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IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY SUMMONS FOR DIRECTION NO. OF 2015.

In the matter of the Companies Act, 1 of 1956
and other relevant provisions of Companies
Act, 2013;

AND

In the matter of Sections 391 to 394 read
with Sections 100 to 105 of the Companies
Act, 1956 and other relevant provisions of
Companies Act, 2013;

AND

In the matter of Scheme of Arrangement Between
KUMAKA INDUSTRIES LIMITED and its
Equity Shareholders

KUMAKA INDUSTRIES LIMITED, a)
Company incorporated under the Companies)
Act, 1956, having its Registered Office at)
209, 2nd Floor, Marine Chambers, 43,)
New Marine Lines, Churchgate, Mumbai ,)
Maharashtra - 400020) Applicant Company.

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I

PROFORMA

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY SUMMONS FOR DIRECTION NO. OF 2015

Kumaker Industries Limited

... APPLICANT

VERSUS

... RESPONDENT/S

Office Notes : Office Memorandum of
Coram, Appearances, Court's Orders
Or Direction and Prothonotary's Orders.

Court's or Judge's
Orders

II

**Office Notes : Office Memorandum of
Coram, Appearances, Court's Orders
Or Direction and Prothonotary's Orders.**

**Court's or Judge's
Orders**

III

**Office Notes : Office Memorandum of
Coram, Appearances, Court's Orders
Or Direction and Prothonotary's Orders.**

**Court's or Judge's
Orders**

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IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. OF 2015.

In the matter of the Companies Act, 1 of 1956
and other relevant provisions of Companies
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In the matter of Sections 391 to 394 read
with Sections 100 to 105 of the Companies
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KUMAKA INDUSTRIES LIMITED and its
Equity Shareholders

KUMAKA INDUSTRIES LIMITED, a)
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Act, 1956, having its Registered Office at)
209, 2nd Floor, Marine Chambers, 43,)
New Marine Lines, Churchgate, Mumbai ,)
Maharashtra - 400020.) Applicant Company.

SUMMONS FOR DIRECTIONS

Summons for Directions to convene a meeting under Section 391 of the Companies Act,
1956.

LET ALL PARTIES CONCERNED ATTEND THE Honorable Judge taking company
matters in Chambers on _____ day of November, 2015 at 11.00 a.m. on the hearing of
the application of the Applicant Company above named for the following orders:

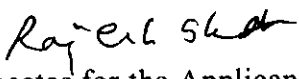
- a) That a meeting of the Equity Shareholders of KUMAKA INDUSTRIES
LIMITED, "the Applicant Company be convened and held at time and place as
directed by the Court, for the purpose of considering and if thought fit, approving,

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with or without modification, the Scheme of Arrangement Between KUMAKA INDUSTRIES LIMITED and its Shareholders and Creditors.

- b) That there are no Secured Creditors of the Applicant Company as stated in paragraph 12 of the Affidavit in support of Summons for Direction. Hence, the question of convening and holding the meeting of Secured Creditors does not arise.
- c) That the convening and holding of the meeting of the Unsecured Creditors of the Applicant Company to consider and approve the proposed Scheme of Arrangement Between KUMAKA INDUSTRIES LIMITED and its Shareholders and Creditors, be dispensed with in view of the averment made in paragraph 13 of the affidavit in support of the Summons for Direction.
- d) That in view of the averment made in paragraph 18 of the Affidavit of Mr. Pankaj Manilal Kadakia, the Director, the procedure prescribed under section 101(2) of the Companies Act, 1956, be dispensed with.
- e) That such further and other orders be passed as this Honourable Court deem fit and proper.

This Summons is taken out by)
M/S. RAJESH SHAH & CO., Advocates for)
the Applicant and will be supported by the)
Affidavit of Mr. Pankaj Kadakia, the Chairman)
Authorised Signatory of the Applicant Company)
duly affirmed on this ____ day of October, 2015)

FOR RAJESH SHAH & CO


Advocates for the Applicant

N.B.: This Summons for Direction is not intended to be served upon any party.

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

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and other relevant provisions of Companies Act,
2013;

AND

In the matter of Sections 391 to 394 read with
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and other relevant provisions of Companies Act,
2013;

AND

In the matter of Scheme of Arrangement Between
KUMAKA INDUSTRIES LIMITED and its Equity
Shareholders

KUMAKA INDUSTRIES LIMITED,

... Applicant Company.

