

[THE COMPANIES ACT, 2013]
(COMPANY LIMITED BY SHARES)

**ARTICLES OF ASSOCIATION
OF
*KEYNOTE FINANCIAL SERVICES LIMITED**

The following regulations comprised in these Articles of Association were adopted pursuant to members' resolution passed at the Annual General Meeting of the Company held on 9th 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' INCLUDED*

The regulations contained in the Table marked 'F' in Schedule 1 to the Companies Act, 2013 shall apply to the Company to the extent as adopted by the Company.

INTERPRETATION

I. (1) In these regulations—

- (a) "the Act" means the Companies Act, 2013,
- (b) "Company" means ***KEYNOTE FINANCIAL SERVICES LIMITED**
- (c) "Office" means the Registered Office of the Company.
- (d) "the seal" means the common seal of the company.

(2) Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.

SHARE CAPITAL AND VARIATION OF RIGHTS

II. 1. The Authorized Share Capital of the Company is Rs.15,00,00,000/- (Rupees Fifteen Crores only) divided into 1,50,00,000 (One Crore Fifty Lakhs) Equity Shares of Rs.10/- (Rupees Ten only) each.

***Special Resolution Passed by Shareholders through Postal Ballot on 4th April, 2019 amending Articles of Association of the Company.**

2. Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.

3. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,—

(a) One certificate for all his shares without payment of any charges; or

(b) Several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.

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

(iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

4. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.

(ii) The provisions of Articles (2) and (3) shall *mutatis mutandis* apply to debentures of the company.

5. Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in

any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

6. (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.

(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.

(iii) 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.

7. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

(ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

8. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

9. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

CERTIFICATE OF SHARES

10. (1) A certificate, issued under the common seal of the company, specifying the shares held by any person, shall be *prima facie* evidence of the title of the person to such shares.
- (2) A duplicate certificate of shares may be issued, if such certificate —
- (a) is proved to have been lost or destroyed; or
 - (b) has been defaced, mutilated or torn and is surrendered to the company.
- (3) Notwithstanding anything contained in the articles of a company, the manner of issue of a certificate of shares or the duplicate thereof, the form of such certificate, the particulars to be entered in the register of members and other matters shall be such as may be prescribed.
- (4) Where a share is held in depository form, the record of the depository is the *prima facie* evidence of the interest of the beneficial owner.
- (5) If a company with intent to defraud issues a duplicate certificate of shares, the company shall be punishable with fine which shall not be less than five times the face value of the shares involved in the issue of the duplicate certificate but which may extend to ten times the face value of such shares or rupees ten crores whichever is higher and every officer of the company who is in default shall be liable for action under section 447.

DEMATERIALIZATION OF SHARES

- 11A (A) For the purpose of this Article, unless the context otherwise requires:-

“Beneficial owner” means a person whose name is recorded as such with a depository;

“SEBI Board” means the Securities and Exchange Board of India;

"bye-laws" means bye-laws made by a depository under Section 26 of the Depositories Act, 1996;

"Depositories Act" means the Depositories Act, 1996 (22 of 1996) including any statutory modification or re-enactment thereof for the time being in force;

"depository" means a Company formed and registered under the Companies Act, 1956 or 2013 and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992 (15 of 1992);

"record" includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by regulations made by the SEBI Board;

"regulations" means the regulations made by the SEBI Board;

"Security" means such security as may be specified by the SEBI Board.

- (B) Either on the Company or on the investor exercising an option to hold his securities with a depository in a dematerialized form, the company shall enter into an agreement with the depository to enable the investor to dematerialize the securities in which event the rights and obligations of the parties concerned shall be governed by the Depositories Act.
- (C) Every person subscribing to securities offered by the Company shall have the option to receive the security certificates or hold securities with a depository. Where person opts to hold a security with a depository, the Company shall intimate such depository the details of allotment of the security and on receipt of such information the depository shall enter in its record the name of the allottee as the beneficial owner of that security.
- (D) All securities held by the depository shall be dematerialized and shall be in fungible form.

Nothing contained in Section 89 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

- (E) (1) Notwithstanding anything to the contrary contained in the Articles a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.
- (2) Save as otherwise provided in (1) above, the depository as a registered owner shall not have any voting rights or any other rights in respect of securities held by it.
- (3) Every person holding equity share capital of the Company and whose name is entered as beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner shall be entitled to all the rights and benefits and be subjected to all the liabilities in respect of the securities held by a depository.
- (F) Every depository shall furnish to the Company information about the transfer of securities in the name of the beneficial owners at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.
- (G) If a beneficial owner seeks to opt out of a depository in respect of any security the beneficial owner shall inform the depository accordingly.

The depository shall on receipt of intimation as above make appropriate entries in its records and shall inform the Company.

The Company shall within thirty (30) days of the receipt of intimation from the depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the beneficial owner or transferee as the case may be.

- (H) Notwithstanding anything to the contrary contained in the Articles:

- (1) Section 45 of the Act shall not apply to the shares held with a depository
- (2) Section 56 of the Act shall not apply to transfer of security effected by the transferor and the transferee both of whom are entered as beneficial owners in the records of a depository.

LIEN

12. (i) 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 single person, for all monies presently payable by him or his estate to the company:

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

(ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.

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

Provided that no sale shall be made—

(a) unless a sum in respect of which the lien exists is presently payable; or

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

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

(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

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

15. (i) 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.

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

CALLS ON SHARES

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

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

(ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.

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

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

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

19. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten percent per annum or at such lower rate, if any, as the Board may determine.

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

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

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

21. The Board—

(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.

TRANSFER OF SHARES

22. (i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.

(ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

23. The Board may, subject to the right of appeal conferred by section 58 decline to register—

(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

(b) any transfer of shares on which the company has a lien.

24. The Board may decline to recognise any instrument of transfer unless—

(a) the instrument of transfer is in the form as prescribed in rules made under sub section (1) of section 56;

(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

(c) the instrument of transfer is in respect of only one class of shares.

25. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

TRANSMISSION OF SHARES

26. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares.

(ii) Nothing in clause (i) 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.

27. (i) 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.

(ii) 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.

28. (i) 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.

(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(iii) 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.

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

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

FORFEITURE OF SHARES

30. If a member fails to pay any call, or instalment of a call, on the day

appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

31. The notice aforesaid shall—

(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

(b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

32. 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.

33. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

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

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

(ii) 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.

35. (i) 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;

(ii) The company may receive the consideration, if any, given for the share on

any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;

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

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

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

ALTERATION OF CAPITAL

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

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

(a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

(c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;

(d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

39. Where shares are converted into stock,—

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

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

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

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

(c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock-holder" respectively.

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

(a) its share capital;

(b) any capital redemption reserve account; or

(c) any share premium account.

CAPITALISATION OF PROFITS

41. (i) The company in general meeting may, upon the recommendation of the Board, resolve—

(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

(b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—

(A) paying up any amounts for the time being unpaid on any shares held by such members respectively;

(B) paying up in full, unissued shares 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);

(D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;

(E) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

42. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—

(a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and

(b) generally do all acts and things required to give effect thereto.

(ii) The Board shall have power—

(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and

(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the

payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

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

BUY-BACK OF SHARES

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

GENERAL MEETINGS

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

45. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.

(ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

PROCEEDINGS AT GENERAL MEETINGS

46. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

(ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.

47. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

48. If there is no such Chairperson, or if he is not present within fifteen

minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

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

ADJOURNMENT OF MEETING

50. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

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

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

(iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

VOTING RIGHTS

51. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—

(a) on a show of hands, every member present in person shall have one vote; and

(b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.

52. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

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

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

54. 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.

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

56. 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.

57. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes

(ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

PROXY

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

59. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

60. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

BOARD OF DIRECTORS

61. The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them.

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

(ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—

(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or

(b) in connection with the business of the company.

63. The Board may pay all expenses incurred in getting up and registering the company.

64. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.

65. 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.

66. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

67. (i) Subject to the provisions of Section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.

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

MEETINGS OF BOARD

68. (1) Every company shall hold the first meeting of the Board of Directors within thirty days of the date of its incorporation and thereafter hold a minimum number of four meetings of its Board of Directors every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board:

Provided that the Central Government may, by notification, direct that the provisions of this sub-section shall not apply in relation to any class or description of companies or shall apply subject to such exceptions, modifications or conditions as may be specified in the notification.

(2) The participation of directors in a meeting of the Board may be either in person or through video conferencing or other audio visual means, as may be prescribed, which are capable of recording and recognising the participation of the directors and of recording and storing the proceedings of such meetings along with date and time:

Provided that the Central Government may, by notification, specify such matters which shall not be dealt with in a meeting through video conferencing or other audio visual means.

(3) A meeting of the Board shall be called by giving not less than seven days' notice in writing to every director at his address registered with the company and such notice shall be sent by hand delivery or by post or by electronic means:

Provided that a meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that at least one independent director, if any, shall be present at the meeting:

Provided further that in case of absence of independent directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one independent director, if any.

(4) Every officer of the company whose duty is to give notice under this section and who fails to do so shall be liable to a penalty of twenty-five thousand rupees.

PROCEEDINGS OF THE BOARD

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

(ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

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

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

71. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.

72. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.

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

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

74. (i) A committee may elect a Chairperson of its meetings.

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

75. (i) A committee may meet and adjourn as it thinks fit.

(ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

76. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.

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

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

78. Subject to the provisions of the Act,—

(i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer,

manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

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

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

THE SEAL

80. (i) The Board shall provide for the safe custody of the seal.

(ii) 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 two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and 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 RESERVE

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

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

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

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

84. (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.

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

(iii) 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.

85. 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.

86. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

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

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

88. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

89. No dividend shall bear interest against the company.

ACCOUNTS

90. (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.

(ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

AUDIT

91. Once atleast in every year account of the Company shall be examined and correctness of the Balance Sheet and Profit and Loss Account ascertained by one or more Auditors.

92. The Board may fill any casual vacancy in office of an Auditor except the one caused by the resignation of an Auditor which shall be filled by the Company in general meeting.

93. Every account of company when audited and approved by the General Meeting shall be conclusive.

NOTICES

94(1). A company may give notice through electronic mode.

Explanation: For the purpose of this rule, the expression "electronic mode" shall mean any communication sent by a company through its authorized and secured computer programme which is capable of producing confirmation and keeping record of such communication addressed to the person entitled to receive such communication at the last electronic mail address provided by the member.

(2) A notice may be sent through e-mail as a text or as an attachment to e-mail or as a notification providing electronic link or Uniform Resource Locator for accessing such notice.

(3) (i) The e-mail shall be addressed to the person entitled to receive such e-mail as per the records of the company or as provided by the depository:

Provided that the company shall provide an advance opportunity atleast once in a financial year, to the member to register his e-mail address and changes therein and such request may be made by only those members who have not got their email id recorded or to update a fresh email id and not from the members whose e-mail ids are already registered.

(ii) The subject line in e-mail shall state the name of the company, notice of the type of meeting, place and the date on which the meeting is scheduled.

(iii) If notice is sent in the form of a non-editable attachment to e-mail, such attachment shall be in the Portable Document Format or in a non-editable format together with a 'link or instructions' for recipient for downloading relevant version of the software.

(iv) When notice or notifications of availability of notice are sent by e-mail, the company should ensure that it uses a system which produces confirmation of the total number of recipients e-mailed and a record of each recipient to whom the notice has been sent and copy of such record and any notices of any failed transmissions and subsequent re-sending shall be retained by or on behalf of the company as "proof of sending".

(v) The company's obligation shall be satisfied when it transmits the e-mail and the company shall not be held responsible for a failure in transmission beyond its control:

(vi) If a member entitled to receive notice fails to provide or update relevant e-mail address to the company, or to the depository participant as the case may be, the company shall not be in default for not delivering notice via e-mail.

(vii) The company may send e-mail through in-house facility or its registrar and transfer agent or authorise any third party agency providing bulk e-mail facility.

(viii) The notice made available on the electronic link or Uniform Resource Locator has to be readable, and the recipient should be able to obtain and retain copies and the company shall give the complete Uniform Resource Locator or address of the website and full details of how to access the document or information.

(ix) The notice of the general meeting of the company shall be simultaneously placed on the website of the company if any and on the website as may be notified by the Central Government.

Explanation.- For the purpose of this rule, it is hereby declared that the extra ordinary general meeting shall be held at a place within India.

VOTING THROUGH ELECTRONIC MEANS

95 (1) Every listed company or a company having not less than one thousand shareholders, shall provide to its members facility to exercise their right to vote at general meetings by electronic means.

(2) A member may exercise his right to vote at any general meeting by electronic means and company may pass any resolution by electronic voting system in accordance with the provisions of this rule.

Explanation.- For the purposes of this rule.- (i) the expressions "voting by electronic means" or "electronic voting system" means a 'secured system' based process of display of electronic ballots, recording of votes of the members and the number of votes polled in favour or against, such that the entire voting exercised by way of electronic means gets registered and counted in an electronic registry in a centralized server with adequate 'cyber security';

(ii) the expression "secured system" means computer hardware, software, and procedure that -

- (a) are reasonably secure from unauthorized access and misuse;
- (b) provide a reasonable level of reliability and correct operation;
- (c) are reasonably suited to performing the intended functions; and
- (d) adhere to generally accepted security procedures.

(iii). the expression "Cyber security" means protecting information, equipment, devices, computer, computer resource, communication device and information stored therein from unauthorised access, use, disclosures, disruption, modification or destruction.

(3) A company which opts to provide the facility to its members to exercise their votes at any general meeting by electronic voting system shall follow the following procedure, namely;

(i) the notices of the meeting shall be sent to all the members, auditors of the company, or directors either -

(a) by registered post or speed post ; or

(b) through electronic means like registered e-mail id;

(c) through courier service;

(ii) the notice shall also be placed on the website of the company, if any and of the agency forthwith after it is sent to the members;

(iii) the notice of the meeting shall clearly mention that the business may be transacted through electronic voting system and the company is providing facility for voting by electronic means;

(iv) the notice shall clearly indicate the process and manner for voting by electronic means and the time schedule including the time period during which the votes may be cast and shall also provide the login ID and create a facility for generating password and for keeping security and casting of vote in a secure manner;

(v) the company shall cause an advertisement to be published, not less than five days before the date of beginning of the voting period, at least once in a vernacular newspaper in the principal vernacular language of the district in which the registered office of the company is situated, and having a wide circulation in that district, and at least once in English language in an English newspaper having a wide circulation in that district, about having sent the notice of the meeting and specifying therein, *inter alia*, the following matters, namely:-

(a) statement that the business may be transacted by electronic voting;

(b) the date of completion of sending of notices;

(c) the date and time of commencement of voting through electronic means;

(d) the date and time of end of voting through electronic means;

(e) the statement that voting shall not be allowed beyond the said date and time;

(f) website address of the company and agency, if any, where notice of the meeting is displayed; and

(g) contact details of the person responsible to address the grievances connected with the electronic voting;

(vi) the e-voting shall remain open for not less than one day and not more than three days:

Provided that in all such cases, such voting period shall be completed three days prior to the date of the general meeting;

(vii) during the e-voting period, shareholders of the company, holding shares either in physical form or in dematerialized form, as on the record date, may cast their vote electronically:

Provided that once the vote on a resolution is cast by the shareholder, he shall not be allowed to change it subsequently.

(viii) at the end of the voting period, the portal where votes are cast shall forthwith be blocked.

(ix) the Board of directors shall appoint one scrutinizor, who may be chartered Accountant in practice, Cost Accountant in practice, or Company Secretary in practice or an advocate, but not in employment of the company and is a person of repute who, in the opinion of the Board can scrutinize the e-voting process in a fair and transparent manner:

Provided that the scrutinizor so appointed may take assistance of a person who is not in employment of the company and who is well-versed with the e-voting system;

(x) the scrutinizor shall be willing to be appointed and be available for the purpose of ascertaining the requisite majority;

(xi) the scrutinizer shall, within a period of not exceeding three working days from the date of conclusion of e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the company and make a scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman;

(xii) the scrutinizer shall maintain a register either manually or electronically to record the assent or dissent, received, mentioning the particulars of name, address, folio number or client ID of the shareholders, number of shares held by them, nominal value of such shares and whether the shares have differential voting rights;

(xiii) the register and all other papers relating to electronic voting shall remain in the safe custody of the scrutinizer until the chairman considers, approves and signs the minutes and thereafter, the scrutinizer shall return the register and other related papers to the company.

(xiv) the results declared along with the scrutinizer's report shall be placed on the website of the company and on the website of the agency within two days of passing of the resolution at the relevant general meeting of members;

(xv) subject to receipt of sufficient votes, the resolution shall be deemed to be passed on the date of the relevant general meeting of members.

WINDING UP

96. Subject to the provisions of Chapter XX of the Act and rules made thereunder—

(i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.

(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

INDEMNITY

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

Note: The Articles shall be signed by each subscriber of the memorandum of association who shall add his address, description and occupation, if any, in the presence of at least one witness who shall attest the signature and shall likewise add his address, description and occupation, if any, and such signatures shall be in form specified below:

Note: The Articles shall be signed by each subscriber of the memorandum of association who shall add his address, description and occupation, if any, in the presence of at least one witness who shall attest the signature and shall likewise add his address, description and occupation, if any, and such signatures shall be in form specified below:

Name, address, description and occupation of each Subscriber	Number of Equity Shares taken by each Subscriber	Signature of Witness And his name, Address, description And occupation.
<p>Shri Hemant Hemnani S/o. Late Shri Ramdas Hemnani 58, Kakad Kunj, Dwarkesh Park, Bhatt Lane, Poisar, Kandivali (West) Bombay - 400 067 Management Consultants</p> <p>Shri Vishwanath N. Tapuriah S/o. Late Shri Chanshyamdas Tapuriah 7, Juhu, Apartment, 1st floor, Juhu Road, Bombay - 400 049 Management Consultant</p>	<p>10 (Ten Only)</p> <p>10 (Ten Only)</p>	<p>WITNESS TO BOTH Sd/- SHRI ANANT B. KHAMANKAR S/o. SHRI BHURAO KHAMANKAR S/o. Shri Chandra Raashmi Society, M. A. Raod, Andheri (West) Mumbai - 400 058 Company Secretary</p>

TOTAL	20 (Twenty only)	

Bombay , Dated This 31st Day of May, 1993

SCHEME OF ARRANGEMENT
BETWEEN
CONCEPT ASSETS MANAGEMENT LIMITED AND ITS MEMBERS
AND
CONCEPT CAPITAL MANAGEMENT LIMITED AND ITS MEMBERS
AND
CONCEPT HOLDINGS LIMITED AND ITS MEMBERS
WITH
KEYNOTE CORPORATE SERVICES LIMITED AND ITS MEMBERS

APPROVED BY HON'BLE HIGH COURT, BOMBAY

[ORDER DATED 2ND DECEMBER, 2005]

34186

05

3

Gajaria & Co.

certified Copy Rs. 10.00
additional Rs. -

Total Rs. 10.00

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

COMPANY PETITION NO. 363 OF 2005
CONNECTED WITH
COMPANY APPLICATION NO. 343 OF 2004

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

And

In the matter of scheme of
Amalgamation of Concept Assets
Management Limited, Concept
Holdings Limited, Concept
Capital Management Ltd. with
Keynote Corporate Services
Limited



Keynote Corporate Services Limited ... Petitioner

Mr. Rahul Chitnis i/b Gajaria & Co. for Petitioner

Mr. C. J. Joy with R. C. Master and M. M. Goswami, Panel
Counsel i/b T. C. Kaushik for Regional Director

CORAM: SMT. NISHITA MHATRE, J.

DATED: DECEMBER 2, 2005

P.C. :

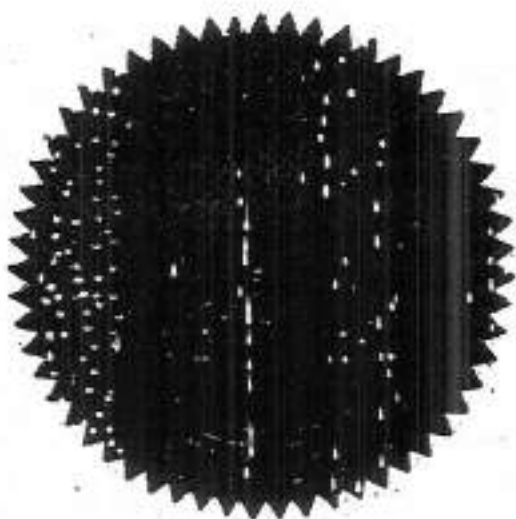
In view of the scheme of amalgamation having
been approved in Company Petition Nos. 364 of 2005, 365
of 2005 and 366 of 2005, this Petition is allowed in
terms of prayer clauses (a) to (h), subject to payment
of costs to Regional Director quantified at Rs. 2,500/-.



: 2 :

2. All concerned parties including concerned Registrar of Companies to act on the ordinary copy of the order and scheme annexed to the petition, authenticated by the Company Registrar, High Court, Bombay.

3. Filing of drawn up order is dispensed with.



CERTIFIED TO BE A TRUE COPY
DATE 9th day of Oct 1966

By Secretary and Senior Clerk

TRUE-COPY

M. D. NARAYAN
COMPANY REGISTRAR
HIGH COURT (S.S.)
BOMBAY



Supplied on 6/12/05
Impressed on 8/12/05
Section Writer [initials]
Folio 2P
Examined by [initials]
Compared with [initials]
Ready on 2-8-DEC-2005
Returned on 13-12-05

- 0 DEC 2005

EXHIBIT - I

SCHEME OF AMALGAMATION

OF

CONCEPT ASSETS MANAGEMENT LIMITED
CONCEPT CAPITAL MANAGEMENT LIMITED
CONCEPT HOLDINGS LIMITED

WITH

KEYNOTE CORPORATE SERVICES LIMITED



~~Report~~
Advocate for the
petitioners.

