisions of the Act.

14. MODIFICATIONS, AMENDMENTS TO THE SCHEME:

The Transferor Company and Transferee Company may assent from time to time on behalf of persons concerned, to any modifications / amendments to this Scheme or any conditions or limitations which the Court or any authorities under the Law may deem fit to approve or impose and to resolve any doubt or difficulties that may arise for carrying out this Scheme and to do and execute all such acts, deeds, matters and things necessary for putting the Scheme into effect.

For the purpose of giving effect of this Scheme or to any modifications or amendments, thereof, the Transferor and Transferee Company through its Directors or any other person authorised by them in this behalf, may give all such directions that are necessary or are desirable including directions for settling any doubts or difficulties that may arise.

15. SCHEME CONDITIONAL UPON APPROVALS / SANCTIONS:

This Scheme is specifically conditional upon and subject to:



15.1 Approval of and agreement to the Scheme by the requisite majorities of such Classes of persons of the Transferor Company and Transferee Company as may be necessary and directed by the Court on the application/s made for directions under Section 391 of the said Act for calling meetings and necessary resolutions being passed under the Act for that purpose.

15.2 The sanctions of the Court being obtained under Sections 391 and 394 and other applicable provisions of the Act, if so required on behalf of the Transferor Company and Transferee Company.

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16. **EFFECTIVE DATE OF THE SCHEME:**

This Scheme, though effective from the Appointed Date shall be operative from the Effective Date i.e. the scheme will not come into operation until the last of the following dates viz.

16.1 The date on which the last of all the consents, approvals, permissions, resolutions, sanctions and / or orders as are here in above referred to have been obtained or passed; and

16.2 The date on which all necessary certified copies of the order under sections 391 and 394 of the Act are duly filed with the respective Registrar of Companies, Gujarat and such date shall be referred to as Effective Date for the purpose of the Scheme.

17. **EFFECT OF NON-RECEIPT OF APPROVAL / SANCTION:**

In the event of any of the said sanction and approval referred to in the preceding Clause No. 15 and 16 above not being obtained and / or the Scheme not being sanctioned by the Court and / or the Order(s) not being passed as aforesaid before 31/03/2006 or within such further period(s) as may be agreed upon from time to time between the Transferor Company and the Transferee Company by its Directors or any other person (and which the Directors or any other person of the Companies are hereby empowered and authorized to agree to and extend the scheme from time to time without any limitations), this Scheme shall stand revoked, cancelled and become nonest, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, obligation and / or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in this Scheme and or otherwise arise as per Law. Each Party shall bear and pay its respective cost, charges and expenses for and in connection with the Scheme.

18. **EXPENSES CONNECTED WITH THE SCHEME:**

All costs, charges and expenses of the Transferor Company and the Transferee Company respectively in relation to or in connection with or incidental to this Scheme shall be borne by the Transferee Company.

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SHREESH PLATEGEHM LTD.

P. B. S. F.

Am

Dated this 15th day of June 2006.

Witness Y. R. Meena Esquire,

The Acting Chief Justice at Ahmedabad

aforesaid this 15th day of June Two Thousand Six.

By the order of the Court

G. V. Padhye

Registrar (Judicial)

this 21st day of August 2006

am
21/8/06
for

Order drawn by:

Swati Soparkar

(Swati-Saurabh Soparkar)
Advocate

204, Aakanksha, Opp. Vadilal House,
Nr. Mount Carmel Railway Crossing,
Navrangpura, Ahmedabad.

am

Sealer

21/8/06

This 2nd day of August 2006

By

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am
21/8/06
Deputy Registrar
This Day of