



ESTD 1943

Maha Rashtra Apex

Corp. Ltd. Regd. office: Syndicate House, Manipal - 576 119.

Maha Rashtra Apex Corporation Ltd. is forwarding herewith a Scheme of Compromise and Arrangement (Revised) and other related papers as required by law and as ordered by the Hon'ble High Court of Karnataka.

The Scheme has been finalised in consultation with representatives of a wide cross-section of Depositors and Bondholders. A summary of the Scheme follows :

According to Clause 5.3 Deposits and Bonds along with interest upto the Appointed Date shall be paid in the following manner :

- A. 15% of the principal within 12 months from the Effective Date,
- B. 20% of the principal within 24 months,
- C. 25% of the principal within 36 months,
- D. 20% of the principal within 48 months, and
- E. The balance 20% and the interest within 60 months from the Effective Date.

Clause 5.5 provides for quarterly payments to the Depositors and Bondholders who have been receiving interest monthly/quarterly.

Clause 6 enables the Company to appoint a Hardship Committee.

The Scheme thus makes provision for refund of 100% of the principal along with interest upto the Appointed Date, for quarterly payments to those dependant on monthly/quarterly interest and for speedier payment in hardship cases.

Detailed information is available in the Booklet.

Shareholders/Depositors/Bondholders or their proxies are requested to make sure they bring with them the Attendance Slip.

ಮಹಾ ರಾಷ್ಟ್ರ ಅಪೆಕ್ಸ್ ಕಾರ್ಪೊರೇಶನ್ ಲಿಮಿಟೆಡ್

ಮಹಾ ರಾಷ್ಟ್ರ ಅಪೆಕ್ಸ್ ಕಾರ್ಪೊರೇಶನ್ ಲಿಮಿಟೆಡ್‌ನ ರಾಜ್ಯವ್ಯವಸ್ಥೆ ಮತ್ತು ಕಾನೂನು ರೀತ್ಯ ಹಾಗೂ ಉಚ್ಚ ನ್ಯಾಯಾಲಯದ ನಿರ್ದೇಶನದಂತೆ ರೂಪಿಸಲಾದ (ರಿವೈಸ್ಡ್) ಮತ್ತು ಸಂಬಂಧಪಟ್ಟ ಕಾಗದ ಪತ್ರಗಳ ಒಟ್ಟು ಸಾರಾಂಶ ಈ ರೀತಿ ಇದೆ.

ಈ ಯೋಜನೆಯನ್ನು ಅನುಭವಿಗಳ ಮತ್ತು ಹಲವು ಠೇವಣಿದಾರರ ಸಲಹೆ ಸೂಚನೆಗಳನ್ನು ಪಡೆದುಕೊಂಡು ರಚಿಸಲಾಗಿದೆ.

ಯೋಜನೆಯ ಕ್ರಮ ಸಂಖ್ಯೆ 5.3 ರಂತೆ ಠೇವಣಿ ಮತ್ತು ಬಾಂಡ್‌ಗಳನ್ನು ನ್ಯಾಯಾಲಯ ತೀರ್ಮಾನಿಸಿದ ನಿಗದಿತ ದಿನಾಂಕದವರೆಗಿನ ಬಡ್ಡಿ ಸಹಿತ ಪಾವತಿ ಮಾಡಲಾಗುವುದು.

- ಅಸಲಿನ 15% ಮೊತ್ತವನ್ನು 12 ತಿಂಗಳ ಒಳಗೆ ಮರುಪಾವತಿಸಲಾಗುವುದು.
- ಅಸಲಿನ 20% ಮೊತ್ತವನ್ನು 24 ತಿಂಗಳ ಒಳಗೆ
- ಅಸಲಿನ 25% ಮೊತ್ತವನ್ನು 36 ತಿಂಗಳ ಒಳಗೆ
- ಅಸಲಿನ 20% ಮೊತ್ತವನ್ನು 48 ತಿಂಗಳ ಒಳಗೆ
- ಹಾಗೂ ಉಳಿದ 20% ಅಸಲನ್ನು ಬಡ್ಡಿಯೊಂದಿಗೆ 60 ತಿಂಗಳ ಒಳಗೆ (ಉದ್ದೇಶಿತ ಮತ್ತು ನ್ಯಾಯಾಲಯದ ತೀರ್ಮಾನದಂತೆ) ಹಿಂತಿರುಗಿಸಲಾಗುವುದು.