1. PREAMBLE.

This Scheme of Arrangement between CONCEPT HOLDINGS LIMITED and its members CONCEPT ASSETS MANAGEMENT LIMITED and its members CONCEPT CAPITAL MANAGEMENT LIMITED and its members and KEYNOTE CORPORATE SERVICES LIMITED and its members is presented for the amalgamation of CONCEPT HOLDINGS LIMITED AND CONCEPT ASSETS MANAGEMENT LIMITED AND CONCEPT CAPITAL MANAGEMENT LIMITED WITH KEYNOTE CORPORATE SERVICES LIMITED pursuant to the relevant provisions of the Companies Act, 1956.

2. DEFINITIONS

In this Scheme, unless the context otherwise required, the following expressions shall have the following meaning :

2.1 The Act

"The Act" means the Companies Act, 1956 including any statutory modifications, re-enactments or amendments thereof.

2.2 The Appointed Date

"The Appointed Date" means 1st April, 2003 or such other date as the High Court at Mumbai may direct.

2.3 The Board

"The Board" means the Board of Directors.

2.4 The Court

"The Court" means the Honourable High Court of Judicature at Mumbai.

2.5 The Effective Date

"The Effective Date" means the last of the following dates or such other dates as the Court may direct; namely :

- a) the date on which the last of all the necessary consents, approvals, permissions, resolutions, agreements, sanction and orders as are hereinafter referred to have been obtained or passed; and
- b) the date on which certified copies of the order of the Court under sections 391, 392, 394, 100 and 101 of the Act sanctioning the Scheme and vesting the undertaking including the assets, liabilities, rights, duties, obligations and the like of the Transferor Companies in the Transferee Company are filed with the Registrar of Companies, Maharashtra, Mumbai.

2.6 Investee Company

"Investee Company" means a Company in whose Share Capital any of the other Companies which form a part of the Scheme has invested.



*Advocate for the
petitioner*

2.7 Investing Company

"Investing Company" means a Company which has invested in the Share Capital of any of the other Companies which form a part of the Scheme.

2.8 The Scheme

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

2.9 The Transferee Company

"The Transferee Company" means KEYNOTE CORPORATE SERVICES LIMITED (KCSL), a Company incorporated under the Companies Act, 1956 bearing Registration No. 11-72407 and having its Registered Office at 307, Regent Chambers, Nariman Point, Mumbai - 400 021.

2.10 "CAML" means CONCEPT ASSETS MANAGEMENT LIMITED, a Company incorporated under the Companies Act, 1956 bearing Registration No. 11-62811 and having its Registered Office at 107, Vikas Building, 11, G.N. Vaidya Marg, Fort, Mumbai - 400 023.

2.11 "CHL" means CONCEPT HOLDINGS LIMITED, a Company incorporated under the Companies Act, 1956 and bearing Registration No. 11-62812 and having its Registered Office at 107, Vikas Building, 11, G.N. Vaidya Marg, Fort, Mumbai - 400 023.

2.12 "CCML" means CONCEPT CAPITAL MANAGEMENT LIMITED, a Company incorporated under the Companies Act, 1956 bearing Registration No. 11-62813 and having its Registered Office at 107, Vikas Building, 11, G.N. Vaidya Marg, Fort, Mumbai - 400 023.

2.13 "The Transferor Companies" means CONCEPT ASSETS MANAGEMENT LIMITED, CONCEPT HOLDINGS LIMITED, CONCEPT CAPITAL MANAGEMENT LIMITED.

2.14 The Undertaking

2.14.1 "The Undertaking" shall mean :

- a) all the assets, claims, estates, interests, powers, properties, rights and titles of every description of, or relating to, the Transferor Company as on the Appointed Date (hereinafter referred to as "the said assets").
- b) All the debts, duties, liabilities and obligations of every description of, or pertaining to, the Transferor Companies as on the Appointed Date, whether provided for or not in the books of account of the Transferor Companies and whether disclosed or undisclosed in their balance sheets (hereinafter referred to as "the said liabilities").

2.14.2 Without prejudice to the generality of Clause 2.14.1 (a) above, the Undertaking of the Transferor Companies shall include advantages of whatsoever nature, agreements, progress, concessions, rights and benefit of all contracts, consents, current assets, easements, engagements, exemptions, fixed assets, industrial and intellectual property rights of any nature whatsoever and



*Advocate for
the petitioner.*

licenses in respect thereof, intangibles, investments, leasehold rights, liberties, ownership flats, patents, permits, powers of rights, registrations, reserves, and all properties, movable and immovable, real, corporeal or incorporeal, in possession or reversion, present or contingent of whatsoever nature and wheresoever situated, right to use and avail of telephones, telexes, facsimile connections, installations and other communication facilities and equipments, tenancy rights, titles, trademarks, trade names, all other utilities held by the Transferor Companies or to which the Transferor Companies are entitled to on the Appointed Date and cash and bank balances, all earnest moneys and/or deposits including security deposits paid by the Transferor Companies and all other interests wheresoever situate, belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by or arising to the Transferor Companies.

JUDICATORY

3. NATURE OF BUSINESS / RATIONALE

3.1 Nature of Business of CAML

CAML is engaged in the business of finance, investment and trading, Hire, Purchase and Leasing.

3.2 CHL is engaged in the business of an Investment Company.

3.3 CCML is engaged in the business of an Investment Company.

3.4 NATURE OF BUSINESS OF TRANSFEREE COMPANY

The Transferee Company is a SEBI registered Category-I Merchant Banker. The main business activities of the Company includes managing of Public Issue of Securities, Underwriting, Project Appraisal, Equity Research, Capital Structuring / Re-structuring, Loan & Lease Syndication, Corporate Advisory Services, Mergers & Acquisitions, Placement Services, Portfolio Management, Debenture Trustee, Managing /advising on International Offerings of Debt/Equity i.e. GDR, ADR, bonds and other instruments, Private Placement of securities, Corporate Advisory Services related to Securities Market e.g. Takeovers, Acquisitions, Disinvestments etc., Advisory services for Projects, International Financial Advisory Services, Warehousing / Parking of Securities, Bridge Financing, Bought Out Deals relating to Issue Management

3.5 RATIONALE

CAML, CHL, CCML are subsidiaries of Transferee Company engaged in business of investment, finance on a very small scale. There has been no or very insignificant activity in these Transferor Companies. The Transferee Company being the Holding Company wish to merge these companies with itself to reduce administrative cost and to restructure the Balance Sheet. The merger may lead to reduction of capital of the Transferee Company extent.

The proposed scheme of amalgamation will lead to reduction in capital of Transferee Company. The detailed capital structure of the Transferee Company post proposed scheme is presented in point no. 12.4 of this scheme.

4. SHARE CAPITAL

The capital structure of Transferor Companies and Transferee Company as on 31st March, 2003 (the audited) as follows :

[Signature]
Advocate for the
petitioner.

4.1 Share Capital of CAML

The Authorised, Issued, Subscribed and paid-up Share Capital of CAML as on 31st March, 2003 is as follows :

	(In Rs.)
Authorised	
50,000 Equity Shares of Rs.10/- each	5,00,000
Issued, Subscribed and Paid-up	
50,000 Equity Shares of Rs.10/- each	5,00,000

4.2 Share Capital of CHL

The Authorised, Issued, Subscribed and paid-up Share Capital of CHL as on 31st March, 2003 is as follows :

	(In Rs.)
Authorised	
50,000 Equity Shares of Rs.10/- each	5,00,000
Issued, Subscribed and Paid-up	
50,000 Equity Shares of Rs.10/- each	5,00,000

4.3 Share Capital of CCML

The Authorised, Issued, Subscribed and paid-up Share Capital of CCML as on 31st March, 2003 is as follows :

	(In Rs.)
Authorised	
50,000 Equity Shares of Rs.10/- each	5,00,000
Issued, Subscribed and Paid-up	
50,000 Equity Shares of Rs.10/- each	5,00,000

4.4 Share Capital of Transferee Company

4.4.1 The Authorised, Issued, Subscribed and paid-up Share Capital of the Transferee Company on 31st March, 2003 is as follows :

	(In Rs.)
Authorised	
1,50,00,000 Equity Shares of Rs.10/- each	150,000,000
Issued	
1,20,06,400 Equity Shares of Rs.10/- each	120,064,000
Subscribed and Paid-up	
7,969,470 Equity Shares of Rs.10/- each	79,694,700

4.4.2 Shareholding Pattern of the Transferee Company (As on 01/12/2003)

	Category	No. of shares held	%
A.	Promoter's holding		
1.	- Indian Promoters	1,82,500	2.30
	- Foreign Promoters		
2.	Persons acting in Concert	55,17,281	69.34
	Sub-Total	57,00,281	71.53
B.	Non-Promoters Holding		
3.	Institutional Investors		
a.	Mutual Funds and UTI	23,800	0.30



*Advocate for the
petitioners.*

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b.	Bank, Financial Institutions, Insurance Companies (Central / State Gov. Institutions / Non-government Institutions)	10,300	0.13
c.	FII's		
	Sub-Total	34,100	0.43
4.	Others		
a.	Private Corporate Bodies	2,86,675	3.60
b.	Indian Public	18,92,120	23.74
c.	NRIs / OCBs	34,300	0.68
d.	Any other (HUF / Trust)	1,994	0.02
	Sub-Total	22,35,889	28.04
	GRAND TOTAL	79,69,470	100.00

4.4.3 The equity shares of the Transferee Company are listed on The Stock Exchange, Mumbai (BSE) & National Stock Exchange of India (NSE)

5. TRANSFER OF UNDERTAKING OF THE TRANSFEROR COMPANIES

5.1 Transfer of the Undertaking

With effect from The Appointed Date, and subject to the provisions of the scheme in relation to the mode of transfer and vesting, the entire Undertaking of the Transferor Companies including the said assets and the said liabilities as on the Appointed Date shall, pursuant to the provisions of Section 394 and other applicable provisions of the Act, without any further act, deed, instrument, matter or thing, be and shall stand transferred to and vested in or deemed to have been transferred to or vested in the Transferee Company so as to become the Undertaking of the Transferee Company, but subject to the charges existing thereon or on the said assets on the Appointed Date. However, all the moveable assets of the Transferor Companies shall not vest in the Transferee Company by virtue of the Order of the High Court but the same vest in the manner laid down in Clause 5.3 hereof.

5.2 Transfer of Assets Subject to Charges

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 Companies is a party and under which any assets of the Transferor Companies 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 Companies 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 consents and approvals of the persons entitled to the charge on any assets or properties of the Transferee Company.

5.3 Mode of Transfer of Assets

It is expressly provided that pursuant to the transfer of the Undertaking as provided in Clause 5.1 above, all the said assets are so transferred by the Transferor Companies to the Transferee Company to the end and intent that the property therein passes to the Transferee Company pursuant to the provisions of Section 394 of the Act as an integral part of the Undertaking.

Accepted
Advocate for
the petitioner

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The mode of vesting of moveable assets referred in Clause 5.1 is as under :

5.3.1 All the moveable assets of the Transferor Companies including, investment in subsidiaries, other investments, cash on hand shall be handed over by physical delivery (together with duly executed transfer forms or other documents as may be required) to the Transferee Company alongwith such other documents as may be necessary to the end and intent that the property therein passes to the Transferee Company on such delivery.

5.3.2 In respect of moveable assets, other than those specified in sub-clause 5.3.1 above, including sundry debtors, outstanding loans, advances recoverable in cash or in kind or value to be received, bank balances and deposits with Government, Semi Government, Local and other authorities, bodies and customers, etc. the following modus shall be followed :

The Transferor Companies shall give notice in such form as it may deem fit and proper to each party, debtor or depositor as the case may be, that pursuant to the High Court of Mumbai sanctioning the Scheme, the said debt, loan, advances, etc. be paid or made good or held on account of the Transferee Company as the person entitled thereto to the end and intent that the right of the Transferor Companies to recover or realize the same stands extinguished.

The Transferee Company may, give notice in such form as it may deem fit and proper to each person, debtor or depositor that pursuant to the High Court of Mumbai having sanctioned the Scheme, the said person, debtor or depositor should pay the debt, loan or advance or make good the same or hold the same to its account and that the Transferee Company to recover or realize the same is in substitution of the right of the Transferor Companies.



5.4 Transfer of Liabilities

5.4.1 Pursuant to the transfer of the Undertaking as provided in Clause 5.1 above, and subject to the provisions in the Scheme in relation to the mode of transfer and vesting, the said liabilities of the Transferor Companies, shall also be and stand transferred or deemed to be transferred, without further act, instrument, deed, matter or thing, to the Transferee Company, pursuant to the provisions of Section 394 of the said Act so as to become as and from the Appointed Date, the debts, duties, liabilities and obligations of the Transferee Company and further that for the purpose of giving effect to the provisions of this Clause, it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen.

Provided that, the Transferee Company may, at any time after the coming into the effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute in favour of any other party to any contract or arrangement to which the Transferor Companies is a party, such Deeds of Confirmation or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of the Scheme be deemed to be authorized to

*Advocate for
the petitioner*

execute any such writings on behalf of the Transferor Companies and to implement or carry out all such formalities or Compliances referred to above on the part of the transferor Companies to be carried out or performed.

- 5.4.2 It is clarified that the Scheme shall not in any manner affect the rights and interests of the creditors of the Transferor Companies or be deemed to be prejudicial to their interests and in particular the secured and statutory creditors of the Transferor Companies shall continue to enjoy and hold charge upon their respective securities and properties.

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

5.5 Transfer of Guarantees

Guarantees provided by third parties on behalf of the Transferor Companies shall be taken over by the Transferee Company and these parties shall be discharged of their obligations on his account.

5.6 Place of Vesting

The vesting of the Undertaking shall by virtue of the provisions of this Scheme, and the effect of Section 394 of the said Act, take place at the registered office of the Transferee Company.

6. CONDUCT OF BUSINESS BY TRANSFEROR COMPANIES TILL EFFECTIVE DATE.

6.1 Transferor Companies as Trustee

With effect from the Appointed Date, the Transferor Companies :

- i) shall be deemed to have held and stood possessed of and shall hold and stand possessed of the entire Undertaking of the Transferor Companies for and on account of and for the benefit of and in trust for the Transferee Company, and
- ii) Shall carry on and be deemed to be carrying on all businesses and activities relating to the Transferor Companies for and on account of and for the benefit of and in trust for the Transferee Company.

6.2 Transfer of Profits or Losses

With effect from the Appointed Date, all the profits including taxes, if

[Signature]
Advocate for the
petitioner

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any, thereon or incomes arising to the Transferor Companies or any costs and charges, expenditure or losses arising or incurred by the Transferor Companies shall for all purposes be treated and deemed to be accrue as the profits, taxes or incomes or costs, charges, expenditure or losses of the Transferee Company, as the case may be.

6.3 Transferor companies to carry on their Business with Diligence

With effect from the Appointed Date, the Transferor Companies have carried on and hereafter undertake to carry on their business with reasonable diligence and utmost business prudence and from the date of acceptance of the Scheme by the respective Boards of the Transferor Companies and Transferee Company, the Transferor Companies shall not alienate, charge, encumber, mortgage or otherwise deal with their Undertaking including any of the said assets or any part thereof, without the prior written consent of the Transferee Company, save and except in the ordinary course of Business, or pursuant to any pre-existing obligation undertaken by the Transferor Companies prior to the Appointed Date

Provided however that the Transferor Companies shall be entitled in the ordinary course of business in relation to their borrowings required in connection with their business and operations to borrow in the form of loans and further consent of the Transferee Company shall not required in this behalf.

6.4 Transferor Companies not Permitted to Undertake New Business

From the date of acceptance of the Scheme by the respective Boards of the Transferor Companies and the Transferee Company, the Transferor Companies shall not, without the prior written consent of the Transferee Company, undertake any new business or activity, including any business requiring resolution under Section 149 (2A) of the Act.

6.5 No change to be effected in the Capital Structure of Transferor and Transferee Company

Save as specifically provided in this Scheme, and except by mutual consent of the Boards, neither the Transferor Companies nor the Transferee Company shall make any change in their Capital structure, (by way of Bonus shares, convertible debentures, detachable warrants, equity or preference shares, options and calls, fresh issue of rights shares, secured premium notes, zero interest bonds, or any other instrument raising the capital) by any increase, decrease, reduction, reclassification, sub division or consolidation, reorganization, or in any other manner.

Provided that no such consent is required for the Transferee Company to increase its Authorised Capital, as needs to be enhanced to give effect to the provisions of this Scheme or pursuant to any existing obligation of the Transferee Company.

6.6 No change in the terms and conditions of employment of the Transferor Companies' employees

From the date of acceptance of the Scheme by the respective Boards of the Transferor Companies and the Transferee Company, the Transferor



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Advocate for
the petitioner.

Companies shall not vary the terms and conditions of employment of its employees except in the ordinary course of business.

7. ENFORCEMENT OF LEGAL PROCEEDINGS

All proceedings of whatsoever nature (legal and others, including any suits, appeals, arbitrations, execution proceedings, revisions, writ petitions, if any) by or against the Transferor Companies shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Undertaking of the Transferor Companies or of anything contained in this Scheme but the said proceedings shall, till the Effective Date be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against the Transferor Companies if this Scheme had not been made. The transferee company shall take steps to have the abovementioned proceedings continued in its name.

8. ENFORCEMENT OF CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS.

Subject to the other provisions of this Scheme, all lawful agreements, arrangements, bonds, contracts and other instruments of whatsoever nature to which the Transferor Companies are a party to or to the benefit of which they may be eligible and which are subsisting, or operative or having effect, shall till the effective Date, be in full force and effect and may be enforced as fully and effectually as if, the Scheme had not been made thereafter, shall be in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced as fully and effectually as if, instead of the Transferor Companies, the Transferee Company had been a party or beneficiary thereto, subject to such changes and variations in the terms, conditions and provisions thereof as may be mutually agreed to between the Transferee Company and other parties thereto.

The Transferee Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any arrangement, confirmations or novations in order to give formal effect to the provisions of this Clause, if so required or if it becomes necessary.

9. NO EFFECT OF TRANSFER OF UNDERTAKING ON THE TRANSACTIONS/CONTRACTS ALREADY CONCLUDED BY THE TRANSFEROR COMPANIES.

The transfer and vesting of the said assets and the said liabilities of the Transferor Companies to the Transferee Company under Clause 5.1 and 5.4 respectively and the continuance of all the legal proceedings and all contracts and all the contracts under Clause 7 and 8 respectively by or against the Transferee Company after the Appointed Date shall not affect any transaction, contract or proceeding already concluded by the Transferor Companies in the ordinary course of business on or after the Appointed Date to the end and intent that the Transferee Company accepts on behalf of the Transferor Companies as acts, deeds, and things done and executed lawfully by or on behalf of the Transferee Company.

10. TRANSFEROR COMPANIES' WORKMEN AND EMPLOYEES

10.1 Takeover of all employees

Advocate for the petitioners.

The Transferee Company will takeover all the staff, workmen and other employees in the service of the Transferor Companies immediately preceding the Effective Date, and they shall become the staff, workmen and employees of the Transferee Company.

10.2 Services of employees to be continued uninterruptedly

The services of the said staff, workmen and other employees shall, for all purposes, including accrued leave benefits, gratuity, provident fund, retirement benefit, retrenchment compensation, superannuation and so on, be regarded as continuous without any break or interruption of service by reason of the transfer of the Undertaking to the Transferee Company.

10.3 Terms and Conditions of Service shall be the same

The terms and conditions of service applicable to such employees on the Effective Date will not in any way be less favourable to them than those applicable to them immediately before the Effective Date. The position, rank and designation of the employees would, however, be decided by the Board of the Transferee Company, which shall also have the right to exercise an option, if warranted, to transfer such employees to any unit of the Transferee Company as may be deemed to be necessary from time to time.

10.4 Transfer of all rights, duties, powers and obligations regarding any Schemes or Funds

It is expressly provided that as far as the Gratuity Fund, Provident Fund Scheme, Superannuation Fund or any other Special Fund (including any surplus in such funds, created or existing for the benefit of the employees, staff and Workmen of the Transferor Companies) are concerned, upon the Scheme becoming finally effective, the Transferee Company shall stand substituted for the Transferor Companies for all purposes whatsoever related to the administration or operation of such Schemes or Funds or in relation to the obligation to make contributions to the said Schemes or Funds as per the terms provided in the respective Trust deeds or other documents. It is the aim of the Transferor Companies in relation to such Funds shall become those of the Transferee Company.

11. ACCOUNTING TREATMENT

11.1 The Transferee Company shall record all assets and liabilities vested in the Transferee Company pursuant to the Scheme at their book values.

11.2 The book value of the investment in the share capital of the Transferor Companies as appearing in the books of the Transferee Company and or any of the other Transferor Companies, shall be set off against the share capital of Transferor Company/ies. The excess, if any, of the book value of investment of the investing company over the proportionate share capital of the investee company, shall be first deducted from the capital reserve balance, after giving effect to the provisions explained in 11.1 above, in the Transferee Company and the remainder, if any, shall be deducted from the balance in the share premium reserves of the Transferee Company. If on the other hand, the book value of the investments in the investing company over the proportionate value of in the share capital of the investing company/ies is less than share capital of the investee company/ies, the difference thereof be added to the capital reserve of the Transferee Company.