SUMMONS FOR DIRECTION

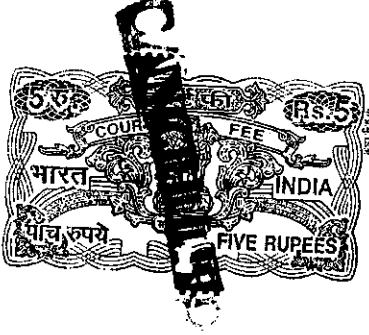
Dated this ____ day of October, 2015

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

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New Marine Lines, Churchgate, Mumbai ,)
Maharashtra - 400020.) Applicant Company.

AFFIDAVIT IN SUPPORT OF THE SUMMONS FOR DIRECTION

I, Mr. Pankaj M. Kadakia, Director of the Applicant Company, of Mumbai, Indian
Inhabitant, having my office at 209, 2nd Floor, Marine Chambers, 43, New Marine
Lines, Churchgate, Mumbai , Maharashtra – 400020 solemnly affirm and state as under:

- 1) I am the Director of the Applicant Company and am acquainted with the facts and
circumstances of the case and am competent to make this Affidavit on behalf of
the Applicant Company.

Handwritten signature

2) The Applicant Company was incorporated on 13th day of February, 1973 under the provisions of the Companies Act, 1956 under the name and style of 'ASHOK ORGANIC INDUSTRIES LIMITED'. The name was changed to 'KUMAKA INDUSTRIES LIMITED' on 6th day of May, 2011. Hereto annexed and marked as **Exhibit "A"** is the copy of the said Memorandum and Articles of Association of the Applicant Company.

3) The Registered Office of the Applicant Company is situated at 209, 2nd Floor, Marine Chambers, 43, New Marine Lines, Churchgate, Mumbai, Maharashtra – 400020.

4) **Objects of the Company**

The objects of the Applicant Company as set out in Clause III of the Memorandum of Association of the Applicant Company are *inter-alia* as under:

“(A) THE MAIN OBJECTS OF THE COMPANY TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:

- (i) To carry on the business of manufacturing, buying, selling, importing, exporting, distributing, processing exchange, converting, altering, or otherwise handling or dealing, in export of chemicals of any nature and kind whatsoever including organic and inorganic chemicals, synthetics, solvents, dyes and chemicals, drugs, pharmaceuticals, medicines and chemicals popularly known as laboratory or fine chemicals and by-products or substances and substitutes for all or any of them as the Company may deem necessary, expedient or practicable.
- (ii) To apply for, purchase or otherwise acquire and protect, prolong and renew, whether in India or elsewhere any patents, bravest, d'invention, licenses, concession, and the like conferring any exclusive or non-exclusive or right to use or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the Company or the acquisition of which may seem calculated directly indirectly to benefit the company.



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- 5) The Share Capital of the Applicant Company as on 31st March, 2015 is as under:

	<u>Rs.</u>
<u>Authorised</u>	
1,50,00,000 Equity Shares of Rs 10/- each	15,00,00,000
TOTAL	15,00,00,000
<u>Issued, Subscribed & Paid up</u>	
1,20,85,625 Equity Shares of Rs 1/- each fully paid up	12,08,56,250
TOTAL	12,08,56,250

As on date there has been no change in the Share Capital of the Applicant Company. Hereto annexed and marked as **Exhibit "B"** and **Exhibit "B-1"** is a copy of the latest Annual Report of the Applicant Company containing audited accounts for the year ended 31st March, 2015 and the Provisional Statement of Accounts as on 30th September, 2015 respectively.

- 6) The Applicant Company commenced its business upon incorporation on 13th February, 1973. It is presently engaged in the business of manufacturing, selling, and otherwise dealing in chemicals of any nature and kind whatsoever including organic and inorganic chemicals, synthetics, solvents, dyes and chemicals, drugs, pharmaceuticals, medicines and chemicals popularly known as laboratory or fine chemicals.
- 7) The reasons for Reduction in Capital is as follows:
- (i) Ashok Organic Industries Limited entered into Capital Market by Public Issue of 37,20,000 Equity Shares of Rs. 10/- each at a premium of Rs. 150/- per share vide Prospectus date 12th January, 1995, opened its issue

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on 16th February, 1995 and closed on 20th February, 1995 which was oversubscribed by 27,400 shares.

