

BEFORE THE APPELLATE AUTHORITY FOR INDUSTRIAL AND
FINANCIAL RECONSTRUCTION.

APPEAL NO. 44 OF 1993

M/SKMA LTD.

VS.

KAMANI EMPLOYEES UNION AND OTHERS

I, D. Thankappan, the Director of M/s ^{KMA} ~~Kamani~~ Ltd.,
having my office at Kamani Chambers, ~~Ballard~~ ^{Ballard} estate, Bombay presently at New Delhi do hereby solemnly
affirm and state as follows :

1. I am filing this affidavit to bring to the notice
of this Hon'ble Authority the facts which have
transpired after the hearing on the last occasion i.e. on
25th June, 93.

I say that I have already filed an affidavit dated 24th
June 1993 by which I brought to the notice of this
Hon'ble Authority after the filing of the present appeal.
I crave leave to refer to and rely upon the said
affidavit as and when produced.

2. I say that in accordance with the order passed by
the BIFR on 16.4.93 which is impugned in this appeal, the
share holding of M/s KMA Ltd. stood transferred to the
Society, M/s K.M.A. Ltd. Employees' Industrial
Cooperative Society, hereinafter referred to as the said



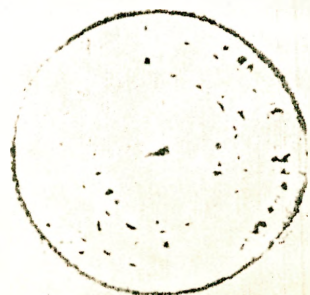
Cooperative Society, on the same day, i.e. the date on which the scheme sanctioned by BIFR came into effect.

I say that the said Society was required to pay the amount for the shares transferred to the share holders.

I say that the said Society wrote to the shareholders to forward their share certificates to the said Society and in the meantime, deposit with the Bank of Baroda, the Bail Bazar, Kuria, Bombay, Rs.16.86 lakhs in an escrow account towards the transfer of shares.

3. I say that the notices sent to the shareholders to forward the share certificates to the present management of KMA Ltd. are marked and annexed hereto in Exhibit A. I say that in accordance with the said sanctioned scheme of BIFR a meeting was held on 22.6.93 and the Board of M/s KMA Ltd. was reconstituted. As a result, the then previous members of the Board were removed and a totally new Board, as indicated in the Sanctioned Scheme of BIFR was appointed.

4. I further say that in accordance with the sanction scheme of BIFR, a public notice was issued to the public at large not to deal with the previous management, as they have been removed. The said notice appeared in the Indian Express dated 24th, June 1993, a copy of which is annexed hereto and marked Exhibit-B



5. I further say that in accordance with the sanction scheme, the new management took steps to take over the assets and properties etc. of M/s KMA Ltd. Accordingly, notices were issued to the previous management that the possession of the assets and properties etc. of M/SKMA Ltd. would be taken by the new management in the Kuria Factory on 12.7.93., Bangalore factory on 19.7.93. and New Delhi premises on 22.7.93.

6. I say that in the meantime the appellant herein i.e. Mr. Ashish Kamani, filed a writ petition in the Bombay High Court, being writ petition No.1286 of 1993, Inter alia for orders that the affidavits filed by the Union and the Society in this appeal as well as the notice to shareholders as appeared in the Indian Express dated 24.6.93, be directed to be withdrawn as also for orders to stay the take over of assets and properties of M/s KMA Ltd. by the new management. In the said writ petition the Petitioners falsely alleged that they could not obtain orders on an application filed by them, as one of the Hon'ble members of this Bench Shri Shankar Narayan was on leave. The advocate for the union pointed out to the High Court that this statement was patently false and the matter was heard at great length on the 25th of June and that the said member was not on leave. No application was moved on the 25th June.

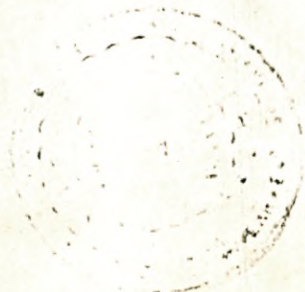


7. I say that the said petition came up on 7.7.93 when the said Society filed a detailed affidavit pointing out what had transpired including the fact that the assets and properties of M/s KMA Ltd. were in the process of being taken over. The learned Counsel for Mr. Ashish Kamani asked for stay of action by the Society pursuant to the notices issued to the old management. On that day on the application of the appellant herein, M/s Ashish Kamani, the matter was adjourned to 19.7.93. However, though applied for, no stay restraining the new management from taking over the assets of M/SKMA Ltd. was given to the petitioners therein, the appellant herein. B