*Advocate for
the petitioner.*

11.3 The inter company balance representing dues from/to the other company/ies in the books of the Transferor Companies and the Transferee Company shall be set off in the manner explained in 11.4. The Provision, if any, made by the Transferor Companies and/or Transferee Company in regard to the above shall be credited as on the Appointed Date to the Profit and Loss Account of the Transferee Company and "Provision no longer required."

11.4 The accounts shall be taken of all assets and liabilities of the Transferor Companies as on the Appointed Date which shall be transferred pursuant to the Scheme as explained in 11.1 above. If the total of such exceeds the total liabilities (excluding the share capital account of the Transferor Companies) such excess shall be debited to Profit and Loss account of the Transferee Company during the Financial Year beginning the Appointed Date. If on the other hand the total of liabilities exceeds the total of assets, such excess shall be credited to the Profit and Loss Account of the Transferee Company during the financial year beginning the Appointed Date.

11.5 Adjustment for differences in Accounting Policy

In case of any differences in accounting policy between the Transferor Companies and the Transferee Company, the impact of the same till the amalgamation will be quantified and adjusted in the General Reserve of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

11.6 Procedure to Deal with Balances as Between the Transferor Companies and the Transferee Company

To the extent that there are inter company loans, deposits, balances or debenture holding as between the Transferor Companies and the Transferee Company, the obligations in respect thereof shall come to an end and there shall be no liability in that behalf and corresponding effect shall be given in the books of account and records of the Transferee Companies for the reduction of any assets or liabilities as the case may be. For the removal of doubt, it is clarified that in the view of the above there would be no accrual of interest or other charges in respect of any such inter company loans, deposits or balances, with effect from the Appointed Date.

12. SHARES OF THE SHAREHOLDERS IN TRANSFEROR COMPANIES

12.1 Cancellation of Shares

The Transferor Companies are subsidiaries of the Transferee Company and the Transferee Company beneficially holds 60% the shares issued by the Transferor Companies by itself and 100% jointly with its nominees. On the amalgamation of the Transferor Companies with the Transferee Company, no shares of the Transferee Company shall be issued or allotted in respect of the holding of the Transferee Company in the Transferor Companies except to the extent mentioned in point 12.3 below and the share capital of Transferor Companies to that extent shall stand cancelled.

Accepted
Advocate for
the petitioner



12.2 Exchange of shares

The Transferor Companies are holding equity shares of Transferee Company. The valuation report submitted by Anmol Sekri & Associates, Mumbai, Government approved valuer, the value per share of Transferee Company has been worked out to Rs. 81.19. However transferor companies have invested in the equity shares of Transferee Company at a price of Rs. 60/- per share. Considering this the ratio of equity shares of Transferee Company for exchange with the equity shareholders of Transferor Company is fixed at 1 (one) equity share of Transferee Company for every 6 (six) equity share of Transferor Companies.

The 60% of the equity shares of Transferor Companies is held by Transferee Company. The accounting effect in respect of holding of Transferee Company in Transferor Companies will be given. There are very few other shareholders of Transferor Companies holding in aggregate 20,000 equity shares of Rs. 10/- each of the Transferor Companies.

The details of proposed allotment of shares of Transferee Company to remaining shareholders of Transferor Companies are as mentioned in point no.12.3.

12.3 Allotment of shares of Transferee Company to remaining shareholders of CAML, CHL, CCML

Name of Transferor Company	No. of equity shares in Respective companies held by remaining shareholders	Ratio	No. of equity shares of Rs.10/- each of KCSL (Transferee Company) to be allotted.
CAML	20,000	1:6	3333
CHL	20,000	1:6	3333
CCML	20,000	1:6	3333

12.4 Pre & Post merger shareholding of Transferee Company

Category	Pre Merger		Post Merger	
	No. of Shares	%	No. of Shares	%
A Promoters' Holding				
1 Indian Promoters	1,82,500	2.29	1,82,500	2.63
Foreign Promoters				
2 Persons Acting in Concert	55,17,781	69.24	44,89,480	64.68
Sub Total	57,00,281	71.53	46,71,980	67.31

*Inputs:
Advocate for the
petitioner.*



Category	Pre Merger		Post Merger	
	No. of Shares	%	No. of Shares	%
B Non-Promoter Holding				
3 Institutional Investors				
Mutual Funds	23,800	0.3	23,800	0.34
Banks Financial Institutions, Insurance Companies	10,300	0.13	10,300	0.15
FII's	-	-	-	-
Sub Total	34,100	0.43	34,100	0.49
4 Others				
Private Corporate Bodies	2,86,675	3.6	2,86,675	4.13
Indian Public	18,92,120	23.74	18,92,120	27.26
NRIs/OCBs	54,300	0.68	54,300	0.78
Any Other (HUF/Trust)	1,994	0.02	1,994	0.03
Sub Total	22,35,089	28.04	22,35,089	32.20
Grand Total	79,69,470	100.00	69,41,169	100.00

13. DIVIDENDS, PROFITS, BONUS/RIGHTS SHARES

13.1 No Declaration of Dividend by the Transferor Companies

The Transferor Companies shall not without the prior written consent of the Transferee Company declare any dividend for the financial year ending on or after the Appointed Date and subsequent financial year.

13.2 Provision for Dividend to be made by the Transferee Company

Notwithstanding anything to the contrary in the Articles Of Association of the Transferee Company, for the purpose of ensuring that the shareholders of the Transferor Companies are paid dividend equivalent to the dividend payable to them, if they were allotted shares in the Transferee Company on the Appointed Date itself, the Transferee Company shall, when declaring dividends (including interim dividend), if any, on its equity shares for the financial year ending on or after the Appointed Date and subsequent financial years, keep a provision for dividend to the extent of difference between the dividend calculated as above and dividend actually paid by the Transferor Companies for the said period and such dividend on such equity shares shall be deemed to be declared and payable if and when this Scheme become effective.

13.3 The holders of the shares of the Transferor Companies and Transferee Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under the respective Articles Of Association including the right to receive dividend from the respective Companies of which they are members till the Effective Date.

14. APPLICATION TO THE HIGH COURT FOR SANCTIONING SCHEME

On the Scheme being agreed to by the requisite majorities of the Transferor Companies and the members of the Transferee Company, both the Transferor Companies as well as the Transferee Company shall respectively with all reasonable dispatch, make applications/petitions to the High Court for sanctioning this Scheme of Amalgamation under Section 391 of the Act and for an order or orders under Section 392 and 394 and other applicable provisions of the said Act for carrying this Scheme into effect.

[Signature]
 Advocate for
 the petitioner.

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15. CONSENT OF BOTH TRANSFEROR COMPANIES AND TRANSFeree COMPANY TO ANY MODIFICATIONS TO THE SCHEME

The Transferor Companies and the Transferee Company may in their full and absolute discretion, assent from time to time, on behalf of all persons concerned, to any modifications or amendments to the Scheme or agree to any term and/or conditions which the Court and/or any other authorities under law may deem fit to approve of or direct or impose or which may otherwise be considered necessary or desirable or appropriate by them in the best interest of the members for settling any question or doubt or difficulty that may arise, whether by reason any order of the Court or of any directive or orders of any other authorities or otherwise howsoever, arising out of, under or by virtue of this Scheme and for the implementation and/or carrying out of the Scheme or in any matter connected therewith and to do all acts, deeds and things and take all such steps as may be necessary, desirable or expedient for putting the Scheme into effect on/upon or after dissolution of the Transferor Companies. The aforesaid powers of the Transferor Companies and the Transferee Company may be exercised by their respective Boards, committee or committees of the concern Board or any Director authorised on that behalf by the concern Board.

In the event that any condition imposed by the Court are found unacceptable for any reason whatsoever by the Transferor Companies or the Transferee Company, then the Transferor Companies and/or the Transferee Company shall be entitled to withdraw from the Scheme in which event no rights and liabilities whatsoever shall accrue to or be incurred inter se to or by the parties or any of them.

16. SCHEME CONDITIONAL ON APPROVALS / SANCTIONS

The Scheme is conditional upon and subject to the following approvals/permissions and the amalgamation shall be deemed to be complete on the date on which the last of such approvals/ permissions shall be obtained.

16.1 Approval of Both the Transferor Companies and the Transferee Company

The approval and agreement of the Scheme by the requisite majorities of such classes of persons of the Transferor Companies and of the Transferee Company, as may be directed by the Court on the applications made for direction under Section 391 of the said Act for calling meetings and necessary resolutions being passed under the said Act.

16.2 Sanction of the High Court of Judicature

The sanctions of the Court under Sections 391 and 394 of the said Act, in favour of the Transferor Companies and the Transferee Company and to the necessary Order or Orders under Section 394 of the said Act.

16.3 Approval of Creditors

The approvals of public financial institutions, banks and creditors, wherever necessary, under any contract entered into with them by the Transferor Companies and/or the Transferee Company.

16.4 Approval of the Central Government or any other Authority

The sanction or approval under any law or of the Central Government or any other agency, department or authorities concerned in respect of which such sanction or approval is required.

HIGH COURT

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Advocate for
the petitioner

16.5 Requisite Resolutions to be Passed by the Shareholders of Both the Transferor and Transferee Company

The requisite resolutions passed by the shareholders of the Transferor Companies and the Transferee Company under the applicable provisions of the said Act, for any of the matters provided for or relating to the Scheme as may be required or be necessary.

16.6 Approval for Alteration of Memorandum of Association

The approval for the alteration of Memorandum of Association of the Transferee Company as required for the purpose carrying on the business activities of the Transferor Companies.



17. SCHEME SUBJECT TO MODIFICATIONS OF THE HIGH COURT

The Scheme shall be subject to such modification as the High Court while sanctioning such amalgamation of the Transferor Companies with the Transferee Company may direct and which the Board of the Transferor Companies and Transferee Company may consent and agree to.

18. DISSOLUTION OF THE TRANSFEROR COMPANIES

Upon the Scheme being sanctioned and an Order being made by the Court under Section 394 of the said Act, the Transferor Companies shall stand dissolved without winding up on the Effective Date.

19. EFFECT OF NON RECEIPT OF APPROVALS/SANTIONS

In the event of the said sanction and approval referred to in the Clause 16 above not being obtained and/or the Scheme not being sanctioned by the Court and/or the order or orders not being passed as aforesaid before 30th September, 2004 or within such further period or periods as may be agreed upon between the Transferor Companies by the Directors and the Transferee Company by its Directors (and which the Board Of Directors of all Companies are hereby empowered and authorized to agree to extend from time to time without any limitations), the Scheme of Amalgamation shall become null and void and shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated here under or as to any right, liability or obligation which has arisen or accrued pursuant thereto which shall be governed and be preserved or worked out as is specifically provided in the Scheme or may otherwise arise in law.

Each party shall bear its respective costs, charges and expenses in connection with the Scheme of Amalgamation.

20. EFFECT OF NON FULFILLMENT OF ANY OBLIGATION

In the event of non fulfillment of any or all obligations under the Scheme, by either the Transferor Companies or the Transferee Company, the non performance of which will put the other Company under any obligation, then such defaulting Company will indemnify all costs/interest, etc. to the other Company, subject to a specific provision if any to the contrary under the Scheme.

21. EXPENSES CONNECTED WITH THE SCHEME

All costs, charges, taxes including duties, levies and all other expenses, including legal expenses, if any, (save where expressly provided otherwise) of the Transferor Companies and the Transferee Company respectively in relation to or in connection

[Signature]
Advocate for the petitioners.

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with this Scheme including the negotiations leading up to this Scheme and for carrying out and completing the terms and provisions of this Scheme and/or incidental to the completion of amalgamation of the Transferor Companies in pursuance of this Scheme shall borne and paid by the Transferee Company alone.

TRUE COPY
M. D. NARVE
M. D. NARVE
REGISTRAR
H.C. (O.S.)
LONDON

True copy
~~Report~~
Advocate, High Court



High Court
O.O.C.J.
Company Petition No.363 of 2005
Connected with
Company Application No.343 of 2004.

In the matter of Scheme of Amalgamation
Concept Assets Management Limited,
Concept Holdings Limited,
Concept Capital Management Limited,
With Keynote Corporate Services Limited;

Keynote Corporate Services Limited
.. Petitioner



Authenticates copy of the Minutes of
Order dated 2nd December, 2005
Alongwith Scheme of Amalgamation

Deposited on 14-2-2006
Expressed on
Section Writer
Police
Examined by Michael
Keirbel
Compared with
Ready on 22-2-06
Vallured on 27-2-06

M/S. GAJRIA & CO.
Advocates for Petitioners
D-II, Jeevan Jyot,
Cawasji Patel Street, Fort,
Mumbai - 400 001.

SCHEME OF ARRANGEMENT

BETWEEN

COBAL INVESTMENT COMPANY LIMITED AND ITS MEMBERS

AND

WEST COAST LIGHTERAGE COMPANY PRIVATE LIMITED AND ITS MEMBERS

AND

STARLINE ISPAT AND ALLOYS LIMITED AND ITS MEMBERS

AND

GALAXY LEASING LIMITED AND ITS MEMBERS

AND

KEYNOTE FINSTOCK LIMITED AND ITS MEMBERS

AND

PLETHORA INVESTMENTS COMPANY LIMITED AND ITS MEMBERS

WITH

KEYNOTE CORPORATE SERVICES LIMITED AND ITS MEMBERS

KEYNOTE CORPORATE SERVICES LIMITED

Regd. Office: 307, Regent Chambers, Nariman Point, Mumbai – 400 021

COURT CONVENED MEETING OF THE EQUITY SHAREHOLDERS

Day : Friday
Date : November 3, 2006
Time : 10.00 a.m.
Venue : Ashoka Hall, Arcadia Building,
Nariman Point, Mumbai – 400 021,

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**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY APPLICATION NO. 951 OF 2006**

In the matter of Companies Act, 1 of 1956;

AND

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

AND

In the matter of the Scheme of Amalgamation of Cobal Investment Company Limited, West Coast Lighterage Company Private Limited, Starline Ispat and Alloys Limited, Galaxy Leasings Limited, Keynote Finstock Limited, Plethora Investments Company Limited

WITH

Keynote Corporate Services Limited.

Keynote Corporate Services Limited,
a Company incorporated under the Companies Act, 1956
and having its Registered office at 307, Regent Chambers,
Nariman Point, Mumbai - 400 021

Applicant Company.

NOTICE CONVENING THE MEETING OF THE EQUITY SHAREHOLDERS

To

The Equity Shareholders of

Keynote Corporate Services Limited, the Applicant Company:

Take notice that by an order made on Friday, September 22, 2006 in the above Company Application, the High Court of Judicature at Bombay has directed that a meeting of the Equity Shareholders of Keynote Corporate Services Limited, the Applicant Company be convened and held at Ashoka Hall, Arcadia Building, Nariman Point, Mumbai - 400 021, on Friday, the November 3, 2006 at 10.00 a.m. to consider and if thought fit, to pass, with or without modification, the following resolution under section 391 of the Companies Act, 1956 for approval of arrangement embodied in the Scheme of Amalgamation ("the Scheme") of (i) Cobal Investment Company Limited, (ii) West Coast Lighterage Company Private Limited, (iii) Starline Ispat And Alloys Limited (iv) Galaxy Leasings Limited (v) Keynote Finstock Limited (vi) Plethora Investments Company Limited ("the Transferor Companies") with Keynote Corporate Services Limited, ("the Transferee Company" or "the Applicant Company").

1. "RESOLVED that the Scheme of Amalgamation ("the Scheme") of (i) Cobal Investment Company Limited, (ii) West Coast Lighterage Company Private Limited, (iii) Starline Ispat And Alloys Limited (iv) Galaxy Leasings Limited (v) Keynote Finstock Limited (vi) Plethora Investments Company Limited ("the Transferor Companies") with Keynote Corporate Services Limited, ("the Transferee Company"), a copy of which has been placed before the meeting and initialed by the Chairman of the meeting for the purpose of identification, be and is hereby approved."

Take further notice that in pursuance of the said Order, a meeting of the Equity Shareholders of the Applicant Company will be held at Ashoka Hall, Arcadia Building, Nariman Point, Mumbai - 400 021, on Friday, the November 3, 2006 at 10.00 a.m. when you are requested to attend.

Take further notice that you may attend and vote at the said meeting in person or by proxy provided that a proxy in the prescribed form, duly signed by you or your authorized representative, is deposited at the Registered office of the Applicant Company at 307, Regent Chambers, Nariman Point, Mumbai - 400 021, not later than 48 hours before the meeting.

The Hon'ble Court has appointed Mr. B. Madhuprasad, Vice-Chairman of the Applicant Company, failing him Mr. Vinet Suchantil, Managing Director of the Applicant Company to be the Chairman of the said Meeting.

A copy of the Scheme of Amalgamation, the Statement under Section 393 of the Companies Act, 1956, the Attendance Slip and Form of Proxy are enclosed.

Sd/-

B. Madhuprasad

Chairman appointed for the meeting

Dated : September 28, 2006

Registered Office :

307, Regent Chambers,

Nariman Point, Mumbai - 400 021

[Note : All alterations made in the form of proxy should be initialed]

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY APPLICATION NO. 951 OF 2006**

In the matter of Companies Act, 1 of 1956;

AND

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

AND

In the matter of the Scheme of Amalgamation of Cobal Investment Company Limited, West Coast Lighterage Company Private Limited, Starline Ispat and Alloys Limited, Galaxy Leasing Limited, Keynote Finstock Limited, Plathora Investments Company Limited with Keynote Corporate Services Limited,

Keynote Corporate Services Limited,
a Company incorporated under the Companies Act, 1956
and having its Registered office at 307, Regent Chambers,
Nariman Point, Mumbai – 400 021

Applicant Company.

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956.

Pursuant to an Order dated September 22, 2006 passed by the Hon'ble High Court of Judicature at Bombay, in the Company Application referred to hereinabove, meeting of the Equity Shareholders of Keynote Corporate Services Limited is being convened at Ashoka Hall, Arcadia Building, Nariman Point, Mumbai – 400 021, on Friday, November 3, 2006 at 10.00 a.m. for the purpose of considering and, if thought fit, approving with or without modification(s), the arrangement embodied in the Scheme of Amalgamation of (i) Cobal Investment Company Limited, (ii) West Coast Lighterage Company Private Limited, (iii) Starline Ispat And Alloys Limited (iv) Galaxy Leasing Limited (v) Keynote Finstock Limited (vi) Plathora Investments Company Limited ("the Transferor Companies") with Keynote Corporate Services Limited, ("the Transferee Company"). The Scheme of Amalgamation (hereinafter referred to as "the Scheme") is presented inter-alia for the Amalgamation of (i) Cobal Investment Company Limited, (ii) West Coast Lighterage Company Private Limited, (iii) Starline Ispat And Alloys Limited (iv) Galaxy Leasing Limited (v) Keynote Finstock Limited (vi) Plathora Investments Company Limited ("the Transferor Companies") with Keynote Corporate Services Limited, ("the Transferee Company").

1. A copy of the Scheme setting out the terms and conditions of the proposed Amalgamation is enclosed.
2. In this Statement, the Applicant, Keynote Corporate Services Limited is hereinafter referred to as the "Transferee Company" or the "Applicant Company" or "KSCL" and Cobal Investment Company Limited, West Coast Lighterage Company Private Limited, Starline Ispat And Alloys Limited, Galaxy Leasing Limited, Keynote Finstock Limited, Plathora Investments Company Limited are hereinafter individually referred to as "Cobal", "WCLCPL", "SIAL", "Galaxy", "KFL" and "PACL" respectively and collectively known as the "Transferor Companies". The terms used herein but not defined will have the same meaning as in the Scheme of Amalgamation, which is enclosed with this Statement.
3. The Applicant Company/Transferee Company was incorporated in the State of Maharashtra in June 1993, as a private limited company as Keynote Corporate Services Private Limited under the Companies Act, 1956 (hereinafter "the Act") and was converted into a public limited company in November 1993. The Applicant company has its registered office at 307, Regent Chambers, Nariman Point, Mumbai – 400 021. The present authorized, issued, subscribed and paid up share capital of the Transferee Company is as under:

Authorised Capital	Amount in Rupees
1,50,00,000 Equity shares of Rs. 10/- each	15,00,00,000
TOTAL	15,00,00,000
Issued	
1,12,74,417 Equity Shares of Rs. 10/- each	11,27,44,170
TOTAL	11,27,44,170
Subscribed & Paid-up	
69,41,169 Equity shares of Rs. 10/- each	6,94,11,690
TOTAL	6,94,11,690

4. Cobal Investment Company Limited/Cobal, was incorporated on December 24, 1981 in the state of Maharashtra under the Companies Act, 1956. The registered office of Cobal is situated at 107, Vikas Premises, 11, G. N. Vaidya Marg, Fort, Mumbai 400 001..

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

Authorised Capital	Amount in Rupees
240,000 equity shares of Rs. 10/- each	2,400,000
TOTAL	2,400,000
Issued, Subscribed & paid up	
240,000 equity shares of Rs. 10/- each	2,400,000
TOTAL	2,400,000

5. West Coast Lighterage Company Private Limited/WCLCPL was incorporated on October 23, 1969 in the state of Maharashtra under the Companies Act, 1956. The registered office of WCLCPL is situated at G-8, Embassy Centre, Nariman Point, Mumbai 400 021.

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

Authorised Capital	Amount in Rupees
10,000 equity shares of Rs. 100/- each	1,000,000
TOTAL	1,000,000
Issued, Subscribed & paid up	
8,500 equity shares of Rs. 100/- each	850,000
TOTAL	850,000

6. Starline Ispat And Alloys Limited/ SIAL was incorporated on October 24, 1986 in the state of Assam under the Companies Act, 1956. The registered office of SIAL is situated at M. D. Shah Road, Paltan Bazar, Guwahati, Assam- 781001.

