IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY SUMMONS FOR DIRECTION NO. 228 OF 2015

In the matter of the Companies Act, 1956 (1 of 1956) or any corresponding provisions of the Companies Act, 2013;

AND

In the matter of Sections 391 to 394 read with Section 100 to 103 of the Companies Act, 1956 or any corresponding provisions of the Companies Act, 2013;

AND

In the matter of Scheme of Amalgamation and Arrangement between Khatau Capacitors Private Limited and Indokem Exports Limited and Indokem Limited and their respective Shareholders

Indokem Limited, a company incorporated under the }
provisions of the Companies Act, 1956 having its }
registered office at Khatau House, Plot No. 410/411, }
Mogul Lane, Mahim (West), Mumbai, Maharashtra - }
400 016. }. …Applicant Company

Called Summons for Directions for hearing

Mr. Hemant Sethi i/b M/s Hemant Sethi & Co., Advocates for Applicant Company

Coram: S. J. Kathawalla, J.

Date: 20th March 2015

MINUTES OF THE ORDER

UPON the application of the Applicant Company above named by a Company Summons for Directions AND UPON HEARING Mr. Hemant Sethi instructed by Hemant Sethi & Co., Advocates for the Applicant Company AND UPON READING the Affidavit dated 9th day of February, 2015 of Ms. Rupal B. Parikh, Authorised Signatory of the Applicant Company, in support of Company Summons for Direction and the Exhibits therein referred to, IT IS ORDERED THAT :

1. The meeting of the Equity Shareholders of the Applicant Company shall be convened and held at the Registered office of the Applicant Company at Khatau House, Plot No. 410/411, Mogul Lane, Mahim (West), Mumbai – 400016, on Thursday, 30th April, 2015 at 11.00 AM, for the purpose of considering and, if thought fit, approving, with or without modification(s), the proposed Scheme of Amalgamation and Arrangement between Khatau Capacitors Private Limited and Indokem Exports Limited and Indokem Limited and their respective shareholders .

2. At least 21 clear days before the said Meeting of the Equity Shareholders of the Applicant Company, to be held as aforesaid, a notice convening the said Meeting at the place, day , date and time aforesaid, together with a copy of the Scheme, a copy of the Explanatory Statement required to be sent under Section 393 of the Companies Act, 1956 or corresponding provisions of Companies Act, 2013 and the prescribed Form of Proxy, shall be sent by Registered Post or by Air Mail to each of the Equity Shareholders of the Applicant Company at their respective registered or last known addresses or by e-mail to the registered e-mail address of the Equity Shareholders as per the record of the Applicant Company.

3. At least 21 clear days before the meeting of the Equity Shareholders of the Applicant Company to be held as aforesaid, a notice convening the said Meeting, at the place, day, date and time of meeting(s) and stating that copies of the Scheme and the statement required to be furnished pursuant to Section 393 of the Companies Act, 1956 or corresponding

provisions of Companies Act, 2013 and the Form of Proxy can be obtained free of charge at the Registered Office of the Applicant Company as aforesaid and/or at the office of its Advocates having their office at 1602 Nav Parmanu, Behind Amar Cinema, Chembur, Mumbai 400071, shall be published in two local newspapers i.e. "Free Press Journal" in English language and translation thereof in "Navshakti " in Marathi Language, both circulated at Mumbai

4. Publication of Notice of Meeting of the Equity Shareholders of the Applicant Company in the Government Gazette is dispensed with.

5. The settling and approving of the Form of Advertisement, Form of Proxy, the Form of Notice, the Explanatory Statement required to be furnished pursuant to Section 393 of the Companies Act, 1956 to accompany the notice to be issued to the Equity Shareholders of the Applicant Company by the Company Registrar of this Court is dispensed with. The Applicant Company undertakes with respect to the meeting of Equity Shareholders to:

a) issue Notice convening meeting as per Form No. 36 (Rule 73);

b) issue Explanatory Statement containing all the particulars as per Section 393 of the Companies Act, 1956, if need be;

c) issue Form of Proxy as per Form No. 37 (Rule 73); and

d) advertise the Notice convening meeting as per Form No. 38 (Rule 74)

The undertaking is accepted.

6. That Mr. Mahendra K. Khatau, Chairman and Managing Director of the Applicant Company, and failing him, Mrs. Asha M. Khatau, Director of the Applicant Company, and failing her, Mrs. Leelabai K. Khatau, Director, of the Applicant Company shall be the Chairman of the meeting

of the Equity Shareholders to be held at Khatau House, Plot No. 410/411, Mogul Lane, Mahim (West), Mumbai – 400016, on Thursday, April 30, 2015 at 11.00 AM, or any adjournment or adjournments thereof.

7. The Chairman appointed for the aforesaid Meeting to issue the advertisement and send the notices of the Meeting to the Equity Shareholders as referred above. The said Chairman shall have all powers under the Companies (Court) Rules, 1959 (or any re-enactment thereof upon effectiveness of Companies Act, 2013) in relation to the conduct of the meeting, including for deciding procedural questions that may arise at the aforesaid meeting or at any adjournment thereof or any other matter including an amendment to the Scheme or resolution, if any, proposed at the meeting by any Equity shareholder and to ascertain the decision of the sense of meeting by a poll.