8. In the circumstances, after due notice to the old management, the assets and properties etc. of M/SKMA Ltd. were taken over in Bombay at Kurla premises on 12.7.93, at the Bangalore factory on 19.7.93 and Delhi on 22.7.93. by the new management. B

9. Thereafter, further notices dated 15.7.93. were also issued to the old management for the taking over of assets and properties etc. at the Kalina Godown Bombay of M/s KMA Ltd., head office at Kamani Chambers, Ballard Estate as well as the Delhi premises on 17.7.93. and on 22.7.93. , respectively.

10. As mentioned above, the writ petition in the Bombay High Court was adjourned to 19.7.93. on the request of the



said Ashish Kamani to enable them to make such applications as they wish to this Hon'ble Authority. No application was however moved. On that day, the respondents therein also filed a further affidavit, a copy of which is annexed hereto and marked as Exhibit C bringing to the notice of this Hon'ble Court the facts which had transpired, namely, taking over of the assets and properties by the new management at Bombay and at Bangalore. The Respondents therein also produced a copy of the order of this Hon'ble authority passed on 25.6.93. The said writ petition was taken up on 19.7.93 when after perusing the affidavits filed by the petition was allowed to be withdrawn. An ordinary copy of the order passed in the said writ petition is annexed as Exhibit D

11. I further say that the assets and properties of M/s KMA Ltd at Kurla and Ballard estste, Bombay, Bangalore as well as new Delhi have been taken over and are in the possession of the new management, which has been constituted under the orders of BIFR, impugned in this appeal. The process of starting of the operations of the company at Kurla in Bombay and at Bangalore have already started. The operations will be started as soon as the plant and machinery are made reconditioned.

12. A Bank account has been opened pursuant to the decision of the Board at its meeting held on 29.6.93. A



copy of which is annexed as Exhibit E. .

13. I say that a Board meeting took place in Bombay on 24.7.93. in which the Managing Director of the company was appointed. The board also took note of action taken for take over of the Company. Hereto annexed and marked Exhibit F is a copy of the minutes of the said meeting.

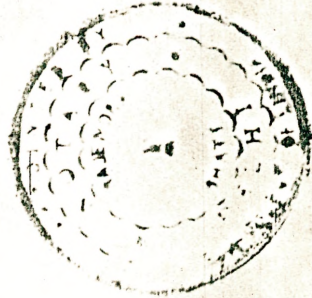
Solemnly affirmed at New Delhi
on this 26th day of July, 1993.

Shankar Prasad
Deponent.

ATTESTED
Shankar Prasad
NOTARY, DELHI

Identified by me,

Aparna Bhat
[APARNA BHAT]
Advocate.



TO THE PETITION

EXHIBIT -B-2

KMA LIMITED

23ed June, 1993

To,

The General Manager
Standard Chartered Bank
India Credit Control, BOX 1806,
4th Floor, New Excelsier Bldg,
A.K. Naik Marg,
Bombay 400 001.

Sir,

This is to inform you that by an order of Board of Industrial and Financial Reconstruction (BIFR) Bench II, New Delhi dated 16th April 1993 in case No.53 of 1991, it has been inter alia directed that -

- (i) the Board of Directors of KMA Limited be reconstituted.
- (ii) the shareholding in KMA stands transferred to M/s. KMA limited Employees Industrial Cooperative Society Ltd. (hereafter the "said Society") for which the said society is required to offer a consideration of Rs.1/-per share and in the meanwhile keep the money deposited in a escro account with a nationalised Bank.
- (iii) the erstwhile management and the erstwhile Board of Directors hand over the assets and all properties of M/s KMA Limited to the new Board of Directors and new management.

2. This is to inform you that in accordance with the said order of the BIFR, by its meeting dated 22.6.1993,

ANA/BOARD/01/VNA/BIRR,/BY/ALL/MEETING/DATE/22/8/1997

the Board of M/s. KMA Limited was reconstituted such that all the erstwhile Directors, except the nominees of the BIRR had been replaced.

3. This is to further inform you that the shareholding of all the shareholders already stands transferred to M/s.KMA Limited Employees Industrial Cooperative Society Ltd. (hereinafter referred to as the "said Society"). The said society has made an offer to all the shareholders to deposit their share certificates with them and collect Rs.1/- for each share. In the meantime, the amount for transfer of shares has already been deposited by the said society in an escro account with the Bank of Baroda, Kurla (Bail Bazar) Branch, Bombay.