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

Authorised Capital	Amount in Rupees
1,005,000 equity shares of Rs. 10/- each	10,050,000
TOTAL	10,050,000
Issued, Subscribed & paid up	
1,000,030 equity shares of Rs. 10/- each	10,000,300
TOTAL	10,000,300

7. Galaxy Leasing Limited/Galaxy was incorporated on March 24, 1984 in the state of Uttar Pradesh under the Companies Act, 1956. The registered office of Galaxy is situated at 15/274, Civil Lines Kanpur - 208 001, Uttar Pradesh.

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

Authorised Capital	Amount in Rupees
1,001,000 equity shares of Rs. 10/- each	10,010,000
TOTAL	10,010,000
Issued, Subscribed & paid up	
1,001,000 equity shares of Rs. 10/- each	10,010,000
TOTAL	10,010,000

8. Keynote Finstock Limited/ KFL was incorporated on October 19, 1994 in the state of Maharashtra under the Companies Act, 1956. The registered office of KFL is situated at 107, Vikas Premises, 11, G. N. Vaidya Marg, Fort, Mumbai 400 023.

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

Authorised Capital	Amount in Rupees
5,000,000 equity shares of Rs. 10/- each	50,000,000
TOTAL	50,000,000
Issued, Subscribed & paid up	
50,000 equity shares of Rs. 10/- each	500,000
TOTAL	500,000

9. Flethora Investments Company Limited/ PICL was incorporated on March 21, 1983 in the state of Maharashtra under the Companies Act, 1956. The registered office of PICL is situated at 107, Vikas Premises, 11, G. N. Vaidya Marg, Fort, Mumbai 400 023.

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

Authorised Capital	Amount in Rupees
50,000 equity shares of Rs. 10/- each	500,000
TOTAL	500,000
Issued, Subscribed & paid up	
50,000 equity shares of Rs. 10/- each	500,000
TOTAL	500,000

10. The objects for which the Applicant Company has been established are set out in its Memorandum of Association. The main objects are set out hereunder:

- To carry on business as lead managers, advisors, consultants, issue house, managers and advisors to public/rights issue of equity and preference shares, debentures, other securities and units and act as share consultants, registrar and transfer agents, underwriters and researchers.
- To carry on the business of merchant banking and portfolio management subject to Securities and Exchange Board of India (Merchant Banking) Rules and Regulations, 1992, and such other approvals as may be required from other authorities subject to compliance of any other law in this regard, but not to carry on all or any part of banking business as contemplated by the Reserve Bank of India Act / Banking Regulation Act, 1949.

11. On considering the facts, circumstances and benefits and on considering the valuation report of the valuer - M/s N. M. Raji & Co, Chartered Accountants, the Board of Directors of the Transferee Company and that of the Transferor Companies has approved the scheme.

12. The Board of the Transferee Company and that of the Transferor companies believes that the proposed scheme will result in the following benefits which would ultimately benefit the shareholders of the Transferee Company and the Transferor companies:

- The merger of the transferor and transferee companies would bring together complementary business streams.
- Achieving economy, better administration and efficiency in operation of the undertakings of Cobal, WCLCPL, SIAL, Galaxy, KFL and PICL.
- The transfer of investments of Transferor companies into the transferee company will help to increase the asset base.

13. The salient features of the scheme between Cobal, WCLCPL, SIAL, Galaxy, KFL, PICL with the Transferee Company are as follows:

- "The Appointed Date" for the Scheme shall be 1st April, 2005.
- "The Effective date" means the later of the dates on which certified copies of the Order(s) of the High Court at Bombay, Allahabad and Guwahati vesting the assets, property, liabilities, rights, duties, obligations and the like of the Transferor Companies in the Transferee Company are filed with the Registrar of Companies, Maharashtra; Registrar of Companies, Uttar Pradesh and Registrar of Companies, Assam, after obtaining the consents, approvals, permissions, resolutions, agreements, sanctions and orders necessary therefor.

The Scheme, although operative from the Appointed Date, shall become effective from the Effective Date/Transfer Date.

- With effect from the opening of business as on the Appointed Date, the Undertakings of the Transferor Companies shall, without any further act or deed, 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.

- (iv) With effect from the Appointed Date, all the debts, liabilities, duties and obligations of the Transferor Companies shall, without any further act or deed, stand transferred, to the Transferee Company, pursuant to the applicable provisions of the said Act, so as to become as from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company. PROVIDED ALWAYS that the Scheme shall not operate to enlarge the security for any loan, deposit or facility created by or available to the Transferor Companies which shall vest in the Transferee Company by virtue of the amalgamation and the Transferee Company shall not be obliged to create any further or additional security therefore after the amalgamation has become effective or otherwise. The Transfer/ vesting as aforesaid shall be subject to the existing charges/ hypothecation over or in respect of the assets or any part thereof of the Transferor Companies.
- (v) The transfer and vesting of the Undertakings of the Transferor Companies under Clause 3 of the Scheme and the continuance of the proceedings by the Transferee Company under Clause 5 of the Scheme shall not affect any transactions or Proceedings already concluded by the Transferor Companies in the ordinary course of business on and after the Appointed Date to the end and intent that the Transferee Company accepts on behalf of itself all acts, deeds and things done and executed and all transactions or Proceedings already concluded by the Transferor Companies.
- (vi) It is expressly provided that in respect of such of the assets of the Undertaking as are movable in nature or are otherwise capable of being transferred by manual delivery or by endorsement and delivery, the same shall be so transferred by the Transferor Companies by physical delivery and become property of the Transferee Company pursuant to the provisions of Sections 391 to 394 of the Act and shall form an integral part of the Undertaking.
- (vii) The Transferor Company(s) shall, on the transfer Date, transfer all the shares of the Transferee Company held by it on such date (the "KCSL Shares") to an individual trustee or a board of trustees (including the survivors or survivor of any of the trustees comprising such board of trustees) or a corporate trustee (hereinafter referred to as the "Trustees") to have and to hold the KCSL Shares in trust together with all additions or accretions thereto upon trust exclusively for the benefit of the Transferee Company and its successor subject to the powers, provisions, discretions, rights and agreements contained in the instrument (the "Trust Deed") establishing the aforesaid trust (the "Trust"). The Trustees shall not exercise any voting rights with respect to KCSL Shares. It is proposed that the Trustees shall, within a period of (36 months) from the Effective Date, subject however to the prevailing market conditions (the said period may be suitably extended in the discretion of the Trustees), sell, transfer or dispose of the KCSL Shares at such time or times and in such manner as may be proper in accordance with provisions of the Trust Deed and shall remit the proceeds thereof to the Transferee Company or its successor and consequent thereto all obligations of the Trustees under the Trust Deed shall stand discharged and the Trust shall stand terminated.
- (viii) In respect of such of the Assets other than those referred to in sub-clauses 3.4 of the Scheme, they shall, without further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred and vested in the Transferee Company pursuant to the provisions of Sections 391 to 394 of the Act and shall form an integral part of the Undertaking.
- (ix) With effect from the Effective Date, and subject to any corrections and adjustments as may be required, in the opinion of the Board of Directors of the Transferee Company, the Reserves and Surplus if any, of the Transferor Companies will be merged with those of the Transferee Company in the same form and nomenclature as they appeared in the financial statements of the Transferor Companies, except as stated elsewhere in the Scheme.

14. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

Subject to other provisions contained in the Scheme, all contracts, deeds, bonds, debentures, agreements and other instruments of whatever nature to which the Transferor Companies is a party subsisting or having effect immediately before the Effective Date/Transfer Date shall remain in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced as fully and as effectually as if, instead of the Transferor Companies, the Transferee Company had been a party thereto.

15. LEGAL PROCEEDINGS

If any suit, writ petition, appeal, revision or other proceedings of whatever nature (hereinafter called "the Proceedings") by or against the Transferor Companies be pending, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Undertakings of the Transferor Companies 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 or might have been continued, prosecuted and enforced by or against the Transferor Companies as if the Scheme had not been made. On and from the Effective date/Transfer Date, the Transferee Company shall and may initiate any legal proceeding for and on behalf of the Transferor Companies.

16. DISSOLUTION OF TRANSFEROR COMPANIES

On the Scheme being effective, the Transferor Companies shall stand dissolved without being wound up.

17. TRANSFEROR COMPANIES' STAFF, WORKMEN AND EMPLOYEES

On and from the Effective Date:

1. All employees of the Transferor Companies in service on the Effective Date shall become the employees of the Transferee Company on such date without any break or interruption in service and on terms and on terms and conditions not less favorable than those on which they are engaged by the Transferor Companies as on the Effective Date.

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On the Scheme being effective, the Transferor Companies shall stand dissolved without being wound up

17. TRANSFEROR COMPANIES' STAFF, WORKMEN AND EMPLOYEES

On and from the Effective Date:

1. All employees of the Transferor Companies in service on the Effective Date shall become the employees of the Transferee Company on such date without any break or interruption in service and on terms and on terms and conditions not less favorable than those on which they are engaged by the Transferor Companies as on the Effective Date.
2. The accumulated balances standing to the credit of the employee of the Transferor companies on the effective date in the Provident Fund, Superannuation Fund and/or other funds and including any surplus in any such funds created or existing for the benefit of the employees of the Transferor Companies shall be identified, determined and transferred to the corresponding funds of the Transferee Company in due course.

18. CONDUCT OF BUSINESS BY TRANSFEROR COMPANIES TILL EFFECTIVE DATE/TRANSFER DATE

With effect from the Appointed Date and upto the Effective Date/Transfer Date, the Transferor Companies:

1. Shall carry on and be deemed to carry on all their businesses and activities and stand possessed of its properties and assets for and on account of and in trust for the Transferee Company and all the profits accruing to the Transferor Companies or losses arising or incurred by them shall, for all purposes, be treated as and deemed to be the profits or losses of the Transferee Company as the case may be;
2. Hereby undertake to carry on its business until the Effective Date/Transfer Date with reasonable diligence and shall not, without the written consent of the Transferee Company, alienate, charge or otherwise deal with the Undertakings or any part thereof except in the ordinary course of their business;
3. Shall not, without the written consent of the Transferee Company, undertake any new business

19. DISCHARGE OF CONSIDERATION BY THE TRANSFEE COMPANY

Upon the transfer of the Undertakings of the Transferor Companies pursuant to Clause 4 of the Scheme and the amalgamation becoming effective in terms of the Scheme, the consideration in respect of such transfer shall, subject to the provisions of the Scheme, be paid and satisfied by the Transferee Company as follows:

- i) The Transferee Company shall (without further application) issue at par and allot to the shareholders of Cobal, Equity Shares in the Transferee Company in the proportion of 2 (Two) Equity Shares of Rs. 10/- each in the Transferee Company credited as fully paid up for every 35 (Thirty Five) Equity Shares of Rs. 10/- each held by them in Cobal on such date after the Effective Date/Transfer Date as the Board of Directors of the Transferee Company may determine.
- ii) The Transferee Company shall (without further application) issue at par and allot to the shareholders of WCLCPL, Equity Shares in the Transferee Company in the proportion of 1 (One) Equity Share of Rs. 10/- each in the Transferee Company credited as fully paid up for every 86 (Eighty Six) Equity Share of Rs. 100/- each held by them in WCLCPL on such date after the Effective Date/Transfer Date as the Board of Directors of the Transferee Company may determine.
- iii) The Transferee Company shall (without further application) issue at par and allot to the shareholders of SIAL, Equity Shares in the Transferee Company in the proportion of 1 (One) Equity Share of Rs. 10/- each in the Transferee Company credited as fully paid up for every 22 (Twenty Two) Equity Share of Rs. 10/- each held by them in SIAL on such date after the Effective Date/Transfer Date as the Board of Directors of the Transferee Company may determine.
- iv) The Transferee Company shall (without further application) issue at par and allot to the shareholders of Galaxy, Equity Shares in the Transferee Company in the proportion of 1 (One) Equity Share of Rs. 10/- each in the Transferee Company credited as fully paid up for every 86 (Eighty Six) Equity Share of Rs. 10/- each held by them in Galaxy on such date after the Effective Date/Transfer Date as the Board of Directors of the Transferee Company may determine.
- v) The Transferee Company shall (without further application) issue at par and allot to the shareholders of KFL, Equity Shares in the Transferee Company in the proportion of 1 (One) Equity Share of Rs. 10/- each in the Transferee Company credited as fully paid up for every 86 (Eighty Six) Equity Share of Rs. 10/- each held by them in KFL on such date after the Effective Date/Transfer Date as the Board of Directors of the Transferee Company may determine.
- vi) The Transferee Company shall (without further application) issue at par and allot to the shareholders of PICL, Equity Shares in the Transferee Company in the proportion of 2 (Two) Equity Shares of Rs. 10/- each in the Transferee Company credited as fully paid up for every 17 (Seventeen) Equity Shares of Rs. 10/- each held by them in PICL on such date after the Effective Date/Transfer Date as the Board of Directors of the Transferee Company may determine.

2. The accumulated balances standing to the credit of the employees of the Transferor companies on the effective date in the Provident Fund, Superannuation Fund and/or other funds and including any surplus in any such funds created or existing for the benefit of the employees of the Transferor Companies shall be identified, determined and transferred to the corresponding funds of the Transferee Company in due course.

18. CONDUCT OF BUSINESS BY TRANSFEROR COMPANIES TILL EFFECTIVE DATE/TRANSFER DATE

With effect from the Appointed Date and upto the Effective Date/Transfer Date, the Transferor Companies:

1. Shall carry on and be deemed to carry on all their businesses and activities and stand possessed of its properties and assets for and on account of and in trust for the Transferee Company and all the profits accruing to the Transferor Companies or losses arising or incurred by them shall, for all purposes, be treated as and deemed to be the profits or losses of the Transferee Company as the case may be;
2. Hereby undertake to carry on its business until the Effective Date/Transfer Date with reasonable diligence and shall not, without the written consent of the Transferee Company, alienate, charge or otherwise deal with the Undertakings or any part thereof except in the ordinary course of their business;
3. Shall not, without the written consent of the Transferee Company, undertake any new business

19. DISCHARGE OF CONSIDERATION BY THE TRANSFEE COMPANY

Upon the transfer of the Undertakings of the Transferor Companies pursuant to Clause 4 of the Scheme and the amalgamation becoming effective in terms of the Scheme, the consideration in respect of such transfer shall, subject to the provisions of the Scheme, be paid and satisfied by the Transferee Company as follows:

- i) The Transferee Company shall (without further application) issue at par and allot to the shareholders of Cobal, Equity Shares in the Transferee Company in the proportion of 2 (Two) Equity Shares of Rs. 10/- each in the Transferee Company credited as fully paid up for every 35 (Thirty Five) Equity Shares of Rs. 10/- each held by them in Cobal on such date after the Effective Date/Transfer Date as the Board of Directors of the Transferee Company may determine.
- ii) The Transferee Company shall (without further application) issue at par and allot to the shareholders of WCLCPL, Equity Shares in the Transferee Company in the proportion of 1 (One) Equity Share of Rs. 10/- each in the Transferee Company credited as fully paid up for every 86 (Eighty Six) Equity Shares of Rs. 10/- each held by them in WCLCPL on such date after the Effective Date/Transfer Date as the Board of Directors of the Transferee Company may determine.
- iii) The Transferee Company shall (without further application) issue at par and allot to the shareholders of SIAL, Equity Shares in the Transferee Company in the proportion of 1 (One) Equity Share of Rs. 10/- each in the Transferee Company credited as fully paid up for every 22 (Twenty Two) Equity Shares of Rs. 10/- each held by them in SIAL on such date after the Effective Date/Transfer Date as the Board of Directors of the Transferee Company may determine.
- iv) The Transferee Company shall (without further application) issue at par and allot to the shareholders of Galaxy, Equity Shares in the Transferee Company in the proportion of 1 (One) Equity Share of Rs. 10/- each in the Transferee Company credited as fully paid up for every 86 (Eighty Six) Equity Shares of Rs. 10/- each held by them in Galaxy on such date after the Effective Date/Transfer Date as the Board of Directors of the Transferee Company may determine.
- v) The Transferee Company shall (without further application) issue at par and allot to the shareholders of KFL, Equity Shares in the Transferee Company in the proportion of 1 (One) Equity Share of Rs. 10/- each in the Transferee Company credited as fully paid up for every 86 (Eighty Six) Equity Shares of Rs. 10/- each held by them in KFL on such date after the Effective Date/Transfer Date as the Board of Directors of the Transferee Company may determine.
- vi) The Transferee Company shall (without further application) issue at par and allot to the shareholders of PICL, Equity Shares in the Transferee Company in the proportion of 2 (Two) Equity Shares of Rs. 10/- each in the Transferee Company credited as fully paid up for every 17 (Seventeen) Equity Shares of Rs. 10/- each held by them in PICL on such date after the Effective Date/Transfer Date as the Board of Directors of the Transferee Company may determine.
- vii) Equity shares of any Transferor Company held by other Transferor Company or the Transferee Company, as the case may be, on the Record Date shall be cancelled and shall be deemed to have been cancelled without any further act or deed, and no shares of the Transferee Company are required to be issued in lieu thereof.
- viii) It is clarified that the Transferee Company, for the purpose of issuing the aforesaid shares to the shareholders of the Transferor Company, shall not be required to pass a separate Special Resolution under Section 81(1A) of the Act, and on the members of the Transferee Company giving their consent to the Scheme, it shall be deemed that the shareholders of the Transferee Company have given their consent to issue the aforesaid shares to the shareholders of the Transferor Company as required under Section 81(1A) of the Act.
- ix) No fractional Certificates shall be issued by the Transferee Company in respect of the fractional entitlements, if any, to which the shareholders of the Transferor Company may be entitled on issue and allotment of the equity shares of the Transferee Company. The Board of Directors of the Transferee Company shall instead consolidate all such fractional entitlements to which the shareholders of the Transferor Company may be entitled on issue and allotment of the equity shares of the Transferee Company as aforesaid and thereupon issue and allot equity shares in lieu thereof to a Director or an officer of the Transferee Company with the express understanding that such Director or officer to whom such equity shares are issued and allotted shall hold the same in trust for those entitled to the fractions and sell the same in the market at the best available price and pay to the Transferee Company the net sale proceeds thereof whereupon the Transferee Company shall, subject to withholding tax, if any, distribute such net sale proceeds to the shareholders of the Transferor Company in proportion to their fractional entitlements.

- x) The said equity shares in the Transferee Company to be issued to the shareholders of Cobal, WCLCPL, SIAL, Galaxy, KFL and PICL shall rank pari passu with the existing Equity Shares of the Company in all respect, including dividend entitlement.
- xi) Equity shares of the Transferor Company issued and allotted as mentioned above shall be listed and/or admitted to trading on the relevant Stock Exchange.
- xii) Upon the Scheme becoming finally effective and upon the new shares in the Transferee Company being issued and allotted by it to the shareholders of the Transferor Company whose names appear on the Register of Members of the Transferor Company as on the Record Date fixed as aforesaid, the shares in the Transferor Company, both in electronic form and in the physical form, shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date. Wherever applicable, the Transferee Company shall instead of requiring the surrender of the share certificates of the Transferor Company, directly issue and dispatch the new share certificates of the Transferee Company in lieu thereof.

20. ACCOUNTING TREATMENT

- (a) The assets and liabilities of the Transferor Companies shall be transferred at book values. The excess/deficit, if any of the book value of the net assets of the Transferor Companies, as appearing in the books of account of the Transferor Company, over the paid up value of the shares of the Transferee Company, to be issued and allotted, pursuant to Clause 10 of the scheme, shall be credited/debited to the Share Premium Account of the Transferee Company.
- (b) Further, in case of any differences in accounting policy between the Companies, the impact of the same till the amalgamation will be quantified and adjusted in the Share Premium Account as mentioned earlier to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.
- (c) Pursuant to the Scheme becoming effective, the cost of investments in the shares of Transferor Company as held by any other Transferor Company or the Transferee Company shall be written off and debited to Share Premium Account.
- (d) If and to the extent there are inter-corporate loans or balances between the Transferor Companies and the Transferee Company, the obligations in respect thereof shall, on and from the Appointed Date, come to an end and the corresponding suitable effect be given in the books of accounts and records of the Transferee Company and the Transferor Companies if required, for reduction of any debts or liabilities, as the case may be. For removal of doubts, it is hereby clarified that from the Appointed Date, there would be no accrual of interest or other charges in respect of any such inter-corporate loans or balances between the Transferee Company on the one hand and the Transferor Companies on the other.

21. DIVIDENDS, PROFITS, BONUS/ RIGHTS SHARES

- a) The Transferor Companies shall not declare any dividend for the period commencing from and after 1st April, 2005 without the written consent of the Transferee Company.
- b) Subject to the provisions of this Scheme, the profits/losses of the Transferor Companies for the period beginning from 1st April, 2005 shall be deemed to belong to and be the profits/losses of the Transferee Company and will be available to the Transferee Company for being dealt with/disposed of in any manner as it thinks fit including declaration of dividend by the Transferee Company in respect of its financial year ending 31st March, 2006 or any year thereafter.
- c) The Transferor Companies shall not issue or allot any Rights Shares or Bonus Shares out of its Authorised Share Capital for the time being.
- d) All mandates or other instructions in force at the close of business on the Effective Date/Transfer Date relating to the payment of dividends on the Equity Shares of the Transferor Companies shall, unless and until revoked, be deemed to be valid and subsisting mandates or instructions to the Transferee Company in relation to the corresponding Equity Shares of the Transferee Company to be issued and allotted pursuant to the Scheme.