- (ii) The Board of Directors at their meeting held on 21st April, 1995, allotted 37,47,400 PARTLY PAID UP SHARES to the Public Shareholders, on having received aggregate amount of Rs. 93,68,500 @ Rs.40/- per share (Rs. 2.50 for Face Value and Rs. 37.50/- for Premium per share).
- (iii) However, allotment of 10,375 shares received from 406 Public Subscribers on their payment of full subscription monies of Rs. 16,60,000 @ Rs. 160/- per share was deferred due to technical issue as each of those 406 subscribers applied for less than 100 shares in the Public Issue which was against terms of the Issue.
- (iv) Due to poor and weak sentiments then prevailing in the Capital and Share Market, the Company did not receive timely response in payment of call money from the partly paid up shareholders, despite dispatch of Call Notice and reminders which was upsetting the schedule of development program of the Company.
- (v) At that point of time, the Board of Directors of the Company had only two alternatives.
- (a) To maintain the status quo of call monies yet to be received on partly paid up 24,13,000 Equity Shares remaining unpaid by non receipt of Allotment / First and Last Call Money Or
- (b) To forfeit the shares for non receipt of payment of allotment money till then.



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In view of continuing uncertainty of Capital Market, it was not clear how long the Status Quo, in respect of payment of (acceptance by the Company) allotment money to be maintained.

(vi) Since forfeiture of shares was neither Investor Friendly nor in the Interest of the Company, subject to the approval of the Shareholders, the Board of Directors at their Meeting held on 23rd November, 1998, considered a Draft Scheme of Arrangement proposed between the Company and its said Partly Paid up Equity Shareholders of the Company, which embodied following important features.

- Partly paid up Shares shall be made fully paid up by the Company, **without any further payment of call money** on pro rata basis.
- Price of shares shall remain the same as per the Price of shares as **approved by SEBI** vide its approval letter dated 12th January, 1995
- **Amount already received** as application / subscription money @ Rs. 40/- per share consisting of Rs. 2.50/- as against Face Value of Rs. 10/- each and Rs. 37.50/- as against Premium of Rs. 150/-), for subscription of Partly paid up Equity Shares of Rs.10/- each from those Partly Paid up Shareholders shall be **adjusted on pro-rata basis, to the fully paid shares** subscription monies, as shown in the table stated **hereunder.**

No. of Shares	Amount Payable @ Rs. 160/-	Money paid on Application	(3)/(2) Proporti	No. of Shares to be issued as
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Allotted (1)	per Share (2) Rs.	@ Rs. 40/- per Share. (3) Rs.	on. (4)	per scheme. (5)= (1)* (4)
100	16,000	4,000	0.25	25
200	32,000	8,000	0.25	50
300	48,000	12,000	0.25	75
400	64,000	16,000	0.25	100

And so on.....

(vii) Above decision of the Board of Directors of the Company, was based on the Expert's Legal Opinion given by Honourable Justice, Late Shri. Y. V. Chandrachud, the then retired Chief Justice of India in his opinion dated 3rd November, 1997 which stated that "such act of the Company would not tantamount to reduction of its Share Capital and therefore it would not attract Section 100 of the Companies Act, 1956."

(viii) Before implementation of aforesaid scheme, the Shareholders of the Company, at the 24th Annual General Meeting held on 14th August, 1997, approved the said arrangement, by way of passing Special Resolution . AND the Board of Directors, after taking decision at their Meeting held on 23rd November, 1998, implemented the proposal and without any further payment of Call / Allotment Money by such Partly paid up Equity Shareholders, they were reissued and re-allotted as Fully Paid Shares, on pro rata basis, in the ratio of 25 Fully Paid up Shares for every 100 Partly Paid up Shares, as per the Scheme approved by the Shareholders, as aforesaid.

(ix) Accordingly, Shareholders holding 100 partly paid up shares, upon which Rs. 40/- (consisting of Rs. 2.50/- as against Face Value of Rs. 10/- each and Rs. 37.50/- as against Premium of Rs. 150/-) was paid,



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were given 25 Fully Paid up shares, without their payment of any money to the Company and thereby 24,13,000 Partly paid up Shares became 6,03,250 Fully Paid up Shares on re-issue and re-allotment, which caused reduction of capital of 18,09,750 Shares in the share capital of the Company.