4. This is to further inform you that we have already called upon the members on the erstwhile Board of Directors and the erstwhile management to handover the assets, properties, of M/s.KMA LTD. that may have in their possession or under their control to us.

In the circumstances you are kindly ~~ifor~~ informed not to deal with the members of the erstwhile Board of Directors KMA LTD. or the members of the erstwhile management of M/s.KMA LTD. and not to allow them to operate any accounts of M/s.KMA Ltd.and/Or hand over any documents to them.

Thanking you,

Yours faithfully,
for KMA Limited.
.. Sd/-
(D.THANKAPPAN)
DIRECTOR.

CONTINUED : EXHIBIT " D " " " "
TO THE PETITION

EXHIBIT - B-3

K M A LIMITED

REGD. A.D.

23rd June 1993.

TO

Sri Ashish Kamani
Kamani House
2-D Peddar Road
Bombay 400 026.

Sir,

1. As you know by an order of the Board for Industrial & Financial reconstruction (BIFR), New Delhi Bench II dated 16.4.1993, in Case No. 53 of 1991, it has been inter alia directed that :-

(i) the Board of Directors of KMA Limited be reconstituted.

(ii) the shareholding of KMA stands transferred to M/s. KMA Limited Employees Industrial Co-operative Society Limited (hereafter the "said society") for which the said society is required to offer a consideration @ Re.1/- per share and in the mean time keep the money deposited in an escro account with a nationalised Bank.

(iii) the erstwhile management and the erstwhile Board of Directors hand over the assets and all properties of the M/s KMA Limited to the new Board of Directors and the new management.

2. This is to inform you that in accordance with the said order of the BIFR, by its meeting dated

22.6.1993 the Board of M/s. KMA Limited was reconstituted such that all the erstwhile Directors, except the nominee of the BIFR have been replaced. You are no longer on the Board of Directors and you cannot act in that capacity which please note.

3. This is to further inform you that the share holding of all the shareholders already stand transferred to M/s. KMA Limited Employees' Industrial Co-op. society Ltd. (herein referred to as the "said Society"). The said society has made an offer to all the shareholders to deposit their shares certificates with them and collect Re.1/- for each share. In the meantime, the amount for the transfer of shares has already been deposited by the said Society in an escro account with the bank of Baroda, Kurla (Bail Bazar) Branch, Bombay.

4. You are hereby further called upon in accordance with the said order of the BIFR, to hand over any assets, properties, documents etc. of M/s.KMA Limited that you may have in your possession or under your control. please note that this has to be done forthwith failing which we will take appropriate action as may be deemed necessary.

Thanking you,

Yours faithfully,
For KMA Limited

sd/-

(D. THANKAPPAN)

DIRECTOR

EXHIBIT B-4

K M & LIMITED

REGD. A.D.

23rd June 1993

To,

Shri P.B. Nayar
'JEEVANDHARA'
Ambedkar Road, Bandra,
Bombay 400 050-

Sir,

1. As you know by an order of the Board for Industrial Financial Reconstruction (BIFR), New Delhi Bench II dated 16.4.1993, in case No. 53 of 1991 it has been inter alia directed that :-

(i) the Board of Directors of KMA Limited be reconstituted.

(ii) the shareholding in KMA stands transferred to M/s.KMA Limited Employees Industrial Co-operative Society Limited (hereafter the "said Society") for which the said society is required to offer a consideration @ Re.1/- per share and in the meanwhile keep the money deposited in an escro account with a nationalised bank.

(iii) the erstwhile management and the erstwhile Board of Directors hand over the assets and all properties of M/s.KMA Limited to the new Board of Directors and the new management.

2. This is to inform you that in accordance with the said order of the BIFR, by its meeting dated 22.6.1993, the Board of M/s.KMA Limited was reconstituted such that all the erstwhile Directors, except the nominee of the BIFR

of the BIFR have been replaced. You are no longer on the Board of Directors and you cannot act in that capacity, which please note.

3. This is to further inform you that the share holding of all the shareholders already stand transferred to M/s KMA Limited Employees Industrial Cooperative Society Ltd. (herein referred to as the "said Society"). The said society has made an offer to all the shareholders to deposit their share certificates with them and collect Re.1/- for each share. In the meantime, the amount for the transfer of shares has already been deposited by the said society in an escrow account with the Bank of Baroda, Kurla (Ball Baazar) Branch, Bombay.