ಕ್ರಮ ಸಂಖ್ಯೆ 5.5 ರಂತೆ ಮಾಸಿಕ/ತ್ರೈಮಾಸಿಕವಾಗಿ ಬಡ್ಡಿಯನ್ನು ಪಡೆಯುತ್ತಿರುವವರು ತ್ರೈಮಾಸಿಕವಾಗಿ ಮೊತ್ತವನ್ನು ಪಡೆಯಬಹುದಾಗಿದೆ.

ಕ್ರಮ ಸಂಖ್ಯೆ 6 ರಂತೆ ಕಂಪನಿಯು ಯೋಜನೆಯ ಮರುಪಾವತಿ ಕುರಿತಂತೆ ಹಾರ್ಡ್‌ಕಾಪಿ ಕಮಿಟಿಯನ್ನು ರಚಿಸ ಬಹುದಾಗಿದೆ.

ನ್ಯಾಯಾಲಯ ನಿರ್ದೇಶಿಸಿರುವ ದಿನಾಂಕದವರೆಗಿನ ಬಡ್ಡಿಯ ಜೊತೆಗೆ ಸಂಪೂರ್ಣ ಅಸಲಿನ ಮರುಪಾವತಿ, ಮಾಸಿಕ / ತ್ರೈಮಾಸಿಕವಾಗಿ ಬಡ್ಡಿಯನ್ನು ಅವಲಂಬಿಸಿರುವವರಿಗೆ ತ್ರೈಮಾಸಿಕವಾಗಿ ಮೊತ್ತದ ಮರುಪಾವತಿ ಮತ್ತು ಕಠಿಣ ಪರಿಸ್ಥಿತಿಯಲ್ಲಿರುವವರಿಗೆ ತ್ವರಿತ ಮರುಪಾವತಿಗಾಗಿ ಈ ಯೋಜನೆಯಲ್ಲಿ ಅವಕಾಶ ಮಾಡಿಕೊಡಲಾಗಿದೆ.

ಇನ್ನೂ ಹೆಚ್ಚಿನ ಮಾಹಿತಿಯನ್ನು ಒಳಪುಟಗಳಲ್ಲಿ ನೀಡಲಾಗಿದೆ.

ಹೂಡಿಕೆದಾರರು / ಠೇವಣಿದಾರರು ಅಥವಾ ಇವರು ನೇಮಿಸಿದ ಪ್ರಾಕ್ಟಿಗಳು ತಾವು
ಭಾಗವಹಿಸುವಾಗ 'ಹಾಜರಾತಿ ಪತ್ರ'ವನ್ನು ತರತಕ್ಕದ್ದು.

In the High Court of Karnataka at Bangalore
(Original Jurisdiction)
Company Application No. 1108 of 2002
In the matter of Companies Act, 1956 (1 of 1956), (the said Act)
AND
In the matter of Maha Rashtra Apex Corporation Limited
AND

In the matter of Scheme of Compromise and Arrangement (Revised) between
Maha Rashtra Apex Corporation Limited and its Creditors

Maha Rashtra Apex Corporation Limited
Syndicate House
Upendranagar
Manipal 576 119
Udupi District

Applicant

**Notice Convening Meetings of Equity Shareholders/ Preference Shareholders/
Bond Holders [Secured Creditors]/Deposit Holders [Unsecured Creditors]**

To

The Equity Shareholders/Preference Shareholders/Bond Holders [Secured Creditors]/Deposit holders [Unsecured Creditors] of the Applicant :

TAKE NOTICE that by an order dated 2nd January 2003 in the above Company Application, the Hon'ble High Court of Karnataka has directed separate meetings to be held of (i) Equity Shareholders; (ii) Preference Shareholders; (iii) Bond holders [Secured Creditors] and (iv) Deposit holders [Unsecured Creditors] of the Applicant Company for the purposes of considering and if thought fit, approving with or without modification, the Scheme of Compromise and Arrangement [Revised] proposed to be made between the company and its creditors.