(x) At their meeting held on 23rd November, 1998, the Board of Directors of the Company while implementing the scheme of Arrangement approved by the Shareholders at their Annual General Meeting held on 14th August, 1997 and ALSO issued and allotted captioned 10,375 shares to those Public Subscribers, from whom the Company already received the full subscription monies @ Rs. 160 per share, during the time of Public issue in 1995, by adjusting unadjusted amount of subscription / allotment money of Rs. 16,60,000/- lying in the Books of Accounts of the Company, and thereby accommodated them and gave effect in to its Capital Accounts in its Books of Accounts for all the preceding years and the same appear in the Books of Accounts of the Company, as of the date.

(xi) On listing application made to the Bombay Stock Exchange, (now BSE Ltd.) declined its approval of listing and trading of the said shares, vide its letter No. List / DSS/99 dated 6th May, 1999.

However, the said BSE communication did not reach the Company, due to change of Registered office of the Company within the city of Mumbai.

(xii) Unaware about the decision declining of listing of 6,03,250 and 10,375 Fully paid up shares, by the Bombay Stock Exchange, the Company continued to recognize since then, following capital structure, in its Audited statements of Accounts, Annual returns and other documents and records of the Company and its submissions of quarterly, Half yearly and annual filing of returns and forms etc, to the MCA / Registrar of

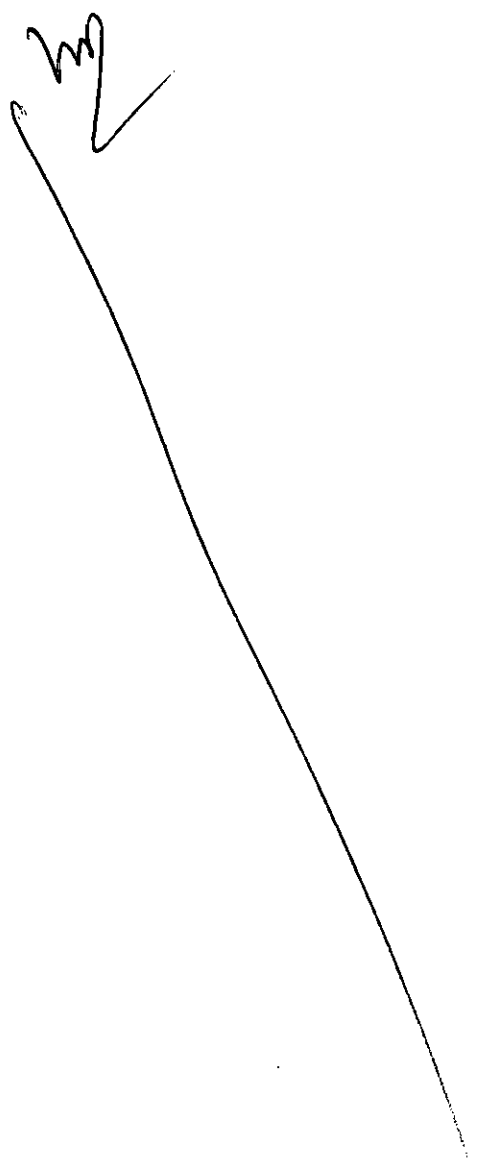


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Companies, BSE Ltd. (Stock Exchange) , SEBI and other Governmental authorities etc. since then, till the date AND In absence of any communications to the contrary or non-receipt of any objections from any of them, the Company presumed and believed that these authorities have confirmed to and accepted the Capital status of the Company shown hereunder.

Issued, subscribed and paid up Capital of the Company, since then

	<u>No. of Share</u>	<u>Capital in Rs.</u>
a. Original No. of Paid up Shares	1,01,37,600	10,13,76,000
b. Fully Paid up Shares-	13,34,400	1,33,44,000
c. Partly Paid up Shares converted into fully Paid up Shares.	6,03,250	60,32,500
d. Fully paid up shares allotted	10,375	10,37,500
-----	-----	-----
Total	1,20,85,625	12,08,56,250
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(xiii) In order to comply to the directives of the Bombay Stock Exchange for availing approval of High Court on Reduction of share Capital under Section 100 of the Companies Act, 1956 so as to continue to enlist its shares issued and allotted in Public Issue AND to rectify the bonafide error of not refunding the subscription monies to such 406 Public Subscribers who subscribed 10,375 fully paid up shares of the Company in the Public Issue, the Board of Directors of the Company, has decided to avail the requisite approval of High Court, Regulatory Authorities / entities such as SEBI, Stock Exchange and the Shareholders and Investors in terms of Section 66 of the Companies Act, 2013 (Section 100 of the Companies Act, 1956) with extinguishment of the liabilities.