22. APPLICATIONS TO HIGH COURT

The Transferor Companies and the Transferee Company hereto shall, with all reasonable dispatch, make applications under Sections 391 and 394 of the said Act to the High Court of Judicature at Bombay, Allahabad and Guwahati for sanctioning this Scheme and for dissolution of the Transferor Companies without winding up.

23. MODIFICATIONS/AMENDMENTS TO THE SCHEME

The Transferor Companies (by their Directors) and the Transferee Company (by its Directors) may assent to any modification or amendment to the Scheme or agree to any terms and/or conditions which the Court and/or any other authorities under law may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/or carrying out the Scheme and do all acts, deeds and things as may be necessary, desirable or expedient for putting the Scheme into effect. In the event that any conditions are imposed by the said High Court which the Transferor Companies or the Transferee Company find unacceptable for any reason what so ever then the Transferor Companies and/or the Transferee Company shall be entitled to withdraw from the scheme in which event no rights and liabilities whatsoever shall accrue to or be incurred inter se by the parties or any of them.

24. SCHEME CONDITIONAL ON APPROVALS/SANCTIONS

The Scheme is conditional on and subject to:

- a) The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and/or creditors of the Transferor Companies and Transferee Company as may be directed by the High Court.

- b) The sanction of the High Court under Sections 391 to 394 of the said Act in favour of the Transferor Companies and Transferee Company under the said provisions and to the necessary Order under Section 394 of the said Act being obtained;
- c) Certified or authenticated copy of the Order of the High Court sanctioning the Scheme being filed with the Registrar of Companies at Maharashtra, Registrar of Companies at Uttar Pradesh and Registrar of Companies at Assam, as may be applicable.

25. EFFECT OF NON RECEIPT OF APPROVALS / SANCTIONS

In the event of any of the said sanctions and approvals not being obtained and/or the Scheme not being sanctioned by the High Court and/or the Order or Orders not being passed as aforesaid on or before 31st December, 2007 or within such further period or periods as may be agreed upon between the Transferor Companies and the Transferee Company through their respective Boards of Directors, the Scheme shall become null and void and each party shall bear and pay its respective costs, charges and expenses for and/or in connection with the Scheme.

26. EXPENSES CONNECTED WITH THE SCHEME

All costs, charges and expenses of the Transferor Companies and the Transferee Company respectively in relation to or in connection with the Scheme and of carrying out and implementing/completing the terms and provisions of the Scheme and/or incidental to the completion of amalgamation of the said Undertakings of the Transferor Companies in pursuance of the Scheme shall be borne and paid solely by the Transferee Company.

27. The Scheme will not affect the creditors of the Transferor Companies, as the Transferee Company will take over the debts, liabilities, duties and obligations of the Transferor Companies.
28. A copy of the latest provisional balance sheet of Cobal, WCLCPL, SIAL, Galaxy, KFL, PICL and latest audited balance sheet of the Transferee Company can be inspected at the registered office of the Transferee Company.
29. Mr. Nirmal Suchanti, Chairman of Transferee Company, is also a Director in Cobal. Mr. Vineet Suchanti, Managing Director of Transferee Company, is also a director in SIAL, KFL and PICL. Mr. Vivek Suchanti is a Director of Cobal and also a Director of WCLCPL, Galaxy, SIAL, KFL and PICL. Mrs. Pushpa Suchanti is a Director of Cobal and also a Director of Galaxy, SIAL and PICL. Upon the Scheme becoming effective, the Directors of Cobal, WCLCPL, SIAL, Galaxy, KFL and PICL will cease to be their directors. Hence, the Scheme of amalgamation of the Transferor Companies with the Transferee Company will have no effect on the material interests of the directors of the Transferee Company.
30. None of the Directors of the Transferee Company and/or the Transferor Companies have any material interest in the Scheme save and except to the extent of their shareholding in the Transferee Company and/or the Transferor Companies as set out herein below:

Shareholding of Directors of Keynote Corporate Services Limited (KCSL)

Name of Director	KCSL	Cobal	WCLCPL	SIAL	Galaxy	KFL	PICL
Mr. Nirmal Suchanti	84,606	103,150	4,250	510,000	265,800	100	7,000
Mr. B. Madhuprasad	122,500	—	—	—	—	—	—
Mr. Vineet Suchanti	4,006	6,000	—	105,030	190,000	4,900	5,000
Mr. Uday Patil	2,500	—	—	—	—	—	—
Mr. Hitesh Shah	—	—	—	—	—	—	—
Mr. Mehul Patel	6,800	—	—	—	—	—	—
Mr. Nirmal Suchanti-HUF	606	5,000	—	85,000	165,000	—	7,000

Shareholding of Directors of Cobal Investment Company Limited (COBAL)

Name of Director	KCSL	Cobal	WCLCPL	SIAL	Galaxy	KFL	PICL
Mr. Vivek Suchanti	40,989	6,000	—	105,000	190,000	1,000	9,500
Mrs. Pushpa Suchanti	112,919	115,750	4,250	194,800	190,000	26,500	11,500
Mr. Nirmal Suchanti	84,606	103,150	4,250	510,000	265,800	100	7,000
Mr. Nirmal Suchanti-HUF	606	5,000	—	85,000	165,000	—	7,000

Shareholding of Directors of West Coast Lighterage Company Private Limited (WCLCPL)

Name of Director	KCSL	Cobal	WCLCPL	SIAL	Galaxy	KFL	PICL
Mr. Vivek Suchanti	40,989	6,000	—	105,000	190,000	1,000	9,500
Mrs. Rinku Suchanti	3,206	—	—	100	100	100	5,000

Shareholding of Directors of Starline Ispat And Alloys Limited (SIAL)

Name of Director	KCSL	Cobal	WCLCPL	SIAL	Galaxy	KFL	PICL
Mr. Vivek Suchanti	40,989	6,000	—	105,000	190,000	1,000	9,500
Mrs. Pushpa Suchanti	112,919	115,750	4,250	194,800	190,000	26,500	11,500
Mr. Vineet Suchanti	4,006	6,000	—	105,030	190,000	4,900	5,000

Shareholding of Directors of Galaxy Leasings Limited (GALAXY)

Name of Director	KCSL	Cobal	WCLCPL	SIAL	Galaxy	KFL	PICL
Mr. Vivek Suchanti	40,989	6,000	—	105,000	190,000	1,000	9,500
Mrs Pushpa Suchanti	112,919	115,750	4,250	194,800	190,000	26,500	11,500
Mr. Sanjit Shastri	—	—	—	—	—	—	—

Shareholding of Directors of Keynote Finstock Limited (KFL)

Name of Director	KCSL	Cobal	WCLCPL	SIAL	Galaxy	KFL	PICL
Mr. Vivek Suchanti	40,989	6,000	—	105,000	190,000	1,000	9,500
Mr. Vineet Suchanti	4,006	6,000	—	105,030	190,000	4,900	5,000
Mr. Rakesh Choudhari	—	—	—	—	—	—	—

Shareholding of Directors of Pethora Investments Company Limited (PICL)

Name of Director	KCSL	Cobal	WCLCPL	SIAL	Galaxy	KFL	PICL
Mrs. Pushpa Suchanti	112,919	115,750	4,250	194,800	190,000	26,500	11,500
Mr. Vineet Suchanti	4,006	6,000	—	105,030	190,000	4,900	5,000
Mr. Vivek Suchanti	40,989	6,000	—	105,000	190,000	1,000	9,500

All the Equity Shares are of Face Value of Rs. 10/-, except WCLCPL where Face Value is Rs. 100/-

31. Pursuant to the provisions of the Listing Agreement with the Stock Exchanges, the pre and post amalgamation (expected) capital structure and shareholding pattern of the Transferee Company is as given below:

Pre Amalgamation capital Structure of KCSU/Transferee Company

Authorised Capital	Amount in Rupees
1,50,00,000 Equity shares of Rs. 10/- each	15,00,00,000
TOTAL	15,00,00,000
Issued	
1,12,74,417 Equity Shares of Rs.10/- each	11,27,44,170
TOTAL	11,27,44,170
Subscribed & Paid-up	
69,41,169 Equity shares of Rs. 10/- each	6,94,11,690
TOTAL	6,94,11,690

Post Amalgamation capital Structure of KCSL/Transferee Company

Authorised Capital	Amount in Rupees
1,50,00,000 Equity shares of Rs. 10/- each	15,00,00,000
TOTAL	15,00,00,000
Issued	
1,12,74,417 Equity Shares of Rs.10/- each	11,27,44,170
TOTAL	11,27,44,170
Subscribed & Paid-up	
70,18,339 Equity shares of Rs. 10/- each	7,01,83,390
TOTAL	7,01,83,390

32. The shareholding pattern of the Transferee Company pre-amalgamation as on March 31, 2006 and post amalgamation (expected) is as under:

Category	Pre Amalgamation		Post Amalgamation	
	No of shares held	% of share holding	No of shares held	% of shareholding
A. Promoter's Holding				
1. Indian Promoters	1,82,500	2.63	1,82,500	2.60
Foreign Promoters	—	—	—	—
2. Persons Acting in Concert	44,84,782	64.61	31,10,250	44.32
Sub Total	46,67,282	67.24	32,92,750	46.92
B. Non Promoter Holding				
3. Institutional Investors				
a. Mutual Funds & UTI	23,400	0.34	23,400	0.33
b. Banks Financial Institutions, Insurance Companies	300	—	300	—
c. FIs	—	—	—	—
Sub Total	23,700	0.34	23,700	0.33
4. Others				
a. Private Corporate Bodies	2,14,044	3.08	2,14,044	3.05
b. Indian Public	19,64,852	28.31	19,64,852	28.00
c. NRIs/ OCBS	57,932	0.83	57,932	0.83
d. Any Other (HUF/ Trust)	13,359	0.19	14,65,061	20.87
Sub Total	22,50,187	32.42	37,01,889	52.75
Grand Total	69,41,169	100.00	70,18,339	100.00

33. The following documents will be open for inspection at the registered office of the Transferee Company between 11.00 a.m. to 3.00 p.m. on any working day except Saturdays and Sundays prior to the date of the meeting
- Memorandum of Association and Articles of Association of Keynote Corporate Services Limited.
 - Memorandum of Association and Articles of Association of Cobal Investment Company Limited.
 - Memorandum of Association and Articles of Association of West Coast Lighterage Company Private Limited.
 - Memorandum of Association and Articles of Association of Starline Ispat And Alloys Limited.
 - Memorandum of Association and Articles of Association of Galaxy Leasing Limited.
 - Memorandum of Association and Articles of Association of Keynote Finstock Limited.
 - Memorandum of Association and Articles of Association of Plethora Investments Company Limited.
 - Annual report of Keynote Corporate Services Limited for the year ended March 31, 2006.
 - Provisional Balance Sheet of Cobal Investment Company Limited for the year ended March 31, 2006.
 - Provisional Balance Sheet of West Coast Lighterage Company Private Limited for the year ended March 31, 2006.
 - Provisional Balance Sheet of Starline Ispat And Alloys Limited for the year ended March 31, 2006.
 - Provisional Balance Sheet of Galaxy Leasing Limited for the year ended March 31, 2006.
 - Provisional Balance Sheet of Keynote Finstock Limited for the year ended March 31, 2006.
 - Provisional Balance Sheet of Plethora Investments Company Limited for the year ended March 31, 2006.
 - A copy of the Scheme of Amalgamation
 - A certified True copy of the Order passed by the Hon'ble High Court of Judicature at Bombay on September 22, 2006 directing convening of the meeting
 - A copy of the valuation report dated April 26, 2006 of M/s N. M. Raij & Co., Chartered Accountants.

This statement may be treated as an Explanatory Statement under section 393 of the Companies Act, 1956.

A copy of the scheme, Explanatory Statement and form of proxy may be obtained from the Registered office of the Applicant and/or at the office of the Advocates M/s. Rajesh Shah & Co., 16, Oriental Building, 30, Nagindas Master Road, Flora Fountain, Mumbai - 400 001.

Sd/-

B. Madhuprasad
Chairman appointed for the meeting

Dated : September 28, 2006

Registered Office :
307, Regent Chambers,
Nariman Point,
Mumbai - 400 021

[Note : All alterations made in the form of proxy should be initialed]

**SCHEME OF ARRANGEMENT
BETWEEN
COBAL INVESTMENT COMPANY LIMITED AND ITS MEMBERS
AND
WEST COAST LIGHTERAGE COMPANY PRIVATE LIMITED AND ITS MEMBERS
AND
STARLINE ISPAT AND ALLOYS LIMITED AND ITS MEMBERS
AND
GALAXY LEASING LIMITED AND ITS MEMBERS
AND
KEYNOTE FINSTOCK LIMITED AND ITS MEMBERS
AND
PLETHORA INVESTMENTS COMPANY LIMITED AND ITS MEMBERS
AND
KEYNOTE CORPORATE SERVICES LIMITED AND ITS MEMBERS**

[For Amalgamation of Cobal Investment Company Limited, West Coast Lighterage Company Private Limited, Starline Ispat And Alloys Limited, Galaxy Leasing Limited, Keynote Finstock Limited, Plet'hora Investments Company Limited with Keynote Corporate Services Limited under Section 391 read with Section 394 of the Companies Act, 1956.]

1. DEFINITIONS

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

- 1.1 "Cobal" means Cobal Investment Company Limited, a Company incorporated under the Companies Act 1956, whose Registered Office is situated at 107, Vikas Premises, 11, G. N. Vaidya Marg, Fort, Mumbai 400 023.
- 1.2 "WCLCPL" means West Coast Lighterage Company Private Limited, a Company incorporated under the Indian Companies Act, 1956, whose Registered Office is situated at G-8, Embassy Centre, Nariman Point, Mumbai 400 021.
- 1.3 "SIAL" means Starline Ispat And Alloys Limited, a Company incorporated under the Indian Companies Act 1956, whose Registered Office is situated at M.D. Shan Road, Paltan Bazar, Guwahati, Assam- 781001.
- 1.4 "Galaxy" means Galaxy Leasing Limited, a Company incorporated under the Companies Act 1956, whose Registered Office is situated at 15/274, Civil Lines Kanpur 208001.
- 1.5 "KFL" means Keynote Finstock Limited, a Company incorporated under the Companies Act 1956, whose Registered Office is situated at 107, Vikas Premises, 11, G. N. Vaidya Marg, Fort, Mumbai 400 023.
- 1.6 "PCL" means Plet'hora Investments Company Limited, a Company incorporated under the Companies Act 1956, whose Registered Office is situated at 107, Vikas Premises, 11, G. N. Vaidya Marg, Fort, Mumbai 400 023.
- 1.7 "The Transferor Companies" means "Cobal", "WCLCPL", "SIAL", "Galaxy", "KFL" and "PCL" or any one or more of them as the context requires.
- 1.8 "The Transferee Company" means Keynote Corporate Services Limited, a Company incorporated under the Indian Companies Act 1956, whose Registered Office is situated at 3C7, Regent Chambers, Nariman Point, Mumbai 400 021.
- 1.9 "The said Act" means the Companies Act, 1956.
- 1.10 "The Appointed Date" means 1st April 2005 or such other date as the High Court at Bombay, Allahabad and Guwahati may direct.
- 1.11 "The Effective Date/Transfer Date" means the later of the dates on which certified copies of the Order(s) of the High Court at Bombay, Allahabad and Guwahati, vesting the assets, property, liabilities, rights, duties, obligations and the like of the Transferor Companies in the Transferee Company are filed with the Registrar of Companies, Maharashtra, Registrar of Companies, Uttar Pradesh and Registrar of Companies, Assam, after obtaining the consents, approvals, permissions, resolutions, agreements, sanctions and orders necessary therefor.
- 1.12 "Undertakings" shall mean
 - (a) All the assets and properties of the Transferor Companies as on the Appointed Date;
 - (b) All the debts, liabilities, duties and obligations of the Transferor Companies as on the Appointed Date;
 - (c) Without prejudice to the generality of sub-clause (a) above, the Undertakings of the Transferor Companies shall include all the Transferor Companies' Reserves, movable and immovable properties, assets, including leasehold rights, tenancy rights, licenses, permits, authorisations and other industrial and intellectual properties, telephones, telex, facsimile and other communication facilities and equipments, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals;
 - (d) All permanent employees directly engaged by the Transferor Companies at various locations who are willing to become employees of Transferee Company;
 - (e) All earnest monies and/or security deposits paid by the Transferor Companies.
- 1.13 "The Scheme" means this Scheme of Amalgamation in its present form or with any modification(s) approved or imposed or directed by the High Court at Bombay.

2. SHARE CAPITAL

- 2.1 The Authorised Share Capital of the Transferee Company is Rs. 15,00,00,000/- comprising of 1,50,00,000 Equity Shares of Rs. 10/- each. The present Issued Capital of the Transferee Company is Rs. 11,27,44,170/- and the Subscribed and Paid up Share Capital of the Transferee Company is Rs. 6,94,11,690/- comprising of 69,41,169 Equity Shares of Rs. 10/- each. Out of the above, 26,200 Equity Shares of Rs. 10/- each are held by Cobal, 432,500 Equity Shares of Rs. 10/- each are held by SIAL, 6,08,800 Equity Shares of Rs. 10/- each are held by Galaxy, 3,64,202 Equity Shares of Rs. 10/- each are held by KFL.
- 2.2 The Authorised Share Capital of Cobal is Rs. 24,00,000/- comprising of 2,40,000 Equity Shares of Rs. 10/- each. The present Issued, Subscribed and Paid up Share Capital of Cobal is Rs. 24,00,000/- comprising of 2,40,000 Equity Shares of Rs. 10/- each. Out of the above, 1000 Equity Shares of Rs. 10/- each are held by SIAL.
- 2.3 The Authorised Share Capital of WCLCPL is Rs. 10,00,000/- comprising of 10,000 Equity Shares of Rs. 100/- each. The present Issued, Subscribed and Paid up Share Capital of WCLCPL is Rs. 8,50,000/- comprising of 8500 Equity Shares of Rs. 100/- each.
- 2.4 The Authorised Share Capital of SIAL is Rs. 1,00,50,000/- comprising of 10,05,000 Equity Shares of Rs. 10/- each. The present Issued, Subscribed and Paid up Share Capital of SIAL is Rs. 1,00,00,300/- comprising of 10,00,030 equity shares of Rs. 10/- each.
- 2.5 The Authorised Share Capital of Galaxy is Rs. 1,00,10,000/- comprising of 10,01,000 Equity Shares of Rs. 10/- each. The present Issued, Subscribed and Paid up Share Capital of Galaxy is Rs. 1,00,10,000/- comprising of 10,01,000 Equity Shares of Rs. 10/- each.
- 2.6 The Authorised Share Capital of KFL is Rs. 5,00,00,000/- comprising of 50,00,000 Equity Shares of Rs. 10/- each. The present Issued, Subscribed and Paid up Share Capital of KFL is Rs. 5,00,000/- comprising of 50,000 Equity Shares of Rs. 10/- each.
- 2.7 The Authorised Share Capital of PICL is Rs. 5,00,000/- comprising of 50,000 Equity Shares of Rs. 10/- each. The present Issued, Subscribed and Paid up Share Capital of PICL is Rs. 5,00,000/- comprising of 50,000 Equity Shares of Rs. 10/- each.

3. TRANSFER OF UNDERTAKINGS

- 3.1 With effect from the opening of business as on the Appointed Date, the Undertakings of the Transferor Companies shall, without any further act or deed, 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.
- 3.2 With effect from the Appointed Date, all the debts, liabilities, duties and obligations of the Transferor Companies shall, without any further act or deed, stand transferred, to the Transferee Company, pursuant to the applicable provisions of the said Act, so as to become as from the Appointed Date, the debts, liabilities, duties and obligations of the Transferor Company. PROVIDED ALWAYS that the Scheme shall not operate to enlarge the security for any loan, deposit or facility created by or available to the Transferor Companies which shall vest in the Transferee Company by virtue of the amalgamation and the Transferee Company shall not be obliged to create any further or additional security therefor after the amalgamation has become effective or otherwise. The Transfer/ vesting as aforesaid shall be subject to the existing charges/ hypothecation over or in respect of the assets or any part thereof of the Transferor Companies.
- 3.3 The transfer and vesting of the Undertakings of the Transferor Companies under this Clause 3 and the continuance of the proceedings by the Transferee Company under Clause 5 hereof shall not affect any transactions or Proceedings already concluded by the Transferor Companies in the ordinary course of business on and after the Appointed Date to the and and intent that the Transferee Company accepts on behalf of itself all acts, deeds and things done and executed and all transactions or Proceedings already concluded by the Transferor Companies.
- 3.4 It is expressly provided that in respect of such of the assets of the Undertaking as are movable in nature or are otherwise capable of being transferred by manual delivery or by endorsement and delivery, the same shall be so transferred by the Transferor Companies by physical delivery and become property of the Transferee Company pursuant to the provisions of Sections 391 to 394 of the Act and shall form an integral part of the Undertaking.
- 3.5 The Transferor Company(s) shall, on the transfer Date, transfer all the shares of the Transferee Company held by it on such date (the "KCSL Shares") to an individual trustee or a board of trustees (including the survivors or survivor of any of the trustees comprising such board of trustees) or a corporate trustee (hereinafter referred to as the "Trustees") to have and to hold the KCSL Shares in trust together with all additions or accretions thereto upon trust exclusively for the benefit of the Transferee Company and its successor subject to the powers, provisions, discretions, rights and agreements contained in the instrument (the "Trust Deed") establishing the aforesaid trust (the "Trust"). The Trustees shall not exercise any voting rights with respect to KCSL Shares. It is proposed that the Trustees shall, within a period of 36 months from the Effective Date, subject however to the prevailing market conditions (the said period may be suitably extended in the discretion of the Trustees), sell, transfer or dispose of the KCSL Shares at such time or times and in such manner as may be proper in accordance with provisions of the Trust Deed and shall remit the proceeds thereof to the Transferee Company or its successor and consequent thereto all obligations of the Trustees under the Trust Deed shall stand discharged and the Trust shall stand terminated.
- 3.6 In respect of such of the Assets other than those referred to in sub-clauses 3.4 above, they shall, without further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred and vested in the Transferee Company pursuant to the provisions of Sections 391 to 394 of the Act and shall form an integral part of the Undertaking.
- 3.7 With effect from the Effective Date, and subject to any corrections and adjustments as may be required, in the opinion of the Board of Directors of the Transferee Company, the Reserves and Surplus if any, of the Transferor Companies will be merged with those of the Transferee Company in the same form and nomenclature as they appeared in the financial statements of the Transferor Companies, except as stated elsewhere in the Scheme.

4. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

Subject to other provisions contained in the Scheme, all contracts, deeds, bonds, debentures, agreements and other instruments of whatever nature to which the Transferor Companies is a party subsisting or having effect immediately before the Effective Date/Transfer Date shall remain in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced as fully and as effectually as if, instead of the Transferor Companies, the Transferee Company had been a party thereto.

5. LEGAL PROCEEDINGS

If any suit, writ petition, appeal, revision or other proceedings of whatever nature (hereinafter called "the Proceedings") by or against the Transferor Companies be pending, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Undertakings of the Transferor Companies 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 or might have been continued, prosecuted and enforced by or against the Transferor Companies as if the Scheme had not been made. On and from the Effective date/Transfer Date, the Transferee Company shall and may initiate any legal proceeding for and on behalf of the Transferor Companies.

6. OPERATIVE DATE OF THE SCHEME

The Scheme, although operative from the Appointed Date, shall become effective from the Effective Date/Transfer Date.

7. DISSOLUTION OF TRANSFEROR COMPANIES

On the Scheme being effective, the Transferor Companies shall stand dissolved without being wound up.

8. TRANSFEROR COMPANIES' STAFF, WORKMEN AND EMPLOYEES

On and from the Effective Date:

8.1. All employees of the Transferor Companies in service on the Effective Date shall become the employees of the Transferee Company on such date without any break or interruption in service and on terms and on terms and conditions not less favorable than those on which they are engaged by the Transferor Companies as on the Effective Date.

8.2. The accumulated balances standing to the credit of the employees of the Transferor companies on the effective date in the Provident Fund, Superannuation Fund and/or other funds and including any surplus in any such funds created or existing for the benefit of the employees of the Transferor Companies shall be identified, determined and transferred to the corresponding funds of the Transferee Company in due course.

9. CONDUCT OF BUSINESS BY TRANSFEROR COMPANIES TILL EFFECTIVE DATE/TRANSFER DATE

With effect from the Appointed Date and upto the Effective Date/Transfer Date, the Transferor Companies:

9.1. Shall carry on and be deemed to carry on all their businesses and activities and stand possessed of its properties and assets for and on account of and in trust for the Transferee Company and all the profits accruing to the Transferor Companies or losses arising or incurred by them shall, for all purposes, be treated as and deemed to be the profits or losses of the Transferee Company as the case may be;

9.2. Hereby undertake to carry on its business until the Effective Date/Transfer Date with reasonable diligence and shall not, without the written consent of the Transferee Company, alienate, charge or otherwise deal with the Undertakings or any part thereof except in the ordinary course of their business;

9.3. Shall not, without the written consent of the Transferee Company, undertake any new business

10. DISCHARGE OF CONSIDERATION BY THE TRANSFEE COMPANY

Upon the transfer of the Undertakings of the Transferor Companies pursuant to Clause 4 hereof and the amalgamation becoming effective in terms of the Scheme, the consideration in respect of such transfer shall, subject to the provisions of the Scheme, be paid and satisfied by the Transferee Company as follows:

- i) The Transferee Company shall (without further application) issue at par and allot to the shareholders of Cobal, Equity Shares in the Transferee Company in the proportion of 2 (Two) Equity Shares of Rs. 10/- each in the Transferee Company credited as fully paid up for every 35 (Thirty Five) Equity Shares of Rs.10/- each held by them in Cobal on such date after the Effective Date/Transfer Date as the Board of Directors of the Transferee Company may determine.
- ii) The Transferee Company shall (without further application) issue at par and allot to the shareholders of WCLCPL, Equity Shares in the Transferee Company in the proportion of 1 (One) Equity Share of Rs. 10/- each in the Transferee Company credited as fully paid up for every 86 (Eighty Six) Equity Shares of Rs.100/- each held by them in WCLCPL on such date after the Effective Date/Transfer Date as the Board of Directors of the Transferee Company may determine.
- iii) The Transferee Company shall (without further application) issue at par and allot to the shareholders of SIAL, Equity Shares in the Transferee Company in the proportion of 1 (One) Equity Share of Rs. 10/- each in the Transferee Company credited as fully paid up for every 22 (Twenty Two) Equity Shares of Rs.10/- each held by them in SIAL on such date after the Effective Date/Transfer Date as the Board of Directors of the Transferee Company may determine.
- iv) The Transferee Company shall (without further application) issue at par and allot to the shareholders of Galaxy, Equity Shares in the Transferee Company in the proportion of 1 (One) Equity Share of Rs. 10/- each in the Transferee Company credited as fully paid up for every 86 (Eighty Six) Equity Shares of Rs.10/- each held by them in Galaxy on such date after the Effective Date/Transfer Date as the Board of Directors of the Transferee Company may determine.
- v) The Transferee Company shall (without further application) issue at par and allot to the shareholders of KFL, Equity Shares in the Transferee Company in the proportion of 1 (One) Equity Share of Rs. 10/- each in the Transferee Company credited as fully paid up for every 86 (Eighty Six) Equity Shares of Rs.10/- each held by them in KFL on such date after the Effective Date/Transfer Date as the Board of Directors of the Transferee Company may determine.
- vi) The Transferee Company shall (without further application) issue at par and allot to the shareholders of PICL, Equity Shares in the Transferee Company in the proportion of 2 (Two) Equity Share of Rs. 10/- each in the Transferee Company credited as fully paid up for every 17 (Seventeen) Equity Shares of Rs.10/- each held by them in PICL on such date after the Effective Date/Transfer Date as the Board of Directors of the Transferee Company may determine.
- vii) Equity shares of any Transferor Company held by other Transferor Company or the Transferee Company, as the case may be, on the Record Date shall be cancelled and shall be deemed to have been cancelled without any further act or deed, and no shares of the Transferee Company are required to be issued in lieu thereof.

- viii) It is clarified that the Transferee Company, for the purpose of issuing the aforesaid shares to the shareholders of the Transferor Company, shall not be required to pass a separate Special Resolution under Section 81(1A) of the Act, and on the members of the Transferee Company giving their consent to the Scheme, it shall be deemed that the shareholders of the Transferee Company have given their consent to issue the aforesaid shares to the shareholders of the Transferor Company as required under Section 81(1A) of the Act.
- ix) No fractional Certificates shall be issued by the Transferee Company in respect of the fractional entitlements, if any, to which the shareholders of the Transferor Company may be entitled on issue and allotment of the equity shares of the Transferee Company. The Board of Directors of the Transferee Company shall instead consolidate all such fractional entitlements to which the shareholders of the Transferor Company may be entitled on issue and allotment of the equity shares of the Transferee Company as aforesaid and thereupon issue and allot equity shares in lieu thereof to a Director or an officer of the Transferee Company with the express understanding that such Director or officer to whom such equity shares are issued and allotted shall hold the same in trust for those entitled to the fractions and sell the same in the market at the best available price and pay to the Transferee Company the net sale proceeds thereof whereupon the Transferee Company shall, subject to withholding tax, if any, distribute such net sale proceeds to the shareholders of the Transferor Company in proportion to their fractional entitlements.
- x) The said equity shares in the Transferee Company to be issued to the shareholders of Cobal, WCLCPL, SIAL, Galaxy, KFL and PICL shall rank pari passu with the existing Equity Shares of the Company in all respects, including dividend entitlement.
- xi) Equity shares of the Transferee Company issued and allotted as mentioned above shall be listed and/or admitted to trading on the relevant Stock Exchange.
- xii) Upon the Scheme becoming finally effective and upon the new shares in the Transferee Company being issued and allotted by it to the shareholders of the Transferor Company whose names appear on the Register of Members of the Transferor Company as on the Record Date fixed as aforesaid, the shares in the Transferor Company, both in electronic form and in the physical form, shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date. Wherever applicable, the Transferee Company shall instead of requiring the surrender of the share certificates of the Transferor Company, directly issue and dispatch the new share certificates of the Transferee Company in lieu thereof.

11. ACCOUNTING TREATMENT

- 11.1 The assets and liabilities of the Transferor Companies shall be transferred at book values. The excess/deficit, if any of the book value of the net assets of the Transferor Companies, as appearing in the books of account of the Transferor Company, over the paid up value of the shares of the Transferee Company, to be issued and allotted, pursuant to Clause 10 above, shall be credited/debited to the Share Premium Account of the Transferee Company.
- 11.2 Further, in case of any differences in accounting policy between the Companies, the impact of the same till the amalgamation will be quantified and adjusted in the Share Premium Account as mentioned earlier to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.
- 11.3 Pursuant to the Scheme becoming effective, the cost of investments in the shares of Transferor Company as held by any other Transferor Company or the Transferee Company shall be written off and debited to Share Premium Account.
- 11.4 If and to the extent there are inter-corporate loans or balances between the Transferor Companies and the Transferee Company, the obligations in respect thereof shall, on and from the Appointed Date, come to an end and the corresponding suitable effect be given in the books of accounts and records of the Transferee Company and the Transferor Companies if required, for reduction of any debts or liabilities, as the case may be. For removal of doubts, it is hereby clarified that from the Appointed Date, there would be no accrual of interest or other charges in respect of any such inter-corporate loans or balances between the Transferee Company on the one hand and the Transferor Companies on the other.

12. DIVIDENDS, PROFITS, BONUS/ RIGHTS SHARES

- 12.1 The Transferor Companies shall not declare any dividend for the period commencing from and after 1st April, 2005 without the written consent of the Transferee Company.
- 12.2 Subject to the provisions of this Scheme, the profits/losses of the Transferor Companies for the period beginning from 1st April, 2005 shall be deemed to belong to and be the profits/losses of the Transferee Company and will be available to the Transferee Company for being dealt with/disposed of in any manner as it thinks fit including declaration of dividend by the Transferee Company in respect of its financial year ending 31st March 2006 or any year thereafter.
- 12.3 The Transferor Companies shall not issue or allot any Rights Shares or Bonus Shares out of its Authorised Share Capital for the time being.
- 12.4 All mandates or other instructions in force at the close of business on the Effective Date/Transfer Date relating to the payment of dividends on the Equity Shares of the Transferor Companies shall, unless and until revoked, be deemed to be valid and subsisting mandates or instructions to the Transferee Company in relation to the corresponding Equity Shares of the Transferee Company to be issued and allotted pursuant to the Scheme.

13. APPLICATIONS TO HIGH COURT

The Transferor Companies and the Transferee Company hereto shall, with all reasonable dispatch, make applications under Sections 391 and 394 of the said Act to the High Court of Judicature at Bombay, Allahabad and Guwahati for sanctioning this Scheme and for dissolution of the Transferor Companies without winding up.

14. MODIFICATIONS/AMENDMENTS TO THE SCHEME

- 14.1 The Transferor Companies (by their Directors) and the Transferee Company (by its Directors) may assent to any modification or amendment to the Scheme or agree to any terms and/or conditions which the Court and/or any other authorities under law may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/or carrying out the Scheme and do all acts, deeds and things as may be necessary, desirable or expedient for putting the Scheme into effect. In the event that any conditions are imposed by the said High Court which the Transferor Companies or the Transferee Company find unacceptable for any reason what so ever then the Transferor Companies and or the Transferee Company shall be entitled to withdraw from the scheme in which event no rights and liabilities whatsoever shall accrue to or be incurred inter se by the parties or any of them.

15. **SCHEME CONDITIONAL ON APPROVALS/SANCTIONS**

The Scheme is conditional on and subject to:

1. The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and/or creditors of the Transferor Companies and Transferee Company as may be directed by the High Court.
2. The sanction of the High Court under Sections 391 to 394 of the said Act in favour of the Transferor Companies and Transferee Company under the said provisions and to the necessary Order under Section 394 of the said Act being obtained;
3. Certified or authenticated copy of the Order of the High Court sanctioning the Scheme being filed with the Registrar of Companies, Maharashtra, Registrar of Companies, Uttar Pradesh and Registrar of Companies, Assam, as may be applicable.

16. **EFFECT OF NON RECEIPT OF APPROVALS / SANCTIONS**

In the event of any of the said sanctions and approvals not being obtained and/or the Scheme not being sanctioned by the High Court and/or the Order or Orders not being passed as aforesaid on or before 31st December, 2007 or within such further period or periods as may be agreed upon between the Transferor Companies and the Transferee Company through their respective Boards of Directors, the Scheme shall become null and void and each party shall bear and pay its respective costs, charges and expenses for and/or in connection with the Scheme.

17. **EXPENSES CONNECTED WITH THE SCHEME**

All costs, charges and expenses of the Transferor Companies and the Transferee Company respectively in relation to or in connection with the Scheme and of carrying out and implementing/completing the terms and provisions of the Scheme and/or incidental to the completion of amalgamation of the said Undertakings of the Transferor Companies in pursuance of the Scheme shall be borne and paid solely by the Transferee Company.

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY APPLICATION NO. 951 OF 2006**

In the matter of Companies Act, 1 of 1956;

AND

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

AND

In the matter of the Scheme of Amalgamation of Cobal Investment Company Limited, West Coast Lighterage Company Private Limited, Starline Ispat and Alloys Limited, Galaxy Leasing Limited, Keynote Finstock Limited, Plethora Investments Company Limited with Keynote Corporate Services Limited.

Keynote Corporate Services Limited,
a Company incorporated under the Companies Act, 1956
and having its Registered office at 367, Regent Chambers,
Nariman Point, Mumbai - 400 021

Applicant Company.

FORM OF PROXY FOR EQUITY SHAREHOLDERS(S)

I/We, the undersigned being as Equity Shareholder, of Keynote Corporate Services Limited, the above Applicant Company do hereby appoint Mr./Ms. _____ of _____ and failing him/her _____ of _____ as my/our proxy, to act for me/us at the Court convened meeting of Equity Shareholders of the Applicant Company to be held at Ashoka Hall, Arcadia Building, Nariman Point, Mumbai - 400 021, on Friday, the November 3, 2006 at 10.00 a.m. for the purpose of considering and, if thought fit, approving with or without modification(s), the arrangement embodied in the Scheme of Amalgamation of (i) Cobal Investment Company Limited, (ii) West Coast Lighterage Company Private Limited, (iii) Starline Ispat And Alloys Limited (iv) Galaxy Leasing Limited (v) Keynote Finstock Limited (vi) Plethora Investments Company Limited (the Transferor Companies) with Keynote Corporate Services Limited, the Transferee Company, and at such meeting any adjournment thereof, to vote, for me/us and in my/our name _____ * [Here, 'if for', insert 'for', 'if against', insert 'against', and in the latter case, strike out the words below after 'Amalgamation'] the said Amalgamation either with or without modification, as my proxy may approve.

* [Strike out what is not necessary]

Dated this _____ day of _____, 2006

Folio No. : _____

DP ID and Client ID : _____

Number of shares : _____

Name : _____

Address : _____

Affix
revenue
stamp of
Rs. 1/-

Signature(s)

Across the stamp.

Notes :

- 1) The Proxy must be deposited at the Registered office of the Applicant Company not later than 48 hours before the time for holding the meeting. The proxy need not be a member of the Applicant Company.
- 2) In case of multiple proxies, proxy later in time shall be accepted.
- 3) The signature of the holder shall be as per the specimen lodged with the Company
- 4) All alteration made in the Form of Proxy should be initialed.

KEYNOTE CORPORATE SERVICES LIMITED
Registered office : 307, Regent Chambers, Nariman Point, Mumbai - 400 021

ATTENDANCE SLIP
(To be handed over at the entrance of the meeting venue)
EQUITY SHAREHOLDERS' MEETING

Name and address of the attending :
member (In Block Letters)

Name of Proxy :
(in block letters, to be filled
in by the proxy attending instead
of the member)

I hereby record my presence at the meeting of the Shareholders Meeting of the Applicant company, convened pursuant to the Order dated September 22, 2006 of the Hon'ble High Court, Bombay at Ashoka Hall, Arcadia Building, Nariman Point, Mumbai - 400 021, on Friday, the November 3, 2006 at 10.00 a.m.

Name of the Equity Shareholder/Proxy:

Signature of the
Shareholder/Proxy

Notes :

Shareholders/proxies are requested to bring this slip with them. Duplicate slips will not be issued at the entrance of the venue of the meeting.

Shareholders attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

The proxy form must be deposited so as to reach the Registered Office of the Applicant Company not less than FORTY-EIGHT HOURS BEFORE THE TIME OF THE meeting. Shareholders/Proxies are requested to bring with them a copy of the Scheme of Amalgamation while attending the meeting.

ORDER OF THE HON'BLE HIGH COURT ALLAHABAD

[DATED 21ST DECEMBER, 2006]

IN RESPECT OF

SCHEME OF ARRANGEMENT

BETWEEN

GALAXY LEASING LIMITED AND ITS MEMBERS

WITH

KEYNOTE CORPORATE SERVICES LIMITED AND ITS MEMBERS

ROHIT AGARWAL
Advocate
Flat No 2, Panchshila Colony
M G. Marg, ALLAHABAD
Ph 9415084408
2560820

64/95
21-12-6

SRI - ROHIT AGARWAL
ADVOCATE

HIGH COURT ALLAHABAD

CHW. 65
mu

Date of presentation 21/12/6
Date of filing 22/12/6
Date of issue 22/12/6
Issuing Clerk DN

C.P.N. 34 of 2006

DISTT - KANPUR

IN THE MATTER OF KEYNOTE CORPORATE SERVICES LTD.



IN THE HIGH COURT OF JUDICATURE AT ALLAHABAD.

CIVIL SIDE

ORIGINAL COMPANY JURISDICTION

DATED ALLAHABAD THE: 21.12.2006.

PRESENT

THE HON'BLE: SUNIL AMBANI,J.

COMPANY PETITION NO. 34 OF 2006.

(Order on Separate Sheet)

CONNECTED WITH

COMPANY APPLICATION NO. 13 OF 2006.

IN THE MATTER OF THE COMPANIES ACT 1 of 1956.

AND

PETITION TO SANCTION THE SCHEME OF AMALGAMATION

KEYNOTE CORPORATE SERVICES LIMITED (hereinafter referred to as KCSL), an existing company within the meaning of and governed by the companies Act, 1956 and having its Registered Office at 307, Regent Chambers, Nariman Point, Mumbai in the State of Maharashtra,Transferee Company.

AND

GORAL INVESTMENT COMPANY LIMITED (hereinafter referred to as GICL), an existing company within the meaning of and governed by the companies Act, 1956 and having its Registered Office at ~~307, Regent Chambers, Nariman Point, Mumbai in the State of Maharashtra~~ 107, Vikas Premises, 11, G.N. Vaidya Marg Fort Mumbai-400031.Transferor Companies

GALAXY LEASING LIMITED. Petitioner Company.

NOTE: The photostat copy of the original array of parties is attached.

DISTRICT: KANPUR.

ORDER

PHOTOSTAT COPY OF THE ORDER IS ATTACHED.

N. Singh

EX.

22.12.06

Company Petition No.34 of 2006

Connected with

Company Application No.13 of 2006

In the matter of

KEYNOTE CORPORATE SERVICES LIMITED

having its registered office at 307, Regent Chambers, Nariman
Point, Mumbai in the State of Maharashtra

.....Transferee Company

COBAL INVESTMENT COMPANY LIMITED

having its registered office at 107, Vikas Premises, 11, G.N.
Vaidya Marg Fort Mumbai

.....Transferor Company No.1

WEST COAST LIGHTERAGE COMPANY PRIVATE LIMITED
having its registered office at G-8, Embassy Centre, Nariman Point
Mumbai

.....Transferor Company No.2

STARLINE ISPAT AND ALLOYS LIMITED

having its registered office at M.D. Shah Road, Paltan Bazar,
Guwahati, Assam

.....Transferor Company No.3

GALAXY LEASING LIMITED

having its registered office at 15/274 Civil Lines, Kanpur, Uttar
Pradesh

.....Transferor Company No.4

KEYNOTE FINSTOCK LIMITED

having its registered office at 107, Vikas Premises, 11, N. Vaidya
Marg Fort Mumbai

.....Transferor Company No.5

PLETHORA INVESTMENTS COMPANY LIMITED

having its registered office at 107, Vikas Premises, 11, G.N.
Vaidya Marg Fort Mumbai

.....Transferor Company No.6

Hon. Sunil Ambwani, J.

By this company petition Galaxy Leasing Ltd.-Transferor
Company No.4, has prayed to sanction the 'Scheme of Amalgamation'
of the Transferor Company Nos.1 to 6 with the Transferee Company.