4. You are hereby further called upon in accordance with the said order of the BIFR, to hand over any assets, properties, documents etc. of M/s.KMA Limited that you may have in your possession or under your control. Please note that this has to be done forthwith failing which we will take appropriate action as may be deemed necessary.

Thanking you,

Yours faithfully,
For KMA Limited

sd/-

(D. THANKAPPAN)
DIRECTOR.

K M A LIMITED

REGD: A.D.

23rd June 1993.

To,

Shri R.S. Kantan
"Meenakshi"
Ambedkar Road, Dadar,
Bombay 400 014.

Sir,

1. AS you know by an order of the Board for Industrial Financial Reconstruction (BIFR), New Delhi Bench II dated 16.4.1993, in case No. 53 of 1991 it has been inter alia directed that :-

(i) the Board of Directors of KMA Limited be reconstituted.

(ii) the shareholding in KMA stands transferred to M/s.KMA Limited Employees Industrial Cooperative Society Ltd. (hereafter the "said society") for which the said society is required to offer a consideration @ Re.1/- per share and in the meanwhile keep the money deposited in an escro account with a nationalised bank.

(iii) the erstwhile management and the erstwhile Board of Directors hand over the assets and all properties of M/s. KMA Limited to the new Board of Directors and the new management.

2. This is to inform you that in accordance with the said order of the BIFR, by its meeting dated 22.6.1993, the Board of M/s.KMA Limited was reconstituted such that all the erstwhile Directors, except the nominee of the BIFR have been replaced. You are no longer on

the Board of Directors and you cannot act in that capacity, which please note.

3. This is to further inform you that the share holding of all the shareholders already stand transferred to M/s.KMA Limited Employees Industrial Cooperative Society Ltd. (herein referred to as the "said society"). The said Society has made an offer to all the shareholders to deposit their share certificates with them and collect Re.1/- per share. In the meantime, the amount for the transfer of shares has already been deposited by the said society in an escrow account with the Bank of Baroda, Kurla (Bail Bazar) Branch, Bombay.

4. you are hereby further called upon, in accordance with the said order of the BIFR, to hand over any assets, properties documents etc. of M/s. KMA Limited that you may have in your possession or under your control. please note that this has to be done, forthwith failing which we will take appropriate action as may be deemed necessary.

Thanking you,

Yours faithfully,
For KMA Limited

sd/-

(D. THANKAPPAN)

DIRECTOR.

public notice as appeared in the "Indian Express" Bombay, dated 24th June 1993:-

45/KMA

KMA LIMITED (FORMERLY KNOWN AS KAMANI METALS AND ALLOYS LIMITED)

PUBLIC NOTICE

NOTICE IS HEREBY GIVEN to all shareholders of KMA Limited (formerly known as Kamani Metals and Alloys Limited) that pursuant to the order of the Board of Industrial and Financial Reconstruction (BIFR) New Delhi, Bench-II dated 16th April 1993 in case No. 53 of 1991, the Board of Directors of KMA Limited has been reconstituted in accordance with the said order of the BIFR and the erstwhile Board of Directors and the Management has been replaced by a new Board of Directors and a new Management in accordance with the said order AND FURTHER that the shareholding of KMA Limited stand transferred to KMA Limited Employees' Industrial Co-operative Society Limited in accordance with the said order of the BIFR and accordingly all the erstwhile shareholders are hereby called upon to deposit their share certificates with the said KMA Limited Employees' Industrial Co-operative Society Limited at their office at Kamani Compound, L.B. Shastri Marg, Bombay 400070 for which they are offered, in accordance with the said order of the BIFR, consideration at the rate of Re.1/- for each share, which amount has already been

deposited by the KMA Limited Employees' Industrial Co-operative Society Limited in an escrow account with the Bank of Baroda Kurla (Bail Bazar) Branch, for the erstwhile shareholders AND NOTICE IS HEREBY FURTHER GIVEN to all shareholders and all members of the public that the erstwhile Board of Directors and the Management have no power to deal with and act on behalf of the Board of Directors or of the management of KMA Limited and if any member of the public or shareholder does deal with the erstwhile management or Board of Directors of KMA Limited they shall be doing so at their own risk.

ANAND GROVER

Advocate

4th Floor, Jalaram Jyot,
63, Janmabhoomi Marg, Fort,
Bombay 400 001.