- 8) Accordingly, the Board of Directors of the Applicant Company resolved on 10TH May, 2014, and 6th July, 2015 that subject to the directions and sanctions of the appropriate court as may be required under law and subject to such permission of the Central Government and other Authorities that be necessary, the Scheme of Arrangement Between KUMAKA INDUSTRIES LIMITED and its Equity Shareholders be made on the broad basis referred to in the Scheme of Arrangement a Copy whereof is annexed hereto and marked as **Exhibit 'C'**.
- 9) A certified copy of the Board Resolution passed by the Board of Directors of the Applicant Company is annexed hereto and marked as **Exhibit 'D'**; and **Exhibit 'E'** respectively.
- 10) The material provisions of the proposed Scheme of Arrangement are as under:
- (I.) Ratification of reduction of share capital of 18,09,750 Shares occurred by conversion of 24,13,000 Partly paid up shares to 6,03,250 Fully paid up shares.
- (II.) Reduction of share capital by cancellation and extinguishment of 10,375 fully paid up shares (0.08% of the Capital) allotted irregularly to 406



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shareholders on transfer of fully paid up shares 10,375 shares by the Promoters @ Rs. 0.05 paise, to restore rights of those shareholders.

(III.) Rearranging and renumbering the distinctive numbers of the Shares to match up with the Paid up share Capital, AND

(IV.) Issue and allotment of 21,04,865 fully paid up shares as BONUS SHARES to Non Promoter Public Shareholders, out of Free Reserve of the Company, to comply to the requirements of minimum Public shareholding in the Company as per clause 40A of the Listing Agreement.”

11) **Dispensation Of Equity Shareholders Meeting**

That a meeting of the Equity Shareholders of KUMAKA INDUSTRIES LIMITED, “the Applicant Company” be convened and held at place, date and time as may be directed and fix by the Court for the purpose of considering and if thought fit, approving, with or without modification, the Arrangement embodied in the Scheme of Arrangement Between KUMAKA INDUSTRIES LIMITED and its Equity Shareholders.

12) **Secured Creditors**

That there are no Secured Creditors of the Applicant Company. Hence, the question of convening and holding the meeting of Secured Creditors does not arise.

13) As on date, there are no Secured Creditors of the Applicant Company

14) **Dispensation Of Unsecured Creditors Meeting**

That a meeting of the Unsecured Creditors of KUMAKA INDUSTRIES LIMITED, “the Applicant Company” be convened and held at place, date and



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time as may be directed and fix by the Court for the purpose of considering and if thought fit, approving, with or without modification, the Arrangement embodied in the Scheme of Arrangement Between KUMAKA INDUSTRIES LIMITED and its Equity Shareholders.

15) **Reduction of Share Capital by Cancellation of 10,375 fully paid up Equity Shares of Rs. 10/- each that were issued to the Public Shareholders on 23rd November, 1998.**

- (i) On 23rd November, 1998, the Board issued and allotted 10,375 shares to 406 Public Subscribers from whom full subscription monies of Rs. 16,60,000 @ Rs. 160/- per share, were received during the Public Issue and at that time allotment of shares was deferred due to technical issue of their applying for shares less than 100 shares in the Public Issue which was against terms of the Issue and no money was refunded but kept in abeyance.
- (ii) The Bombay Stock Exchange, having declined the Listing approval thereon, the Company proposes to cancel the issue and allotment of said fully paid up shares and restore the rights as those shareholders, by transfer of shares of equivalent shares from Promoters who willingly agreed to do so at nominal price of Rs. 0.05 paise per share.
- (iii) **Pursuant to the clause 6 of Part IV Scheme of Arrangement the reduction of Share capital by Cancellation of 10,375 fully paid up Equity Shares of Rs. 10/- each . (Reduction by 0.08% of total Paid-Up Capital) as under:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution

"RESOLVED THAT pursuant to the Articles of Association of the Company, Section 100 to 104 and such other applicable provisions of the Companies Act, 1956 and Companies Act, 2013 and subject to the confirmation by the Hon'ble



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High Court of Judicature at Mumbai and subject to the sanctions and approvals of the appropriate authorities as may be required, and such other terms, conditions or modifications if any, as may be prescribed by such authorities while granting the such approvals, consents or permissions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as 'the Board' which expression shall be deemed to include any Committee of Directors constituted by the Board), **the issued, subscribed and paid up equity share capital of the Company be reduced from Rs.12,08,56,250/-** (Rupees Twelve Crores Eight Lacs Fifty Six Thousands Two Hundred Fifty Only), consisting of 1,20,85,625, (One Crore Twenty Lacs Eighty Five Thousand Six Hundred Twenty Five Only) Equity shares of Rs.10/-(Rupees Ten Only) each, fully paid up to Rs. 12,07,52,500/- (Rupees Twelve Crores Seven Lacs Fifty Two Thousands Five Hundred Only), consisting of 1,20,75,250 (One Crore Twenty Lacs Seventy Five Thousand Two Hundred Fifty Only), Equity shares of Rs. 10/- (Rupees Ten Only), each fully paid up and that such reduction be effected by cancelling and extinguishing 10,375 (Ten Thousand Three Hundred Seventy Five only), fully paid Equity Shares of Rs.10/- (Rupees Ten Only) each, bearing distinctive numbers from 14488251 to 14498625, held by Non Promoter Shareholders."

16) **Ratification of conversion of 24,13000 Partly Paid Up Shares into 6,03,250 Fully Paid Up Shares of Rs. 10/- each and thereby Reduction of Issued and Subscribed Equity Shares from 13885000 to 12085625.**

- (i) The Company implemented scheme of Arrangement as aforesaid with the approval of the Shareholders, making 24,13,000 partly paid up shares , 6,03,250 fully paid up shares, without any payment of call money from the partly paid up shareholders, instead of forfeiting the partly paid up shares so allotted, on non receipt of call money despite of call notice & repeated reminders, the share capital got reduced, thereby.



- (ii). Above decision of the Board of Directors of the Company, was based on the Expert's Legal Opinion given by Late Shri. Y. V. Chandrachud, the then retired Chief Justice of India in his opinion dated 3rd November, 1997 which stated that "such act of the Company would not tantamount to reduction of its Share Capital and therefore it would not attract Section 100 of the Companies Act, 1956."
- (iii) However, In order to comply to the directives of the Bombay Stock Exchange for availing approval of High Court on Reduction of share Capital under Section 100 of the Companies Act, 1956 so as to continue to enlist its shares issued and allotted in Public Issue, the Board of Directors of the Company, has decided to avail the requisite approval of High Court, Regulatory Authorities / entities such as SEBI, Stock Exchange and the Shareholders and Investors in terms of Section 66 of the Companies Act, 2013 (Section 100 of the Companies Act, 1956) with extinguishment of the liabilities.
- (iv) Pursuant to the clause 11 of Part VI Scheme of Arrangement following resolution is proposed for consideration as a Special Resolution.

To consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution

"RESOLVED THAT pursuant to Section 100 and such other applicable provisions of the Companies Act, 1956 or applicable provisions of the Companies Act, 2013 and the provisions of Articles of Association of the Company, subject to the sanctions and approvals of the appropriate authorities as may be required, subject to the confirmation by the Hon'ble High Court of Mumbai and subject to such terms, conditions or

modifications if any, as may be prescribed by such authorities while granting such approvals, consents or permissions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as 'the Board' which expression shall be deemed to include any Committee of Directors constituted by the Board), approval, sanction and consent of the Members of the Company, be and are hereby given for the ratification of the reduction of issued, and subscribed equity share capital of the Company from Rs. 13,88,50,000 (consisting of 1,38,85,000 equity shares of Rs. 10/- each fully paid up, to Rs. 12,08,56,250/- (consisting of 1,20,85,625 (consisting of issued, subscribed and paid-up equity shares of Rs. 10/- each fully paid up), on having effected by cancellation and extinguishment of 17,99,375 issued and subscribed equity shares which were held by Non Promoter Public Shareholders, without any payment of money."