TAKE FURTHER NOTICE that in pursuance of the said Order, and as directed therein, separate meetings will be held at Manipal Junior College premises, Manipal as under:

Meeting of	Day and Date	Time
Equity Share Holders	Friday, the 14 th February 2003	3.30 P M
Preference Share holders	Friday, the 14 th February 2003	4.30 P M
Secured Creditors	Saturday, the 15 th February 2003	10.30. A M
Unsecured Creditors	Saturday, the 15 th February 2003	3.00 P M

The said Equity shareholders, Preference shareholders, Bondholders [Secured Creditors] and Deposit holders [Unsecured Creditors] are requested to attend the meeting(s) at the respective time and place mentioned above.

TAKE FURTHER NOTICE that you may attend and vote at the said respective meetings in person or by proxy provided that a proxy in the prescribed form duly signed by you, is deposited at the Registered office of the Applicant Company at Manipal , not later than 48 hours before the respective meetings.

Dr. K.Sreenivasan, I.P.S. (Retd.), Former D.G. & I.G.P.Karnataka, and Advocate, failing him Mr R.B.Deshpande, Advocate, failing him Ms. Nalini Venkatesh, Advocate, have been appointed to be the Chairperson of the above meetings.

A copy of the said Scheme of Compromise and Arrangement (Revised) and of the statement as required under Section 393 of the Companies Act, 1956 and a form of the proxy are enclosed.

Place : Bangalore
Date: 14th January 2003

Dr.K.Sreenivasan
CHAIRMAN APPOINTED FOR THE MEETINGS

(NOTE: All alterations made in the form of proxy should be initialled)

In the Hon'ble High Court of Karnataka at Bangalore
(Original Jurisdiction)

Company Application No. 1108 of 2002

In the matter of Companies Act, 1956 (1 of 1956) (the said Act)

In the matter of Section 391 of the said Act

and

In the matter of Maha Rashtra Apex Corporation Limited

And

In the matter of the Scheme of Compromise and Arrangement [Revised] between
Maha Rashtra Apex Corporation Limited and its Creditors.

Maha Rashtra Apex Corporation Limited

Registered office:

Syndicate House

Upendranagar

Manipal 576 119

Udupi District

Applicant

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956

1. Pursuant to an order dated 2nd January 2003 passed by the Hon'ble High Court of Karnataka in the Company Application No 1108 of 2002, separate class meetings have been convened of the Equity Share holders, Preference Share holders, Bond holders [Secured Creditors] and the Deposit holders [Unsecured Creditors] of the Applicant Company, at Manipal Junior College, Manipal, for the purpose of considering and if thought fit, approving with or without modifications, the compromise and arrangement (revised) between the Applicant Company and its Creditors, as embodied in the said Scheme of Compromise and Arrangement [Revised], as detailed below:-

Meeting of	Day and Date	At Time
Equity Share Holders	Friday, the 14 th February 2003	3.30 P M
Preference Share holders	Friday, the 14 th February 2003	4.30 P M
Secured Creditors	Saturday, the 15 th February 2003	10.30 A M
Unsecured Creditors	Saturday, the 15 th February 2003	3.00 P M