The registered office of the Transferee Company and Transferor Company Nos.1, 2, 5 and 6 are situate in the State of Maharashtra. The registered office of Transferor Company No.3 is situate in Assam. The company petition is confined only to Galaxy Leasing Limited, the Transferor Company No.4, having its registered office at 15/274, Civil Lines, Kanpur-208001, UP.

The Company Application No.13 of 2006 was filed for dispensing with the meetings of the shareholders and creditors. On 12.10.2006 the Court ordered:-

"This is an application under Section 391 read with Section 394 of the Companies Act, 1956 for dispensing with the meeting of the share-holders and creditors of transferor company No.4, and to sanction the scheme after considering the objection, which may be filed by the official Liquidator or Regional Director.

The registered office of transferee company, and transferor company Nos.1, 2, 5 & 6 are situate in the State of Maharashtra. The registered office of transferor company No.3 is situate in Assam.

Shri Rohit Agrawal states that the company petitions have been moved at Bombay and Assam in respect of all these companies.


It is contended that all the seven share holders with 100% share holding have filed affidavits in favour of the resolution of the Board of Directors, for amalgamation and for approval of the share exchange ratio. These affidavits have been filed with the petition from pages 554 to 575. He further submits that all the four creditors namely Concept Communication Limited, Keynote Capitals Limited, Keynote Corporate Services Limited and Keynote Finstock Limited with 100% to creditors of transferor company No.4 have also filed their affidavits in support of the scheme of arrangement, annexed from page 576 to 592.

This company petition shall be confined to Galaxy Leading Ltd. with its registered office at 15/274, Civil Lines, Kanpur, the transferor company No.4, and the orders passed in this petition shall be subject to confirmation of scheme by Bombay High Court and the High Court of Assam.

Taking into account all the affidavits filed by share holders and creditors, meeting of the share holders and creditors are dispensed with.

Let the petition for confirmation of the scheme be filed, as prayed, by 19.10.2006. List on 19.10.2006."

The company petition was filed on 17.10.2006 on which an order was made on 19.10.2006 to advertise the petition:-



"Connect with Company Application No.13 of 2006. The meetings of the shareholders and creditors of Transferor Company No.4 have been exempted by order dated 12.10.2006. This Company Petition is confined to the Scheme of Amalgamation qua Transferor Company No.4 only. With regard to other Companies, the Company Petitions have been filed in respective High Court.

Let the Confirmation Petition be advertised in daily news papers 'Times of India' and 'Amar Ujala' published from Kanpur. Learned counsel for petitioner is permitted to serve copy of the Company Petition on the Official Liquidator and Regional Director, Company Affairs, Noida. Steps within ten days. The publication shall be made on or before 20.11.2006. List on 11.12.2006 for hearing."

The affidavit of service along with copies of the newspapers 'Times of India' dated November 14, 2006 and 'Amar Ujala' of the same date advertising the petition fixing 11.12.2006 as date of hearing was filed on 05.12.2006.

The Official Liquidator has submitted his report. He has scrutinized the books of accounts of Transferor Company No.4 and observes in para 8 to 10 as follows:-

"8. That all the transferee and transferor companies are inter related as they are commonly controlled or influenced by the Major Shareholders or Directors of the company.

9. That the company is dealing with the share and securities and has not taken any secured loan.

10. That the Auditors of the company in their report dated 12.8.2006 has reported that the accumulated losses of the company are more than 50% of its net worth."

Shri Rohit Agrawal, learned counsel for Transferor Company No.4 states that the scheme has been approved by the shareholders and creditors of all the companies. It is reported that in pursuance of the directions of Bombay High Court the meetings of the companies having registered office in Maharashtra have been held and the matter is fixed on 09.2.2006.

The Scheme is approved by all the shareholders and creditors of Transferor Company No.4. The Court may not question their commercial wisdom in approving the scheme, unless it is contrary to any statutory provision or is not in public interest. The Official Liquidator has certified that the affairs of the company have not been

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conducted in a manner prejudicial to the interest of its members or public interest.

No one has filed objections to sanction the confirmation petition. The confirmation petition is accordingly allowed. The 'Scheme of Amalgamation' so far as Transferor Company No.4 is concerned, is sanctioned. This order, however, will be subject to the orders that may be made by the Bombay High Court and the High Court of Assam.

The office shall draw the order and communicate it to the Registrar of Companies. Let a copy of the order be given to learned counsel for the applicant, by tomorrow on payment of prescribed copying fees.

Edv Senui Ambwani, J

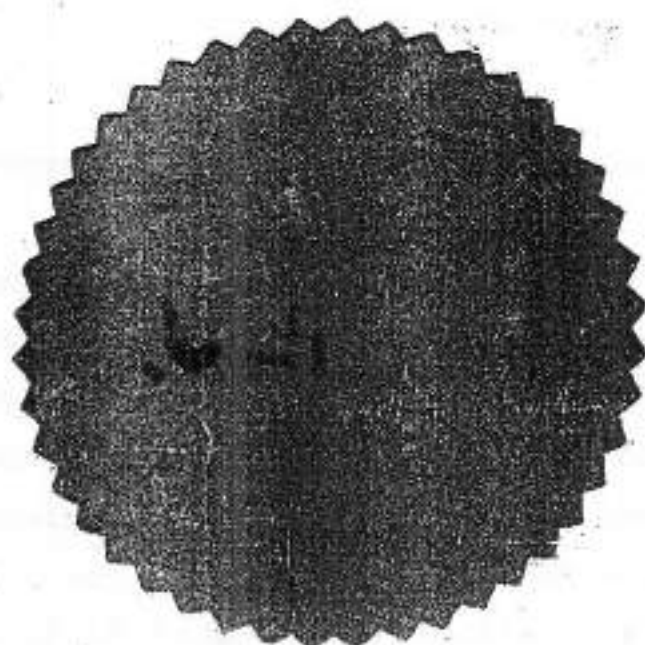
Dt.21.12.2006
SP/

Edv

22.12.06

TRUE COPY

Section 22/12/06
Copy to Department
High Court, Allahabad



ORDER OF THE HON'BLE HIGH COURT BOMBAY

[DATED 9TH MARCH, 2007]

IN RESPECT OF

SCHEME OF ARRANGEMENT

BETWEEN

COBAL INVESTMENT COMPANY LIMITED AND ITS MEMBERS

AND

WEST COAST LIGHTERAGE COMPANY PRIVATE LIMITED AND ITS MEMBERS

AND

KEYNOTE FINSTOCK LIMITED AND ITS MEMBERS

AND

PLETHORA INVESTMENTS COMPANY LIMITED AND ITS MEMBERS

WITH

KEYNOTE CORPORATE SERVICES LIMITED AND ITS MEMBERS

HIGH COURT, BOMBAY

0565151

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

COMPANY PETITION NO. 758 OF 2006
connected with
COMPANY APPLICATION NO. 947 OF 2006

Cobal Investment Company
Limited, Mumbai. ... Petitioner.

WITH

COMPANY PETITION NO. 759 OF 2006
connected with
COMPANY APPLICATION NO. 948 OF 2006

West Coast Lighterage Company
Private Limited, Mumbai. ... Petitioner.

WITH

COMPANY PETITION NO. 760 OF 2006
connected with
COMPANY APPLICATION NO. 949 OF 2006

Keynote Finstock Limited,
Mumbai. ... Petitioner.

WITH

COMPANY PETITION NO. 761 OF 2006
connected with
COMPANY APPLICATION NO. 950 OF 2006

Plethora Investments Company
Limited, Mumbai. ... Petitioner.

WITH

COMPANY PETITION NO. 762 OF 2006
connected with
COMPANY APPLICATION NO. 951 OF 2006

Keynote Corporate Services
Limited, Mumbai. ... Petitioner.



HIGH COURT, BOMBAY

0565152

- 2 -

In the matter of the Scheme of Amalgamation of Cobal Investment Company Limited, West Coast Lighterage Company Private Limited, Starline Ispat And Alloys Limited, Galaxy Leasings Limited, Keynote Finstock Limited, Plethora Investments Company Limited with Keynotge Corporate Services Limited.

Rajesh Shah i/b. Rajesh Shah & Co.
for the petitioners.

C.J.Roy with Parag Vyas i/b. G.C.Mishra
for the Regional Director.

Mrs.K.V.Gautam, Dy. Official Liquidator present.

CORAM: V.C.DAGA, J.

DATED: 9th March 2007.

P.C.s

The petitioners have filed these petitions to seek sanction to the proposed arrangement embodied in the Scheme of Amalgamation of Cobal Investment Company Limited, West Coast Lighterage Company Private Limited, Starline Ispat And Alloys Limited, Galaxy Leasings Limited, Keynote Finstock Limited, Plethora Investments Company Limited (jointly referred as "transferor companies" for short) with Keynotge Corporate Services Limited ("transferee company" for short).

2. The transferor companies at serial Nos. 1 and 2, 5 and 6, namely; M/s.Cobal Investment Company

- 3 -

Limited; M/s. West Coast Lighterage Company Private Limited; M/s. Keynote Finstock Limited and M/s. Plethora Investments Company Limited have their registered offices at Mumbai. The registered office of the transferor company at serial No.3, namely, M/s. Starline Ispat And Alloys Limited registered office is at Guwahati (State of Assam); whereas the transferor company at serial No.4 has its registered office at Kanpur (Uttar Pradesh). The transferee company, namely, M/s. Keynote Corporate Services Limited has its registered office at Mumbai. That is how transferor companies at serial Nos.1, 2, 5 and 6 and the transferee company have filed these petitions in this Court to seek sanction of this Court.

3. The Allahabad High Court vide its order dated 21st December, 2006 has sanctioned the Scheme of Amalgamation by allowing the petition filed at the instance of transferor company No.4, copy of which is placed on record.

4. The Board of Directors of the petitioner-companies before this Court, by their separate resolutions all dated 30th March, 2006 have approved the proposed scheme of amalgamation.

5. By virtue of the order of this Court dated 22nd September, 2006, necessity of convening and

- 4 -

holding the meetings of the equity shareholders of all the transferor companies before this Court was dispensed with, in view of the consent given by them to the said scheme of amalgamation of companies. The necessity of holding meetings of unsecured creditors of all the transferor companies, who are before this Court, in view of the consent given by them, was also dispensed with. There are no secured creditors in either of the companies before this Court as per the statements placed on record.

6. Learned counsel for the petitioners before this Court submits that there are no sundry creditors in the fifth transferor company, whereas so far as other companies are concerned, notices have been served on all the sundry creditors. Affidavits of service are placed on record.

7. So far as transferee company is concerned, meeting of the equity shareholders was held on 3rd November, 2006; wherein it has been unanimously resolved to approve the proposed scheme of amalgamation. There was one secured creditor, whose entire payment has been made and no-dues certificate dated 10th September obtained from it is placed on record at Exh."S". There is one unsecured creditor who has given his consent to the proposed scheme of amalgamation. Since there is only one unsecured

- 5 -

creditors; vide order dated 22nd September, 2006, necessity of convening and holding meeting of the unsecured creditor has been dispensed with by the Company Judge in view of consent given him to the proposed scheme of amalgamation.

8. All these petitions were advertised on 21st December, 2006 pursuant to the order of this Court dated 8th December, 2006. Affidavits of service dated 16th January, 2007 are filed on record in all the petitions to establish compliance of the order of the Company Judge dated 8th December, 2006. Nobody has come forward to raise any objection in spite of advertisement of the petitions and service on all the sundry creditors.

9. On being noticed, the Regional Director, Western Region, Ministry of Company Affairs has appeared and filed affidavit giving no-objection for the acceptance of the scheme of amalgamation. The petitioners have filed undertaking on oath dated 7th March 2007 duly affirmed by Mr. Vineet Suchanti whereby the petitioners have undertaken to pay sales tax/ service tax/ duty draw-back payable by the transferor or transferee companies or vice versa till the effective date to the authorities concerned. The statements made and the undertakings given by the petitioners are accepted and taken on record. The

HIGH COURT, BOMBAY

0565156

- 6 -

Official Liquidator has also filed report giving no-objection to the scheme of amalgamation.

10. In the above view of the matter, I am satisfied that the provisions of the Companies Act, 1956 are complied with. The arrangement embodied in the Scheme of Amalgamation deserves acceptance. The Company Petition Nos. 758/2006; 759/2006; 260/2006 and 761/2006 are made absolute in terms of prayer clauses (a) to (k), whereas Company Petition No. 762/2006 is made absolute in terms of prayer clauses (a) to (c), however, subject to the provisions of section 47 of the Maharashtra Value Added Tax Act, 2002 and subject to the orders that may be passed by the Guwahati High Court.

11. The petitioners would pay costs of Rs. 2,500/- each to the Regional Director and the Official Liquidator.

12. All the concerned including Registrar of Companies to act on the ordinary copy of this order and scheme annexed to the petition duly authenticated by the Company Registrar of this Court. Filing of drawn up order is dispensed with.

TRUE COPY

Section Officer
High Court, Appellate Side
Bombay.

(V.C. DAGA, J.)

TRUE-COPY

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

SCHEME OF ARRANGEMENT

BETWEEN

COBAL INVESTMENT COMPANY LIMITED AND ITS MEMBERS

AND

WEST COAST LIGHTERAGE COMPANY PRIVATE LIMITED AND ITS MEMBERS

AND

STARLINE ISPAT AND ALLOYS LIMITED AND ITS MEMBERS

AND

GALAXY LEASING LIMITED AND ITS MEMBERS

AND

KEYNOTE FINSTOCK LIMITED AND ITS MEMBERS

AND

PLETHORA INVESTMENTS COMPANY LIMITED AND ITS MEMBERS

AND

KEYNOTE CORPORATE SERVICES LIMITED AND ITS MEMBERS

[For Amalgamation of Cobal Investment Company Limited, West Coast Lighterage Company Private Limited, Starline Ispat And Alloys Limited, Galaxy Leasing Limited, Keynote Finstock Limited, Plethora Investments Company Limited with Keynote Corporate Services Limited under Section 391 read with Section 394 of the Companies Act, 1956.]

1. DEFINITIONS

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

- 1.1 "Cobal" means Cobal Investment Company Limited, a Company incorporated under the Companies Act 1956, whose Registered Office is situated at 107, Vikas Premises, 11, G. N. Vaidya Marg, Fort, Mumbai 400 023.

- 1.2 "WCLCPL" means West Coast Lighterage Company Private Limited, a Company incorporated under the Indian Companies Act, 1956, whose Registered Office is situated at G-8, Embassy Centre, Nariman Point, Mumbai 400 021.
- 1.3 "SIAL" means Starline Ispat And Alloys Limited, a Company incorporated under the Indian Companies Act 1956, whose Registered Office is situated at M. D. Shah Road, Paltan Bazar, Guwahati, Assam- 781001.
- 1.4 "Galaxy" means Galaxy Leasing Limited, a Company incorporated under the Companies Act 1956, whose Registered Office is situated at 15/274, Civil Lines Kanpur 208001.
- 1.5 "KFL" means Keynote Finstock Limited, a Company incorporated under the Companies Act 1956, whose Registered Office is situated at 107,Vikas Premises, 11, G. N. Vaidya Marg, Fort, Mumbai 400 023.
- 1.6 "PICL" means Plethora Investments Company Limited, a Company incorporated under the Companies Act 1956, whose Registered Office is situated at 107,Vikas Premises, 11, G. N. Vaidya Marg, Fort, Mumbai 400 023.
- 1.7 "The Transferor Companies" means 'Cobal', 'WCLCPL', 'SIAL', 'Galaxy', 'KFL' and 'PICL' or any one or more of them as the context requires.
- 1.8 The "Transferee Company" means Keynote Corporate Services Limited, a Company incorporated under the Indian Companies Act 1956, whose Registered Office is situated at 307, Regent Chambers, Nariman Point, Mumbai 400 021.
- 1.9 "The said Act" means the Companies Act, 1956.
- 1.10 "The Appointed Date" means 1st April 2005 or such other date as the High Court at Bombay, Allahabad and Guwahati may direct.



1.11 "The Effective Date/Transfer Date" means the later of the dates on which certified copies of the Order(s) of the High Court at Bombay, Allahabad and Guwahati, vesting the assets, property, liabilities, rights, duties, obligations and the like of the Transferor Companies in the Transferee Company are filed with the Registrar of Companies, Maharashtra, Registrar of Companies, Uttar Pradesh and Registrar of Companies, Assam, after obtaining the consents, approvals, permissions, resolutions, agreements, sanctions and orders necessary therefor.

1.12 "Undertakings" shall mean

- (a) All the assets and properties of the Transferor Companies as on the Appointed Date;
- (b) All the debts, liabilities, duties and obligations of the Transferor Companies as on the Appointed Date;
- (c) Without prejudice to the generality of sub-clause (a) above, the Undertakings of the Transferor Companies shall include all the Transferor Companies' Reserves, movable and immovable properties, assets, including lease-hold rights, tenancy rights, licenses, permits, authorisations and other industrial and intellectual properties, telephones, telex, facsimile and other communication facilities and equipments, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals;
- (d) All permanent employees directly engaged by the Transferor Companies at various locations who are willing to become employees of Transferee Company;
- (e) All earnest monies and/or security deposits paid by the Transferor Companies.

1.13 "The Scheme" means this Scheme of Amalgamation in its present form or with any modification(s) approved or imposed or directed by the High Court at Bombay.

2. SHARE CAPITAL

- 2.1 The Authorised Share Capital of the Transferee Company is Rs. 15,00,00,000/- comprising of 1,50,00,000 Equity Shares of Rs. 10/- each. The present Issued Capital of the Transferee Company is Rs. 11,27,44,170/- and the Subscribed and Paid up Share Capital of the Transferee Company is Rs. 6,94,11,690/- comprising of 69,41,169 Equity Shares of Rs. 10/- each. Out of the above, 26,200 Equity Shares of Rs. 10/- each are held by Cobal, 432,500 Equity Shares of Rs. 10/- each are held by SIAL, 6,08,800 Equity Shares of Rs. 10/- each are held by Galaxy, 3,84,202 Equity Shares of Rs. 10/- each are held by KFL.
- 2.2 The Authorised Share Capital of Cobal is Rs. 24,00,000/- comprising of 2,40,000 Equity Shares of Rs. 10/- each. The present Issued, Subscribed and Paid up Share Capital of Cobal is Rs. 24,00,000/- comprising of 2,40,000 Equity Shares of Rs. 10/- each. Out of the above, 1000 Equity Shares of Rs. 10/- each are held by SIAL.
- 2.3 The Authorised Share Capital of WCLCPL is Rs. 10,00,000/- comprising of 10,000 Equity Shares of Rs. 100/- each. The present Issued, Subscribed and Paid up Share Capital of WCLCPL is Rs. 8,50,000/- comprising of 8500 Equity Shares of Rs. 100/- each.
- 2.4 The Authorised Share Capital of SIAL is Rs. 1,00,50,000/- comprising of 10,05,000 Equity Shares of Rs. 10/- each. The present Issued, Subscribed and Paid up Share Capital of SIAL is Rs. 1,00,00,300/- comprising of 10,00,030 equity shares of Rs. 10/- each.
- 2.5 The Authorised Share Capital of Galaxy is Rs. 1,00,10,000/- comprising of 10,01,000 Equity Shares of Rs. 10/- each. The present Issued, Subscribed and Paid up Share Capital of Galaxy is Rs. 1,00,10,000/- comprising of 10,01,000 Equity Shares of Rs. 10/- each.
- 2.6 The Authorised Share Capital of KFL is Rs. 5,00,00,000/- comprising of 50,00,000 Equity Shares of Rs. 10/- each. The present Issued, Subscribed and Paid up Share Capital of KFL is Rs. 5,00,000/- comprising of 50,000 Equity Shares of Rs. 10/ each.

- 2.7 The Authorised Share Capital of PICL is Rs. 5,00,000/- comprising of 50,000 Equity Shares of Rs. 10/- each. The present Issued, Subscribed and Paid up Share Capital of PICL is Rs. 5,00,000/- comprising of 50,000 Equity Shares of Rs. 10/ each.

3. TRANSFER OF UNDERTAKINGS

- 3.1 With effect from the opening of business as on the Appointed Date, the Undertakings of the Transferor Companies shall, without any further act or deed, 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.



- 3.2 With effect from the Appointed Date, all the debts, liabilities, duties and obligations of the Transferor Companies shall, without any further act or deed, stand transferred, to the Transferee Company, pursuant to the applicable provisions of the said Act, so as to become as from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company. PROVIDED ALWAYS that the Scheme shall not operate to enlarge the security for any loan, deposit or facility created by or available to the Transferor Companies which shall vest in the Transferee Company by virtue of the amalgamation and the Transferee Company shall not be obliged to create any further or additional security therefor after the amalgamation has become effective or otherwise. The Transfer/ vesting as aforesaid shall be subject to the existing charges/ hypothecation over or in respect of the assets or any part thereof of the Transferor Companies.

- 3.3 The transfer and vesting of the Undertakings of the Transferor Companies under this Clause 3 and the continuance of the proceedings by the Transferee Company under Clause 5 hereof shall not affect any transactions or Proceedings already concluded by the Transferor Companies in the ordinary course of business on and after the Appointed Date to the end and intent that the Transferee Company accepts on behalf of itself all acts, deeds and things done and executed and all transactions or Proceedings already concluded by the Transferor Companies.

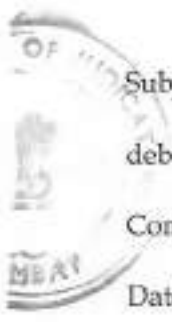
3.4 It is expressly provided that in respect of such of the assets of the Undertaking as are movable in nature or are otherwise capable of being transferred by manual delivery or by endorsement and delivery, the same shall be so transferred by the Transferor Companies by physical delivery and become property of the Transferee Company pursuant to the provisions of Sections 391 to 394 of the Act and shall form an integral part of the Undertaking.