"THAT upon approval of requisite approvals on ratification of such extinguishment of share capital made, the issued, subscribed and paid-up equity share capital of the Company shall stand reduced from 1,38,85,000 Shares to 1,20,85,625 Shares so extinguished, as stated in the Statement of Accounts of the Company."

- 17) (i) The proposed ratification of reduction of share capital of the Company from 1,38,85,000 shares to 1,20,75,250 shares, does not in any manner, alter or vary the rights of the creditors of the Applicant Company.
- (ii) The Scheme would not in any way adversely affect the ordinary operations of the Company nor its shareholders, nor shall it affect the ability of the Company to honour its commitment or pay its debts, if any, in the ordinary course of business.



(iii) The proposed ratification of reduction of share capital shall not cause any prejudice to the interest of the Creditors of the Company as the Creditors of the Company are in no way affected by the proposed ratification of reduction of the Share Capital as there will not be any reduction in the amount payable to any of the Creditors arising out of this reduction.

(iv). The proposed reduction of share capital pursuant to this Scheme shall be given effect as an integral part of the Scheme in accordance with the provisions of Sections 100 to 105 of the Companies Act and the order of the High Court sanctioning the Scheme shall be deemed to be also the order under Section 102 of the Companies Act for the purpose of confirming the ratification of reduction and said ratification of the reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital, and the provisions of Section 101 of the Companies Act will not be applicable.

(v) Further, the consent given to the Scheme by the shareholders and the creditors of the Company shall be deemed to be their consent under the provisions of Section 100 and all other applicable provisions of the Companies Act to such ratification of reduction of capital of the Company and the Company shall not be required to convene any separate meeting for that purpose.

18) Hence, it is prayed that the procedure under Section 101(2) of the Act, be dispensed. Further, I say that the Applicant Company shall place two Separate Special Resolutions as taken in paragraphs 15 and 16 for reduction of Share Capital for approval of the Equity Shareholders of the Applicant Company in the same meeting i. e. meeting for approval of the Scheme of Arrangement. The Order of the High Court sanctioning the Scheme shall be deemed to be an Order under Section 102 of the Act confirming the reduction.



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- 19) Transfer of 10375 Fully Paid Up Shares by Promoters to 406 Public Shareholders against cancellation of 10375 Fully Paid up Equity Shares held by them.

To consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution

"RESOLVED FURTHER THAT upon the reduction being confirmed by the Hon'ble High Court of Mumbai and the Registration of the Order and Minute of Reduction of Share Capital by the Registrar of Companies, Maharashtra, each of the 406 non promoter shareholders holding 10,375 (Ten Thousand Three Hundred Seventy Five), fully paid Equity Shares of Rs.10/- (Rupees Ten Only) each of the Company whose shares would be so cancelled and extinguished, shall be given the equal number of shares as per their respective holding, by way of Transfer by Mr. Pankaj Kadakia, the Promoter of the Company and / or his relative / s, at nominal consideration of Rs. 0.05 paise per share, and that an aggregate consideration of Rs. 518.75/- (Rupees Five Hundred and Eighteen and Seventy Five Paise), shall be reimbursed and bore by the Company.

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things as it may in its absolute discretion deem necessary or desirable and to settle any question, difficulty or doubt that may arise in regard to the subject-matter of the above resolution as it may in its absolute discretion deem fit and proper."

- 20) Renumbering of Distinctive Numbers of 1,20,75,250 Equity Shares of the Company.

(i) **Pre Public issue**, the shares, which were issued and allotted to the Promoters, the Company issued distinctive numbers of such shares in seriatim and serial in sequence matching with the issued and paid up capital of the Company.

Post Public Issue shares though the distinctive numbers of such shares are issued by the Company, in seriatim and serial in sequence, too, matching with the issued and paid up capital of the Company. over a



period of time, during the period March 1995 to November 1998, some partly paid up Shareholders paid the allotment / first call money to the Company whereas many of them did not. As a result, in the Register of Members of the Company, distinctive numbers of Fully Paid Up Shares nor the Partly paid up shares of the Company, were not appearing in a continuous lot of serial numbers, in sequence but were overlapping and not continuous.