2. A copy of the revised scheme, as approved by the Board of Directors of the Applicant Company at the Board Meeting held on 11th November, 2002, setting out in detail the terms and conditions on which the revised scheme is proposed, is enclosed.
3. For the sake of convenience, hereinafter, 'Maha Rashtra Apex Corporation Limited' is referred to as the "Company" or "the Applicant" and 'the Scheme of Compromise and Arrangement (Revised)' as recommended at the Board of Directors on 11th November 2002 is referred to as "the Revised Scheme" and the earlier "Scheme of Compromise and Arrangement" as approved at the Board of Directors on 15th April 2002 and on 22nd July 2002 is referred to as "the Scheme" or as "the earlier Scheme".
4. The company was incorporated on the 26th day of April, 1943 under the Indian Companies Act, 1913 as a public limited company under the name and style of Maharashtra Apex Bank Limited. The Company had obtained certificate of commencement of business on 5th May 1943. The name of the Company was changed to Maharashtra Apex Corporation Limited on 2nd September 1955. Subsequently, name was changed as Maha Rashtra Apex Corporation Limited on 22nd March 1996.
5. The registered office of the company is situated at Syndicate House, Upendranagar, Manipal, Udupi District 576 119, in the State of Karnataka.
6. The Authorised Capital of the Company is Rs.40,00,00,000/- (Rupees Forty Crores only) divided into 2,00,00,000 (Two Crores) Equity Shares of Rs.10/- (Rupees Ten Only) each and 2,00,00,000 (Two Crores) Redeemable Cumulative Preference Shares of Rs.10/- (Rupees Ten Only) each. The paid-up share capital of the Company as at the Appointed Date viz., 01/04/2001 stood at Rs.14,44,70,000/- divided into 1,41,50,100 equity Shares of Rs.10/- each fully called up as reduced by calls unpaid of Rs.3,93,000/- and 3,36,200 Nos. of 14% - redeemable cumulative preference shares of Rs.10/- each.
7. The Share holding pattern of the company is summarised as under:

Shares held by	No of equity shares held as on 31.03.2002	No of Preference shares held as on 31.03.2002
Promoters/Group Companies	89,77,335	
Other Bodies Corporate/ Banks	33,205	20,100
Individuals	51,39,560	3,16,100
Total	1,41,50,100	3,36,200

8. The terms of redemption of the 14% redeemable preference shares as at 31st March 2002 stood as follows:-

Date of Allotment	Share amount Rs. in lakhs	Date of Redemption	Date of Allotment	Share amount Rs. in lakhs	Date of Redemption
27.09.1997	2.36	27.09.2002	10.12.1998	0.76	10.12.2003
25.10.1997	0.30	25.10.2002	10.01.1999	0.75	10.01.2004
25.11.1997	0.55	25.11.2002	10.02.1999	0.15	10.02.2004
26.12.1997	0.10	26.12.2002	10.03.1999	0.45	10.03.2004
27.01.1998	0.55	27.01.2003	10.04.1999	1.20	10.04.2004
25.02.1998	1.16	25.02.2003	10.05.1999	1.25	10.05.2004
25.03.1998	1.14	25.03.2003	10.06.1999	3.40	10.06.2004
25.04.1998	0.27	25.04.2003	10.07.1999	1.46	10.07.2004
25.05.1998	0.55	25.05.2003	10.08.1999	2.50	10.08.2004
10.07.1998	0.61	10.07.2003	10.09.1999	1.99	10.09.2004
10.08.1998	5.45	10.08.2003	10.10.1999	0.50	10.10.2004
10.09.1998	4.35	10.09.2003	10.01.2000	0.45	10.01.2005
10.10.1998	0.80	10.10.2003	10.02.2000	0.25	10.02.2005
10.11.1998	0.32	10.11.2003	Total	33.62	

9. As on date the company had not paid the redemption amount on the due dates as mentioned above on the preference shares. In terms of section 80 of the Act, certain restrictions have been imposed to the effect that preference shares shall not be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of any fresh issue of shares made for the purpose of redemption. The Company is in the process of finalizing modalities for settling the redemption amount to preference shareholders.
10. The Company has a track record of over 50 years and has paid uninterrupted dividend since its inception in the year 1943; and had set up over 100 branches and supported by over 350 sub-offices, over the length and breadth of the country with wide network of agents, prior to 31/03/2002. However subsequent to the announcement of the scheme in April 2002, in order to minimize the administrative and other costs of establishment, the Company had closed certain branches, keeping in view the repayment commitments. All the manpower resources are being deployed for co-ordinating and expediting the recovery mechanism.
11. The equity shares of the Company are listed at National Stock Exchange, Mangalore, Bangalore, Pune and Mumbai Stock Exchanges and comprises of around twelve thousand public equity shareholders, besides the equity shares held by the promoters and their associates.
12. The main objects of the Company are set out in the Memorandum of Association and is inter alia, mainly engaged in Deposit mobilisation, Hire Purchase, Leasing, Bill Discounting, Demand Loans, and Money Changing business.
13. The company commenced its business inter alia, in money lending activities and had been carrying on the same, since obtaining the certificate of commencement of business, till its decision to discontinue the NBFC business during April 2002. The company undertook activities in the business of financier and in particular financing of industrial enterprises and hire purchase finance. The company is a Non Banking Financial [NBFC] classified as Hire Purchase and Equipment Leasing by Reserve Bank of India [RBI].
14. The company finalised its Balance Sheet and Profit & Loss Account for the year ended 31st March 2002, and the company had convened its annual general meeting which was held on 29.11.2002. The accumulated loss as at 31st March 2002, stood at Rs. 105.85 Crores. The comparative figures of the profit and loss account and the assets and liabilities of the Company for the last three years is as follows:

Particulars	(Rs Lakhs)		
	31/3/2000 (18months)	31/3/2001	31/3/2002
Income	12958	5696	2951
Interest Expenditure	8612	5262	8016
Administration Expenses	1525	1168	2754
Depreciation & Lease Equalisation	1399	926	753
Profit/(Loss) Before Tax	1422	(1660)	(8896)
Profit/(Loss) after tax	60	(1689)	(8896)
Paid up Share Capital	1621	1445	1445
Reserves & Surplus net of Accumulated Loss if any	1577	(128)	(9024)
Shareholders Funds	3198	3006	3006
Loan Funds	30452	29268	32233
Current Liabilities & Provisions	11927	12890	8627
TOTAL LIABILITIES	45577	45164	43866
Fixed Assets net of Depreciation	3474	2704	2160
Investments	5973	6168	5716
Current Assets	18836	13637	12079
Loans and Advances	17271	20948	13311
Misc Expenses not written off	23	19	15
Debit Balance in Profit and Loss Account	Nil	1688	10585
TOTAL ASSETS	45577	45164	43866

15. The Company is essentially engaged in the activity of financing of industrial enterprises, involving inherent risks of maturity mismatches in such type of business i.e., raising money from depositors which are repayable in the short term and the deployment of the same in loan assets which are recoverable in medium to long term and the liquidity of the business is maintained by the repayments, the acceptance/renewal of fresh deposits and profits made from the interest margin between the borrowing and lending rates.
16. For the activities of financing undertaken by the Company, the security is provided in the form of assets financed itself, and/or underlying instruments and consequently any delay or default in the recovery of the amount loaned with interest, seriously affects the business activities of the Company.
17. The fiscal reforms and the rapid changes in the monetary system necessitated structural adjustments and further even the economy in the country had moved from protected fixed interest regime to free interest rate mechanisms, subject however to the directions and instructions and overall policy frame work issued/given by the Reserve Bank of India.
18. The activities of NBFCs in the country was not under the control of any regulatory authority during the period when the Company commenced its operations during 1943, but however, regulations were brought in by amending the Reserve Bank of India Act, 1934, with effect from 01/02/1964.
19. Since the Company was fulfilling the parameters and prudential norms, the RBI gave entitlement to accept public deposit by fixing ceiling in rate of interest from time to time, subject to satisfying the capital adequacy ratio, prescribed in this regard, which was 8% during the year 1996. In view of this position, the Company could mobilise over Rs.100 crores deposits during the period April-December 1997 and deployed them in financial assets with utmost commercial prudence and probity.
20. However, with the introduction of the new regulation in January 1998 by the RBI, as an aftermath of the various scams in the capital market and in particular in the NBFCs' business activities, the Company all of a sudden had to face grave and unprecedented difficulties inter alia, on the following major aspects:-
 - a) the virtual ban on acceptance of fresh deposits seriously jeopardised the resource mobilisation by the Company;
 - b) the Company though had enjoyed sufficient capital adequacy ratio, in view of the rating norms introduced, the Company was suddenly and irrationally down graded during the said period 1998, in view of the said RBI Regulations imposed during 1998, thereby seriously affecting the resource mobilisation, particularly in the form of fixed deposits from the public;
 - c) Added to the above, the entire network of branches, sub-offices and other infra structure created for catering vast majority of deposit holders by resource mobilisation anticipated could not be utilised in full, thereby increasing the cost of overheads and servicing of the deposit holders.
 - d) The frequent changes brought about by the regulator i.e., RBI in conduct of NBFCs' business, though can be considered as a necessity from an over all point of view and as a measure of investor protection, still in the case of the Company, it had direct effect of affecting the condition of the assets and which in turn also further resulted in the Company being unable to access fresh finances, particularly in the form of Fixed deposits, from the public.