For and on behalf of KMA Limited.

C:KAMANI-1-K
IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

AND

IN ITS JURISDICTION UNDER ARTICLE 226 OF THE
CONSTITUTION OF INDIA

WRIT PETITION NO. 1286 OF 1993

KMA LIMITED & ANOTHER PETITIONERS

VERSUS

UNION OF INDIA & OTHERS RESPONDENTS

I, D. THANKAPPAN, Director of K.M.A. Limited having his office at L.B. Shastri Marg, Kurla, Bombay 400 070, do hereby solemnly affirm and state as follows:

1. I say that I want to put on record certain facts that have transpired after the matter came up before this Hon'ble Court on 7th July, 1993. I say that as mentioned in the affidavit in reply to the petition, opposing admission and grant of interim relief, pursuant to various notices and pursuant to the order of the BIFR the scheme sanctioned by BIFR came into effect immediately i.e. 16th April, 1993 and the shareholdings of KMA Limited stood transferred to the Respondent No.4 Society. Further, I say that in terms of the order dated 16.4.1993 the Board of Directors of KMA Limited was reconstituted as a result of which the Petitioner No.2 is no longer a member of the Board of Directors.

2. Thereafter, pursuant to the notices dated 30th June, 1993, a copy of which is annexed, hereto and marked as Exhibit "A", the taking over of the assets of, KMG Limited from the erstwhile management by the present management, arrangements were made to have that done by 12th July, 1993. On that day despite the notice none of the representatives of the Petitioner No.2 remained present. Accordingly possession of the assets, stocks, goods, plant and machinery etc. was taken over by the new management. An inventory was also done and the stock taking was started and continued hereafter.

3. I say that a further notice was given by the present management through their Advocate by his letter dated 15th July, 1993. The Petitioner No.2 was informed that in the ordinary course machinery, records, books etc. lying at the godown of KMG Limited at Kalina as well as at the head office at Faneau Chambers would be taken possession of on 17th July, 1993. I say that accordingly steps have been taken for the same to be done both in Bombay at the head office at Kamani Chambers, Ballard Estate as well as Kalina godown, Works and Office at Bangalore on 19th July, 1993 and the Delhi on 22nd July, 1993.

Solemnly affirmed at Bombay)

this aforesaid this 15th day
of July, 1993

Yvonne Farrello
Advocate

Before me:
M. H. ...
15/7/93

15/7/93

EXHIBIT A

1782
15/7

AG/27/735/93

5016, June, 1993

To,

Shri. J. H. Kamata,
Kamata House,
3-D, Dodder Road,
Bombay 400 016.

Sir,

On behalf of my clients M/s. EMI Limited, I am instructed to write to you as follows:-

1. You have been informed by my clients' letter dated 23rd June, 1993, that pursuant to the order of the BIFR dated 16th April, 1993, the Board of M/s. EMI Limited has been constituted and you are no longer on the Board of Directors and the share holding stands transferred to M/s. EMI Limited Employees Industrial Co-operative Society Limited (hereinafter the said Society).

2. By my clients' letter dated 23rd June, 1993, you have also been called upon to hand over the assets, properties, documents etc. of M/s. EMI Limited that you may have in your possession or under your control.

3. My clients want to further inform you that in order to effect an orderly take over of the assets of M/s. EMI Limited from you to my clients, my clients have appointed 2 auditors who will on the dates mentioned herein take a complete inventory of all the assets both

IN THE HIGH COURT OF JUDICATURE
AT BOMBAY

IN ITS ORDINARY ORIGINAL CIVIL
JURISDICTION

AND

IN THE JURISDICTION UNDER ARTICLE
226 OF THE CONSTITUTION OF INDIA

WRIT PETITION NO. 1286 OF 1993

EMG LIMITED & ANR. PETITIONERS

VERSUS

UNIT OF INDIA & ORS. RESPONDENTS

OFFICER OF D. THAKREYAN

Dated this 15th day of July, 1993

MESSRS. HALWASIA & CO.
Advocates
Alfa Apartments,
B Road
Churchgate
Bombay 400 020

In the High Court of Judicature at Bombay.

In its ordinary original Civil Jurisdiction.

And in its Jurisdiction under Article 226 of the Constitution of India.

K(M)A) Ltd and another.....Petitioners

VERSUS.

Union of India & others.

Date 19 July 1993.

P.C. Mr Justice Pendse and Mr Justice A.P. Shah.