- (ii) Further in order to facilitate easy make out and identify of shares, at the time of implementation of Scheme of Arrangement for issue of 6,03,625 fully paid up shares, (by way of adjusting the amount of their partly paid up subscriptions / application money already received, to the fully paid up Shares), in replacement of substitution of 24,13,000 partly paid up shares, the Board of Directors of the **Company has issued a separate series of distinctive nos. of 6,03,625 shares to 9847 shareholders**, bearing distinctive numbers from 14305026 to 14319075 and **canceling and in place of** earlier issued 24,13,000 Partly paid up Equity Shares, which was forming part of distinctive Nos. from 1,01,37,609 to 1,38,85,000, in the Register of Members of the Company . However, by this act, distinctive numbers in the Register of Members of the Company showed blank numbers of distinctive numbers therein , consequently.
- (iii) Same way, on issue and allotment of Fully paid up 10,375 Shares to 406 Public Shareholders, the Board of Directors has issued separate series of Distinctive Numbers starting from 14488251 to 14498625, so as to distinctively identify.
- (iv) As a consequence of these action, the issued, subscribed and paid up share capital of the Company is not matching with the aggregate distinctive numbers of shares so issued but it is showing higher number of distinctive nos. of shares than the numbers of shares shown as the issued, subscribed and paid up shares in the Capital structure of the balance sheets of the Company.

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- (v) The occurrence of this kind of mismatch in Capital Structure with the Register of members of the Company, is caused unintentionally, due to unusual circumstances and situation faced by the Company in adopting Investor Friendly gesture.

The Company intends to regularize the distinctive numbers of shares so issued, in order the same to be matched with the Share Capital being shown in the Balance Sheet of the Company and to facilitate the dematerialization of shares, it proposes to issue new share certificates bearing new distinctive numbers in respect of now all fully paid up shares issued and allotted by the Company, which would tally with the issued, subscribed and paid up shares of the Company.

- (vi) In the proposed exercise of issuance of new share certificates bearing new distinctive numbers for all the Fully Paid up Shares, all the old and earlier issued shares certificates in respect of partly and fully paid up shares, in the name of M/s. Ashok Organic Industries Limited, the earlier name of the Company, shall get automatically cancelled, untradeable and become without any legal force.

And instead its place, new share certificates shall be issued in the name of M/s. Kumaka Industries Limited, the new and current name of the Company, reflecting and representing new and revised distinctive numbers matching with the capital of the Company, and the said certificate shall stand valid, tradable and in force, for all the purpose of the shareholders of the Company.

- (vii) By the proposed action of regularization, no interest of the members or the stakeholders shall get prejudiced and hurt. On the contrary, it is expected that this action shall facilitate the members, Stock Exchange and the Company, in proper observance of the regulations.

Pursuant to the clause 8 of the Part VII of the Scheme of Arrangement the following Resolution is proposed for consideration as special Resolution:



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To consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution

“RESOLVED THAT pursuant to Section 45 and such other applicable provisions of the Companies Act, 2013 and the provisions of Articles of Association of the Company, subject to such sanctions and approvals as may be required and subject to the confirmation by the Hon’ble High Court of Mumbai and subject to such terms, conditions or modifications if any, as may be prescribed by such authorities while granting such approvals, consents or permissions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as ‘the Board’ which expression shall be deemed to include any Committee of Directors constituted by the Board), approval, sanction and consent of the Members of the Company, be and are hereby given to the Board of Directors to renumber the issued, subscribed and paid up share capital of the Company of 1,20,75,250 Equity Shares of Rs. 10/- each aggregating to Rs. 12,07,52,500 and issue new distinctive numbers correctly matching with the paid up Capital, in place of existing, and that the Board of Directors or any Committee thereof, be and is hereby authorised to issue new share certificates bearing correct distinctive nos. to the holders thereof, corresponding to their shareholding in the Company, in complete substitution, cancellation and replacement of the existing share certificates already issued by the Company and held by the Shareholders in compliance of Companies (Share Capital & Debenture) Rules, 2014 ”.

“THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as they may at their absolute discretion deem necessary or desirable for effective implementation of the resolution and to settle any questions, difficulties or doubts that may arise in this regard as they may in their absolute discretion deem fit.”

- 21) Issue And Allotment of Fully Paid Bonus Shares to Non Promoter Shareholders Only, out of the Free Reserve of the Company standing at its

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