 - e) The situation in relation to mobilisation of resources and flow of funds was seriously affected on the one hand, and on the other hand recession in the industrial sector coupled with slow down of the economy and other factors, particularly in the transport industry, has very adversely affected the process of timely recovery of the loaned amount with interest.
 - f) The above problems got further compounded with the loaned assets which were standard and having good marketable title and value all of a sudden losing its values and utilities and thereby disturbing very radically the very nature of security, in terms of money value and further rendering them substandard.
 - g) The above aspects further got compounded by the fact that unlike in the case of Banks and banking companies, there was no legal protection or legal machinery provided like Debt Recovery Tribunal for taking immediate steps to initiate the recovery process for defaulting customers. The Company accordingly, for enforcing the legal rights had to resort to the normal civil remedies (including arbitration) which is time consuming and costly, since even the enforcement of arbitration awards, if any obtained, will have to be executed only by pursuing normal execution proceedings. This has further compounded even by not providing facilities such as attachment and sale of assets involved, which facility has been granted only to banks and financial institutions in terms of the recent The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Ordinance, 2002. Needless to mention, the Company has been making fervent and repeated pleas to the Government for considering this aspect and the Company is confident that in the near future the Central Government would include NBFCs also under the purview of the said Securitisation Act.
 - h) The above said major factors coupled with the general recession and slow down in economy had seriously affected the equilibrium and balance that has to be maintained in the financial fund flow of the Company, as they are inseparably and inextricably inter-linked. Further, in case of any delay or default in payment of the loan amounts in time, the Company is not in a position to enforce such recovery, within a reasonable period of time, which has had a cumulative effect of the cash/fund flow position being very severely affected.
21. In fact all the avenues for mobilising any additional resources to improve the fund flow, or the business activities of the Company has been severely jolted with the regulatory authority RBI imposing a specific condition that the Company can only renew deposits maturing upto 31st March 2002.
22. In spite of putting in all sincere and bonafide efforts, the accumulated losses had crossed beyond the net worth of the company, i.e., the aggregate of equity capital + reserves as at 31/03/2002, necessitating the Company to immediately to explore the viable alternative for meeting its financial commitments.
23. Be that as it may, the Financial Assets of the Company viz., claims on customers including amounts recoverable under lease/hire purchase/loan agreements, hundies /bills of exchange discounted etc., as at the Appointed Date and as at 31/03/2002, respectively stood as under :-

Rs. in Lakhs

Particulars	As at Appointed Date	As at 31/03/02
Hire purchase Assets (net of Security deposits)	5408	7041
Lease Assets (Gross)	4721	4282
Demand Loan	18468	10781
Bills Discounted	684	863
Total	29281	22967

The value of the Financial Assets has been computed by taking into account the interest due and payable upto the said date but does not include the overdue interest, liquidated damages and penalties, if any payable by the borrowers to the company.

24. The financial commitments on account of the amounts due to the Debenture/Bond Holders and the Deposit holders as well as the outstanding liabilities to Banks are summarised as under:-

Rs in Lakhs

Particulars	As at Appointed Date	As at 31/3/2002
Term Loan	370	300
Working Capital loans	680	668
Debentures (net of loans)	12659	19670
Accrued interest on Debenture	1766	3152
TOTAL	15475	23790

Unsecured Creditors having claims on the Company are as follows:-

Rs Lakhs

Particulars	As at Appointed Date	As at 31/03/2002
Fixed Deposits (net of loans)	14321	10351
Accrued Interest	5751	1722
Inter Corporate Deposits	603	512
Sundry Creditors for expenses	3265	1445
Unclaimed amounts	659	906
TOTAL	24599	14936