Allowed to be withdrawn on the application of Mr Parekh, Counsel for the Petitioners.

After perusal of the return it was realised that there was no case for the petitioners.

MINUTES OF THE THIRD MEETING OF THE BOARD OF DIRECTORS OF KMA LTD. HELD ON TUESDAY, THE 29TH JUNE, 1993 AT 11.00 A.M. AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT KAMANI CHAMBERS, 32 RAMJI BHAI KAMANI MARG, BALLARD ESTATE, BOMBAY - 400 038

Following Directors were present :

- 1 SHRI J C MARWAHA
- 2 SHRI N S KHANNA
- 3 SHRI S H PATIL
- 4 SHRI B K GHOSE
- 5 SHRI D THANKAPPAN
- 6 SHRI H C LALLA
- 7 SHRI P R SHINDE
- 8 SHRI R S BHANDARI
- 9 SHRI S L JOSHI
- 10 SHRI R R KINGER

IN ATTENDANCE :

- 1 SHRI R V IYER
- 2 SHRI V N DEODHAR

CHAIRMAN:

Shri J C Marwaha presided over the Meeting.

3.1 LEAVE OF ABSENCE:

All the Directors were present.

3.2 TO CONFIRM MINUTES OF SECOND BOARD MEETING:

Minutes of the previous Board Meeting held on 22nd June, 1993 at 2.00 P.M. were read at the meeting and the same were ratified, approved and confirmed by the Board and were signed by the Chairman.

3.3 REVIEW OF PROCEEDINGS OF AAIFR ON 25TH JUNE, 1993:

Shri Thankappan gave details to the Board regarding the proceedings of AAIFR on 25th June, 1993. He stated that the AAIFR has given further period of three weeks to the appellant to deposit Rs.3 Crores and give their Scheme for revival of the unit thereafter before the next hearing fixed for 27th July, 1993. It was also informed that AAIFR has confirmed that they have not stayed the implementation of the sanctioned scheme in their Order of 7th May, 1993 and no stay has been given during the hearing on 25th June, 1993 on the implementation of the scheme. The members sought certain clarifications which were satisfactorily clarified by Shri Thankappan

3.4 IMPLEMENTATION OF BIFR SCHEME:

The Board was informed that pursuant to the directions given at the first meeting following actions have been taken by the Company/Workers Co-operative:

- (1) Letters have been sent to Mr. Ashish Kamani, Mr. P.B. Nair and Mr. R.S.Kantan, erstwhile Directors of the Company.
- (2) Advertisement has been released in the newspaper regarding transfer of Shares and transfer of funds to escrow account.
- (3) Opening of Escrow Account with Bail Bazar branch of Bank of Baroda and deposit of Rs.16.86 Lakhs towards share consideration as per the Scheme.
- (4) Letters sent to all the Bankers of the Company and to Postal Authorities on the take over of the Management by the re-constituted Board.

The Board decided that steps will have to be taken quickly to obtain orderly possession of assets and books and records of the Company from the erstwhile Management so that action can be initiated for restart of the operation at the earliest in the interest of quick revival of the Company as envisaged in the Scheme. It was therefore decided to write a letter to erstwhile Management informing them about the day, date and time when they shall remain present both at Bombay & Bangalore Units to enable the present Management to take over the assets in the orderly manner. It was further decided to fix up the date of 12th July, 1993 for the Bombay Unit and 19th July, 1993 for Bangalore Unit.

3.5 ANY OTHER MATTER:

(a) APPOINTMENT OF AUDITORS FOR BOMBAY AND BANGALORE FOR TAKEOVER OF ASSETS

The Board decided to appoint two separate auditors to help the Management for orderly take over of assets of the Company for both the Units and for taking inventory. After discussion the following resolution was passed unanimously:

"RESOLVED THAT M/s. N.M.Raiji & Co.
and M/S. ~~of~~ Chartered Accountants, ~~of~~ Bombay & Bangalore
respectively be and are hereby appointed as
auditors to take complete inventory of all the
assets of the Company at Kurla, Bombay and
Bangalore respectively, on a remuneration to
be mutually decided by the auditors and the
Management of the Company."

(b) APPOINTMENT OF MANAGING DIRECTOR

The Board discussed in detail the need to appoint a Managing Director and also the Management team for speedy revival of the Unit. After discussion it was -

"RESOLVED THAT a Committee of following four
Directors be and is hereby appointed for short-
listing the candidates for consideration of
the Board - .