8. The quorum for the aforesaid meeting of the Equity Shareholders shall be as prescribed under Section 103 of the Companies Act, 2013.

9. That voting by proxy or authorised representative in case of body corporate be permitted, provided that a proxy in the prescribed form/ authorisation duly signed by the person entitled to attend and vote at the meeting, is filed with the Applicant Company at its Registered Office at Khatau House, Plot No. 410/411, Mogul Lane, Mahim (West), Mumbai – 400016, not later than, 48 hours before the aforesaid meeting as required under Rule 70 of Companies (Court) Rules, 1959.

10. The value and number of the shares of each Equity shareholder shall be in accordance with the books/ register of the Applicant Company and where the entries in the books/ register are disputed, the Chairman of the Meeting shall determine the value of the shares, for the purpose of the aforesaid meeting and his decision in that behalf would be final.

11. The Chairman of Meeting of the Equity Shareholders of the Applicant Company do report to this Court, the result of the meeting within thirty days of the conclusion of the meeting of the Equity Shareholders, and the said reports shall be verified by his Affidavit.

12. The Chairman to file an Affidavit of service as per Rule 76 of the Company (Court) Rules, 1959 not less than seven days before the date fixed for the holding of the meeting or the holding of the meeting(s), as the case may be, and to report to this Court that the directions regarding the issue of notices and the advertisement have been duly complied with.

13. The convening and holding the meeting of the Secured Creditors of the Applicant Company for the purpose of considering and, if thought fit, approving, with or without modification(s), the proposed Scheme of Amalgamation and Arrangement between Khatau Capacitors Private Limited and Indokem Exports Limited and Indokem Limited and their respective shareholders, is dispensed with in view of the averments made in paragraph 17 of the Affidavit in support of the Summons for Direction, inter-alia stating that the present Scheme is an arrangement between the Applicant Company and its shareholders and there is no compromise and / or arrangement with the creditors and rights of the Secured Creditors of the Applicant Company will not be affected adversely by the proposed Scheme as post giving effect to this Scheme, the assets of the Applicant Company will be sufficient to discharge their liabilities and that the Applicant Company undertakes to issue individual notice of hearing of the Scheme Petition by R.P.A.D. to all its Secured Creditors and publish the same in 'Free Press Journal' in English language and translation thereof in 'Navshakti' in Marathi language both having circulation in Mumbai. The said undertaking is accepted.

14. The convening and holding the meeting of the Unsecured Creditors of the

Applicant Company for the purpose of considering and, if thought fit, approving, with or without modification(s), the proposed Scheme of Amalgamation and Arrangement between Khatau Capacitors Private Limited and Indokem Exports Limited and Indokem Limited and their respective Shareholders, is dispensed with in view of the averments made in paragraph 18 of the Affidavit in support of the Summons for Direction, inter-alia stating that the Scheme is an arrangement between the Applicant Company and its members as contemplated under Section 391(1)(b) of the Act and not in accordance with the provisions of Section 391(1)(a) of the Act as there is no compromise and/or arrangement with the Creditors and that in terms of the proposed Scheme, all the assets and liabilities of the Applicant Company will be taken over by the Transferee Company and that the Applicant Company undertakes to issue individual notice of hearing of the Scheme Petition by R.P.A.D. to all its Unsecured Creditors and publish the same in 'Free Press Journal' in English language and translation thereof in 'Navshakti' in Marathi language both having circulation in Mumbai. The said undertaking is accepted.

15. The proposed reduction in the Scheme of amalgamation is pursuant to Clause 12.2 of the Scheme the reduction in the Share Capital on account of shareholding of the Transferor Company 2, ie. Khatau Capacitors Private Limited, if any, in the Applicant Company on the effective date, shall be cancelled without any further act or deed shall be effected as integral part of the Scheme, and that the proposed reduction does not involve either the diminution of any liability in respect of unpaid share capital or payment to any shareholder of any paid-up capital, and that the Creditors are therefore in no way affected by the proposed reduction in Share Capital as there is no reduction in the amount payable to any of the Creditors, no compromise or arrangement is contemplated with the Creditors, and that the proposed reduction would not in any way

adversely affect the ordinary operations of the Applicant Company or the ability of the Applicant Company to honour its commitments or to pay its debts in the ordinary course of business as per averments made in paragraph 19 of the Affidavit in support of Company Summons for Direction and the Applicant Company undertakes to pass Special Resolution as required under Section 100 of the Companies Act, 1956 in the meeting of its Equity Shareholders scheduled to be held on Thursday, 30th April, 2015 at 11.00 AM and will annex copy of the same with the Company Scheme Petition. In view of the above the procedure prescribed under section 101(2) of the Companies Act, 1956 is dispensed with.

(S.J. Kathawalla, J.)