3.5 The Transferor Company(s) shall, on the transfer Date, transfer all the shares of the Transferee Company held by it on such date (the "KCSL Shares") to an individual trustee or a board of trustees (including the survivors or survivor of any of the trustees comprising such board of trustees) or a corporate trustee (hereinafter referred to as the "Trustees") to have and to hold the KCSL Shares in trust together with all additions or accretions thereto upon trust exclusively for the benefit of the Transferee Company and its successor subject to the powers, provisions, discretions, rights and agreements contained in the instrument (the "Trust Deed") establishing the aforesaid trust (the "Trust"). The Trustees shall not exercise any voting rights with respect to KCSL Shares. It is proposed that the Trustees shall, within a period of 36 months from the Effective Date, subject however to the prevailing market conditions (the said period may be suitably extended in the discretion of the Trustees), sell, transfer or dispose of the KCSL Shares at such time or times and in such manner as may be proper in accordance with provisions of the Trust Deed and shall remit the proceeds thereof to the Transferee Company or its successor and consequent thereto all obligations of the Trustees under the Trust Deed shall stand discharged and the Trust shall stand terminated.

3.6 In respect of such of the Assets other than those referred to in sub-clauses 3.4 above, they shall, without further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred and vested in the Transferee Company pursuant to the provisions of Sections 391 to 394 of the Act and shall form an integral part of the Undertaking.

- 3.7 With effect from the Effective Date, and subject to any corrections and adjustments as may be required, in the opinion of the Board of Directors of the Transferee Company, the Reserves and Surplus if any, of the Transferor Companies will be merged with those of the Transferee Company in the same form and nomenclature as they appeared in the financial statements of the Transferor Companies, except as stated elsewhere in the Scheme.

4. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS



Subject to other provisions contained in the Scheme, all contracts, deeds, bonds, debentures, agreements and other instruments of whatever nature to which the Transferor Companies is a party subsisting or having effect immediately before the Effective Date/Transfer Date shall remain in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced as fully and as effectually as if, instead of the Transferor Companies, the Transferee Company had been a party thereto.

5. LEGAL PROCEEDINGS

If any suit, writ petition, appeal, revision or other proceedings of whatever nature (hereinafter called "the Proceedings") by or against the Transferor Companies be pending, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Undertakings of the Transferor Companies 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 or might have been continued, prosecuted and enforced by or against the Transferor Companies as if the Scheme had not been made. On and from the Effective date/Transfer Date, the Transferee Company shall and may initiate any legal proceeding for and on behalf of the Transferor Companies.

6. OPERATIVE DATE OF THE SCHEME

The Scheme, although operative from the Appointed Date, shall become effective from the Effective Date/Transfer Date.

7. DISSOLUTION OF TRANSFEROR COMPANIES

On the Scheme being effective, the Transferor Companies shall stand dissolved without being wound up.

8. TRANSFEROR COMPANIES' STAFF, WORKMEN AND EMPLOYEES

On and from the Effective Date:

- 8.1. All employees of the Transferor Companies in service on the Effective Date shall become the employees of the Transferee Company on such date without any break or interruption in service and on terms and on terms and conditions not less favorable than those on which they are engaged by the Transferor Companies as on the Effective Date.
- 8.2. The accumulated balances standing to the credit of the employee of the Transferor companies on the effective date in the Provident Fund, Superannuation Fund and/or other funds and including any surplus in any such funds created or existing for the benefit of the employees of the Transferor Companies shall be identified, determined and transferred to the corresponding funds of the Transferee Company in due course.

9. CONDUCT OF BUSINESS BY TRANSFEROR COMPANIES TILL EFFECTIVE DATE/TRANSFER DATE

With effect from the Appointed Date and upto the Effective Date/Transfer Date, the Transferor Companies:

9.1 Shall carry on and be deemed to carry on all their businesses and activities and stand possessed of its properties and assets for and on account of and in trust for the Transferee Company and all the profits accruing to the Transferor Companies or losses arising or incurred by them shall, for all purposes, be treated as and deemed to be the profits or losses of the Transferee Company as the case may be;

9.2 Hereby undertake to carry on its business until the Effective Date/Transfer Date with reasonable diligence and shall not, without the written consent of the Transferee Company, alienate, charge or otherwise deal with the Undertakings or any part thereof except in the ordinary course of their business;

9.3 Shall not, without the written consent of the Transferee Company, undertake any new business.

10. DISCHARGE OF CONSIDERATION BY THE TRANSFEE COMPANY

Upon the transfer of the Undertakings of the Transferor Companies pursuant to Clause 4 hereof and the amalgamation becoming effective in terms of the Scheme, the consideration in respect of such transfer shall, subject to the provisions of the Scheme, be paid and satisfied by the Transferee Company as follows:

- i) The Transferee Company shall (without further application) issue at par and allot to the shareholders of Cobal, Equity Shares in the Transferee Company in the proportion of 2 (Two) Equity Shares of Rs. 10/- each in the Transferee Company credited as fully paid up for every 35 (Thirty Five) Equity Share of Rs.10/- each held by them in Cobal on such date after the Effective Date/Transfer Date as the Board of Directors of the Transferee Company may determine.
- ii) The Transferee Company shall (without further application) issue at par and allot to the shareholders of WCLCPL, Equity Shares in the Transferee Company in the proportion of 1 (One) Equity Shares of Rs. 10/- each in the Transferee Company

credited as fully paid up for every 86 (Eighty Six) Equity Share of Rs.100/- each held by them in WCLCPL on such date after the Effective Date/Transfer Date as the Board of Directors of the Transferee Company may determine.

- iii) The Transferee Company shall (without further application) issue at par and allot to the shareholders of SIAL, Equity Shares in the Transferee Company in the proportion of 1 (One) Equity Shares of Rs. 10/- each in the Transferee Company credited as fully paid up for every 22 (Twenty Two) Equity Share of Rs.10/- each held by them in SIAL on such date after the Effective Date/Transfer Date as the Board of Directors of the Transferee Company may determine.
- iv) The Transferee Company shall (without further application) issue at par and allot to the shareholders of Galaxy, Equity Shares in the Transferee Company in the proportion of 1 (One) Equity Shares of Rs. 10/- each in the Transferee Company credited as fully paid up for every 86 (Eighty Six) Equity Share of Rs.10/- each held by them in Galaxy on such date after the Effective Date/Transfer Date as the Board of Directors of the Transferee Company may determine.
- v) The Transferee Company shall (without further application) issue at par and allot to the shareholders of KFL, Equity Shares in the Transferee Company in the proportion of 1 (One) Equity Shares of Rs. 10/- each in the Transferee Company credited as fully paid up for every 86 (Eighty Six) Equity Share of Rs.10/- each held by them in KFL on such date after the Effective Date/Transfer Date as the Board of Directors of the Transferee Company may determine.
- vi) The Transferee Company shall (without further application) issue at par and allot to the shareholders of PICL, Equity Shares in the Transferee Company in the proportion of 2 (Two) Equity Shares of Rs. 10/- each in the Transferee Company credited as fully paid up for every 17 (Seventeen) Equity Share of Rs.10/- each held by them in PICL on such date after the Effective Date/Transfer Date as the Board of Directors of the Transferee Company may determine.

vii) Equity shares of any Transferor Company held by other Transferor Company or the Transferee Company, as the case may be, on the Record Date shall be cancelled and shall be deemed to have been cancelled without any further act or deed, and no shares of the Transferee Company are required to be issued in lieu thereof.

viii) It is clarified that the Transferee Company, for the purpose of issuing the aforesaid shares to the shareholders of the Transferor Company, shall not be required to pass a separate Special Resolution under Section 81(1A) of the Act, and on the members of the Transferee Company giving their consent to the Scheme, it shall be deemed that the shareholders of the Transferee Company have given their consent to issue the aforesaid shares to the shareholders of the Transferor Company as required under Section 81(1A) of the Act.

ix) No fractional Certificates shall be issued by the Transferee Company in respect of the fractional entitlements, if any, to which the shareholders of the Transferor Company may be entitled on issue and allotment of the equity shares of the Transferee Company. The Board of Directors of the Transferee Company shall instead consolidate all such fractional entitlements to which the shareholders of the Transferor Company may be entitled on issue and allotment of the equity shares of the Transferee Company as aforesaid and thereupon issue and allot equity shares in lieu thereof to a Director or an officer of the Transferee Company with the express understanding that such Director or officer to whom such equity shares are issued and allotted shall hold the same in trust for those entitled to the fractions and sell the same in the market at the best available price and pay to the Transferee Company the net sale proceeds thereof whereupon the Transferee Company shall, subject to withholding tax, if any, distribute such net sale proceeds to the shareholders of the Transferor Company in proportion to their fractional entitlements.

x) The said equity shares in the Transferee Company to be issued to the shareholders of Cobal, WCLCPL, SIAL, Galaxy, KFL and PICL shall rank *pari passu* with the existing Equity Shares of the Company in all respects, including dividend entitlement.

- xi) Equity shares of the Transferee Company issued and allotted as mentioned above shall be listed and/or admitted to trading on the relevant Stock Exchange.
- xii) Upon the Scheme becoming finally effective and upon the new shares in the Transferee Company being issued and allotted by it to the shareholders of the Transferor Company whose names appear on the Register of Members of the Transferor Company as on the Record Date fixed as aforesaid, the shares in the Transferor Company, both in electronic form and in the physical form, shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date. Wherever applicable, the Transferee Company shall instead of requiring the surrender of the share certificates of the Transferor Company, directly issue and dispatch the new share certificates of the Transferee Company in lieu thereof.

11. ACCOUNTING TREATMENT

- 11.1 The assets and liabilities of the Transferor Companies shall be transferred at book values. The excess/deficit, if any of the book value of the net assets of the Transferor Companies, as appearing in the books of account of the Transferor Company, over the paid up value of the shares of the Transferee Company, to be issued and allotted, pursuant to Clause 10 above, shall be credited/debited to the Share Premium Account of the Transferee Company.
- 11.2 Further, in case of any differences in accounting policy between the Companies, the impact of the same till the amalgamation will be quantified and adjusted in the Share Premium Account as mentioned earlier to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

11.3 Pursuant to the Scheme becoming effective, the cost of investments in the shares of Transferor Company as held by any other Transferor Company or the Transferee Company shall be written off and debited to Share Premium Account.

11.4 If and to the extent there are inter-corporate loans or balances between the Transferor Companies and the Transferee Company, the obligations in respect thereof shall, on and from the Appointed Date, come to an end and the corresponding suitable effect be given in the books of accounts and records of the Transferee Company and the Transferor Companies if required, for reduction of any debts or liabilities, as the case may be. For removal of doubts, it is hereby clarified that from the Appointed Date, there would be no accrual of interest or other charges in respect of any such inter-corporate loans or balances between the Transferee Company on the one hand and the Transferor Companies on the other.

12. DIVIDENDS, PROFITS, BONUS/ RIGHTS SHARES

12.1 The Transferor Companies shall not declare any dividend for the period commencing from and after 1st April, 2005 without the written consent of the Transferee Company.

12.2 Subject to the provisions of this Scheme, the profits/losses of the Transferor Companies for the period beginning from 1st April, 2005 shall be deemed to belong to and be the profits/losses of the Transferee Company and will be available to the Transferee Company for being dealt with/disposed of in any manner as it thinks fit including declaration of dividend by the Transferee Company in respect of its financial year ending 31st March 2006 or any year thereafter.

12.3 The Transferor Companies shall not issue or allot any Rights Shares or Bonus Shares out of its Authorised Share Capital for the time being.

12.4 All mandates or other instructions in force at the close of business on the Effective Date/Transfer Date relating to the payment of dividends on the Equity Shares of the Transferor Companies shall, unless and until revoked, be deemed to be valid and

subsisting mandates or instructions to the Transferee Company in relation to the corresponding Equity Shares of the Transferee Company to be issued and allotted pursuant to the Scheme.

13. APPLICATIONS TO HIGH COURT

The Transferor Companies and the Transferee Company hereto shall, with all reasonable dispatch, make applications under Sections 391 and 394 of the said Act to the High Court of Judicature at Bombay, Allahabad and Guwahati for sanctioning this Scheme and for dissolution of the Transferor Companies without winding up.

14. MODIFICATIONS/AMENDMENTS TO THE SCHEME

- 14.1 The Transferor Companies (by their Directors) and the Transferee Company (by its Directors) may assent to any modification or amendment to the Scheme or agree to any terms and/or conditions which the Court and/or any other authorities under law may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/or carrying out the Scheme and do all acts, deeds and things as may be necessary, desirable or expedient for putting the Scheme into effect. In the event that any conditions are imposed by the said High Court which the Transferor Companies or the Transferee Company find unacceptable for any reason what so ever then the Transferor Companies and or the Transferee Company shall be entitled to withdraw from the scheme in which event no rights and liabilities whatsoever shall accrue to or be incurred inter se by the parties or any of them.

15. **SCHEME CONDITIONAL ON APPROVALS/SANCTIONS**

The Scheme is conditional on and subject to:

1. The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and/or creditors of the Transferor Companies and Transferee Company as may be directed by the High Court.
2. The sanction of the High Court under Sections 391 to 394 of the said Act in favour of the Transferor Companies and Transferee Company under the said provisions and to the necessary Order under Section 394 of the said Act being obtained;
3. Certified or authenticated copy of the Order of the High Court sanctioning the Scheme being filed with the Registrar of Companies, Maharashtra, Registrar of Companies, Uttar Pradesh and Registrar of Companies, Assam, as may be applicable.

16. **EFFECT OF NON RECEIPT OF APPROVALS/ SANCTIONS**

In the event of any of the said sanctions and approvals not being obtained and/or the Scheme not being sanctioned by the High Court and/or the Order or Orders not being passed as aforesaid on or before 31st December, 2007 or within such further period or periods as may be agreed upon between the Transferor Companies and the Transferee Company through their respective Boards of Directors, the Scheme shall become null and void and each party shall bear and pay its respective costs, charges and expenses for and/or in connection with the Scheme.

17. **EXPENSES CONNECTED WITH THE SCHEME**

All costs, charges and expenses of the Transferor Companies and the Transferee Company respectively in relation to or in connection with the Scheme and of carrying out and implementing/completing the terms and provisions of the Scheme and/or incidental to the completion of amalgamation of the said Undertakings of the Transferor Companies in pursuance of the Scheme shall be borne and paid solely by the Transferee Company.

TRUE-COPY
[Signature]
M. D. NARVE
COURT REPORTER
HIGH COURT MUMBAI
28/03/07

Certified to be TRUE COPY
For RAJESH SHAH & CO.

[Signature]
Advocate for the Petitioner / Applicant

IN THE HIGH COURT OF JUDICATURE
AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY PETITION NO. 758 OF 2006.

CONNECTED WITH
COMPANY APPLICATION NO. 947 OF 2006.

In the matter of the Companies Act, 1 of 1956;

AND

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

AND

In the matter of the Scheme of Amalgamation of
Cobal Investment Company Limited, West Coast
Lighterage Company Private Limited, Starline Ispat
And Alloys Limited, Galaxy Leasings Limited,
Keynote Finstock Limited, Plethora Investments
Company Limited with Keynote Corporate Services
Limited.



COBAL INVESTMENT COMPANY LIMITED,

.. Petitioner Company.

Authenticated copy of the Minutes of the Order dated
9th March, 2007 alongwith Scheme.

M/S. RAJESH SHAH & CO
Advocates for the Petitioner
16, Oriental Building,
30, Nagindas Master Road,
Flora Fountain,
Mumbai-400 001.

applied on 17-3-07
Engrossed on
Scribe Writer
Folio
Examined by [Signature]
Compared with [Signature]
Ready on 26/3/2007
Delivered on 26/3/2007

ORDER OF THE HON'BLE HIGH COURT GAUHATI

[DATED 19TH MARCH, 2007]

IN RESPECT OF

SCHEME OF ARRANGEMENT

BETWEEN

STARLINE ISPAT AND ALLOYS LIMITED AND ITS MEMBERS

WITH

KEYNOTE CORPORATE SERVICES LIMITED AND ITS MEMBERS

दिनांक पर प्रारम्भ की तिथि Date of application for the copy.	स्टाम्प और फोलियो की आवश्यक संख्या सूचित करने की तिथि तिथि Date fixed for depositing the requisite number of stamps and folios.	आवश्यक स्टाम्प और फोलियो देने की तिथि Date of delivery of the requisite stamps and folios.	प्रतिलिपि देने के लिए प्रारम्भ की तिथि Date on which the copy was made for delivery.	प्रतिलिपि देने की तिथि Date of making over the copy to the applicant.
23/3/07	23/3/07	23/3/07	23/3/07	23/3/07

IN THE GAUHATI HIGH COURT
(THE HIGH COURT OF ASSAM, NAGALAND, MEGHALAYA, MANIPUR,
TRIPURA, MIZORAM, AND ARUNACHAL PRADESH)

(ORDINARY ORIGINAL CIVIL JURISDICTION)

COMPANY PETITION No: 1 OF 2007

CONNECTED WITH

COMPANY APPLICATION No: 5 OF 2006.

STARLINE ISPAT AND ALLOYS LIMITED, a
 company incorporated under the Companies Act,
 1956 having its registered office at Md Shah Road,
 Paltan Bazar, Guwahati, Assam -781001

PETITIONER COMPANY

BEFORE
 THE HON'BLE MR. JUSTICE RANJAN GOGOI.

Date of hearing : 19.3.2007

Date of order : 19.3.2007.

ORDER

Heard Mr. S. P. Sarmah, learned Counsel for the Petitioner. Also heard
 Mr. N Baruah Learned Counsel for the Central Government.

1. This is a petition under section 391 to 394 of the Companies Act 1956 whereby the Petitioner Starline Ispat And Alloys Limited, transferor Company having its registered office at Md. Shah Road, Paltan Bazar, Guwahati, has sought approval/sanction of the Scheme of amalgamation (a Copy whereof is annexed to the Petition as Exhibit-G page-315 to 329)

of itself along with other transferor Companies viz: Cobal Investment Company Limited Mumbai, West Coast Lighterage Company Private Limited Mumbai, Galaxy Leasings Limited Kanpur, Keynote Finstock Limited Mumbai, Plethora Investments Company Limited Mumbai with Keynote Corporate Services Limited having its Registered Office (with effect from 05/02/07) at 4th Floor, BALMER LAWRIE BUILDING, 5, J. N HEREDIA MARG, BALLARD ESTATE, MUMBAI- 400 021 Transferee Company.

2. ^{By} This Court's order dated 18/12/2006, and in view of Consent letters of the Equity Share Holders and Creditors, convening and holding of meetings of the Equity Share Holders of the Petitioner Company was dispensed with, and the Company was exempted from advertising the Notice of the meeting in the News Paper.
3. By Order dated 05/01/2007 the Company Petition was fixed for hearing on 19.2.2007. Notices were directed to be served on the Regional Director, Department of Company Affairs, Kolkata, the Official Liquidator, and the Registrar of Companies, North Eastern Region Shillong. Notice of hearing of the Petition ^{was} to be published in the Assam Tribune, Guwahati Edition and Times of India ^{Mumbai} Edition.
4. Notices have been served on all the parties including the Regional Director, Department of Company Affairs, Eastern Region, Kolkata. The Official Liquidator of this Court has filed its Report dated 17/02/2007 stating that the affairs of the transferor Company has not been conducted in the manner prejudicial to the interest of its members or to the Public Interest.
5. Shri N. Baruah Learned Counsel appearing for the Regional Director, Kolkata has stated that the Scheme of Amalgamation has been examined by the Regional Director, Kolkata in details and stated that the Petitioner Company may be directed to make adjustment in its Books of Accounts in respect of Clause 11.1, 11.2 & 11.3 of the Scheme of amalgamation, as per Accounting standard prescribed by the Institute of Chartered Accountants of India, New Delhi. It is ordered accordingly.
6. The letter dated 27/02/2007 of the Regional Director, Kolkata as placed before this court, be kept as part of the record. As it appears, the Scheme of Amalgamation has been prepared bonafide and there is no bar

whatsoever to the grant of approval/sanction to the Scheme of Amalgamation as prayed for.

7. It is therefore considered expedient that the prayer for approval/sanction of the Scheme of Amalgamation be granted in terms of the prayer made paragraph sub paragraphs (a) to (j) of paragraph 42 of this Petition subject to the directions given above.
8. The Counsel for the Petitioner Company states that the Allahabad High Court at the instance of Galaxy Leasing Limited, Kanpur has duly approved the Scheme vide its order dated 21st December 2006 and High Court, Bombay in respect of other transferor Companies and transferee Company, has also sanctioned the Scheme vide its Order dated 9th March 2007 Copy of which is placed on record.
9. Accordingly the Petition is allowed and the proposed compromise and arrangement set forth in paragraph 32 of the petition and in the Schedule thereto is approved and declared to be binding on all shareholders and creditors, so far Transferor/Petitioner Company is concerned, subject to the directions given in paragraph 5 above.
10. The parties to the compromise or 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 compromise or arrangement.
11. The Petitioner Company shall file with the Registrar of Companies a certified copy of this order within 14 days from this date.

Let the Registrar General of this Court draw up necessary order in Form No. 42 under the Companies (court) Rules 1959.

Sd/- Rangan Gogoi
Judge

CERTIFIED TO BE TRUE COPY

Date.....
Superintendent(Copying Section)
Allahabad High Court
Authorized LRS 76, Act 1, 1972

Sl. No. 72099

23.3.07

28/3/07