- 1) Shri N.S. Phanna
- 2) Shri D. Thankappan
- 3) Shri S.H. Patil
- 4) Shri S.L. Joshi

The Board also requested the members to recommend suitable names to the Committee for its consideration.

(c) ARRANGEMENT OF FUNDS:

Shri Thankappan stated that for carrying out day-to-day affairs of the Company it needs certain funds. The Board discussed the matter and it was decided to request the Workers' Co-operative to transfer Rs.5 lakhs to the account opened in the name of the Company. The Board also decided to open a Bank Account in the name of the Company with Bank of Baroda, Bail Bazar, Kuria Branch. The following resolution was passed unanimously :

"RESOLVED THAT banking account in the name of the Company be opened with Bank of Baroda, Bail Bazar, Kuria Branch and the said Bank be instructed to honour the cheques signed by any two of the three Directors of the Company namely,

- 1) Shri D. Thankappan
- 2) Shri H.C. Lalla
- 3) Shri S.L. Joshi

and to act upon the instructions given by them."

"RESOLVED FURTHER THAT a copy of this Resolution be given to the bankers and they be requested to act on the same."

3.6 TO FIX DATE AND VENUE OF THE NEXT BOARD MEETING:

The Board decided to hold the next Board Meeting on 24th July, 1993 at 11.00 A.M.

TERMINATION:

There being no other business, the Meeting was terminated with a Vote of thanks to the Chair.

MINUTES OF THE FOURTH MEETING OF THE BOARD OF DIRECTORS OF KMA LIMITED HELD ON SATURDAY, THE 24TH JULY, 1993 AT 11.00 A.M. AT KURLA WORKS OF THE COMPANY AT L.B. SHASTRI MARG, KURLA, BOMBAY-70

Following Directors were presents:

- 1. SHRI J C MARWAHA
- 2. SHRI S H PATIL
- 3. SHRI D THANKAPPAN
- 4. SHRI H C LALLA
- 5. SHRI P R SHINDE
- 6. SHRI R S BHANDARI
- 7. SHRI S L JOSHI
- 8. SHRI R R KINGER

IN ATTENDANCE:

SHRI V N DEODHAR

CHAIRMAN

Shri J C Marwaha presided over the Meeting.

The Board noted the nomination of Shri C S Sangitrao and Shri V P Ravadi by Government of Maharashtra and Government of Karnataka respectively on the Board of the Company.

4.1 LEAVE OF ABSENCE:

The Board granted Leave of Absence to Shri N S Khanna, Shri B K Ghosh, Shri C S Sangitrao and Shri V P Ravadi.

4.2 TO CONFIRM THE MINUTES OF THIRD BOARD MEETING:

The Minutes of the third Board Meeting which were earlier circulated were taken as read and were ratified, approved and confirmed by the Board and were signed by the Chairman.

4.3 TO NOTE THE FILING OF WRIT PETITION BY KAMANIS IN BOMBAY HIGH COURT AND SUBSEQUENT DEVELOPMENTS:

A note was presented to the Board on this matter. Shri D Thankappan also gave details to the Board about the matter. The Board noted with satisfaction the remark of the Court that there is no case for the petitioners, made while allowing the petitioner to withdraw the petition.

4.4. TO NOTE THE ACTION TAKEN FOR TAKE-OVER OF THE ASSETS OF THE COMPANY BOTH IN BOMBAY AND BANGALORE:

A note presented to the Board was taken on record Shri D Thankappan also gave further details in the matter. He stated that the take-over of the plants at Bombay and Bangalore was smooth. Neither Mr. Ashish Kamani nor his representatives were present at both the places. However, the representatives of Banks and Auditors were present. The Inventory audit was carried out at both the places. He further stated that the take-over of Delhi Office premises was also peaceful and without any difficulty. The Board was also informed that the possession of Head Office at Ballard Estate was also taken over. In respect of Kalina Godown and other commercial residential premises either owned, taken on lease or on rent it was decided to find out details from the records of the Company and also to give a public notice by inserting an advertisement in leading newspapers cautioning the public that they shall not deal with erstwhile management and to contact the Managing Director being appointed by the re-constituted Board of the Company at Kurla Works office for matters related to such properties.

4.5 APPOINTMENT OF MANAGING DIRECTOR:

Shri D Thankappan stated that the sub-committee appointed for shortlisting the candidates for the post of Managing Director have finalised the name of Shri R R Kingar for consideration of the Board. Since the matter was in respect of his appointment Shri Kingar offered to retire from the Meeting during discussions on this item. The Board thereafter discussed the matter and the following resolution was passed unanimously:

"RESOLVED THAT subject to approval of members in General Meeting and the Central Government, if necessary the Board hereby appoints with immediate effect Shri R R Kingar as the Managing Director of the Company for a period of three years on the remuneration and other perquisites as follows:

Salary	:-	Rs. 12,000/- per month
House Rent Allowance	:-	Rs. 1,200/- per month
Car Allowance	:-	Reimbursement of actuals.
Driver's Salary	:-	Rs. 1,600/- per month
L T A	:-	Upto maximum of one month salary per annum.
Medical Reimbursement:-		Rs. 12,000/- per annum or Rs. 36,000/- in a block of three years.
Mediclaim Premium	:-	Upto Rs. 4,500/- per annum.
Residential Tel.	:-	Reimbursement of actuals.
P.F. & Gratuity	:-	AS per the Company Rules."

"RESOLVED FURTHER THAT the Board will review the terms of appointment after one year.

4.6 TO DISCUSS FURTHER ACTION ON IMPLEMENTATION OF BIFR SCHEME

The Board agreed that the start up of the operations have to be given the highest priority and necessary man-power be inducted for the same. Shri Kinger placed before the Board the requirement of funds for start up and maintaining of both the factories at Kurla, Bombay and Bangalore. The same was briefly discussed and directed that these expenses be kept within the limits prescribed in the approved scheme. It was decided that the Management will take all actions for getting the funds from IDBI, State Government, Banks and Workers Cooperative. Shri S H Patil pointed out that the Company will have to enter into an Agreement with IDBI for getting the funds. The following resolution was passed unanimously:

"RESOLVED THAT Shri R R Kinger the Managing Director of the Company be and is hereby authorised to negotiate and enter into an Agreement on behalf of the Company with IDBI, Banks or other financial institutions in terms of BIFR approved Scheme and to sign the same and to do all other acts, deeds, matters and things which may be required for finalisation of the same."

The Board thereafter directed the Managing Director to

- a) organise finance, b) take steps for starting up the factory
- c) determine market d) produce the right product for the market.

7 ANY OTHER MATTER:

a) The Managing Director sought the direction of the Board in respect of the material lying in the factory for conversion of the outside party. The Board discussed the matter in detail. It was decided that the Managing Director shall settle the issue in accordance with the commercial terms of the transaction in the best interest of the Company.

b) In respect of the claim of KMA International Ltd. on conversion material, it was decided that the claim shall be verified from the records of the Company determining the details of the physical receipt of the material and any co-related transactions of KMA International with KMA which might have taken place. The Managing Director shall report to the Board the details of the verifications made for decision.

c) DISCLOSURE OF INTEREST:

Shri V N Doodhar then placed before the meeting the General Notice of the disclosure of interest given by all the directors of the Company. The contents were read and noted and the following resolution was passed unanimously:

"RESOLVED THAT the General Notice of Disclosure of Directors Interest under the provisions of Section 299 of the Companies Act, 1956 given by all the Directors and placed before the meeting be and are hereby noted and confirmed."

The Board also noted the resignation of Shri J C Marwaha as Director of M/s. D H Woodhead Ltd.

d) MODIFICATION IN OFF-RATING INSTRUCTIONS TO THE BANK

~~The Board~~ In partial modification of the Board Resolution regarding authorised signatories for operating the Bank

Account with Bank of Baroda, Bail Bazar Branch. It was proposed that the name of Shri S L Joshi be substituted by the name of Shri R R Kingor the Managing Director of the Company. The following resolution was passed unanimously:

"RESOLVED THAT in partial modification of the earlier resolution passed on 29th June, 1993 the Bank Account with Bank of Baroda, Bail Bazar, Kurla Branch be and is hereby operated by any two of the following three Directors of the Company:

- 1) Shri D Thankarpan
- 2) Shri H C Lalla
- 3) Shri R R Kingor

"RESOLVED FURTHER THAT a copy of this resolution be given to the bankers and they be requested to act on the same."

4.8 TO FIX THE DATE AND VENUE OF THE NEXT BOARD MEETING:

It was decided to hold the next Board Meeting on 19th August, 1991 at the Kurla Works of the Company at 11.00 a.m.

TERMINATION:

The meeting concluded with a vote of thanks to the Chair.