25. As on 1st April 2002, there was no default at all in servicing the depositors/ bondholders ; but it was then apprehended that due to the mismatch of assets recovery versus repayment commitment, the difference between the projected cash in flow and the projected pay out for the commitment of the Company on the existing terms, the company would be constrained to default in the repayment, which cause was the major factor for the Company to have considered rescheduling/ restructuring the debt outstanding.
26. In these circumstances, the Company analysed the various options including the option for seeking deferment for meeting the repayments of the debts of the secured and unsecured creditors and for making out a suitable programme of restructure and rearrangement with compromise of the interest element on or after the Appointed Date, of the outstanding debts.
27. The Board of Directors of the Company had undertaken a detailed study of the financial position of the Company and after taking into account all the pros and cons and in addition with a view to prevent any erosion of the asset base of the Company, had formed a bona fide and sincere opinion that the entire activity of the Company would require restructuring, particularly with regard to the repayment of debts outstanding to the secured and unsecured creditors of the Company.
28. While formulating a scheme for such restructuring, the Board of directors of the Company, also formed a further bonafide and sincere opinion that some of the subsidiary companies, wherein the Company has invested in the form of share capital, should also form a part of the arrangement and restructuring being proposed, so that the creditors are not deprived of any of their legitimate debts being repaid, subject however to the sacrifices and compromises as proposed in the earlier scheme. The Hon'ble High Court of Karnataka had directed the Company to convene separate class meetings of members and creditors to consider and approve the earlier scheme and the as a sequel the meeting was convened on the 14th June 2002.
29. In the meantime, the Reserve Bank of India vide its letter dated 13th May 2002 has prohibited the company from acceptance of deposits and directed the company not to sell, transfer, create charge, mortgage or deal in any manner with the company's property and assets without prior written permission of the Reserve Bank of India.
30. Further, in an hasty action, by an order dated 13th June 2002, the Reserve Bank of India had not only cancelled the Certificate of Registration issued to the company but also published an advertisement/public notice about the cancellation in newspaper which appeared on the date of the said class meetings convened. At the meeting of bondholders total pandemonium prevailed and resulted in cancellation of the meeting and the proceedings thereto. Be that as it may, the Company has preferred an appeal to the Central Government to set aside the said order of cancellation issued by RBI. During July 2002, RBI had appointed M/s Amit Ray & Company, Chartered Accountants, Bangalore as auditors to conduct a special audit of the accounts for the years ended March 2000, 2001 and 2002, by-virtue of the powers conferred under section 45 N read with 45 MA(3) of the Reserve bank of India Act 1934.
31. In view of the prevailing situation, lending activities had been stopped and as a sequel the NBFC activities pursued by the Company stood closed, save and except the recovery proceedings being vigorously pursued, from April 2002 onwards. As far as the survival of the Company is concerned, the Board of Directors have been focusing on generating adequate service income, by making use of

the infrastructure created which would also enable the further sustainability of the Company coupled with expediting the repayment of its debts.

32. Many of the creditors had suggested various factors for rescheduling the repayments. The representatives of Depositors and Bondholders also met the Company at periodical intervals and were demanding the Company to evolve an alternate scheme without in any way involving the subsidiary and associate company and also to accelerate the repayment periods, to be in line with the expected recovery inflows and a part of the debt/interest thereon be waived by the creditors.
33. It is in this scenario, the Company after due consultations with all concerned and after review, had formulated a modified scheme during July 2002. The Company had filed Application No 720 of 2002 in the Hon'ble High Court of Karnataka seeking necessary directions for convening class meetings of the members and creditors, by withdrawing the earlier scheme filed in April 2002. The Company has enough financial asset backing so as to pay back the deposits and bonds as per the scheme.
34. Before the matter could be taken up by the Court, the RBI had filed an application in the above referred company application No 720 of 2002 for winding up of the Company. No hearing of these applications took place till end of October 2002. Notwithstanding this, for the purpose of monitoring the activities of the Company and also for ensuring compliance with the statutory requirement as also to prevent the affairs of the Company from deteriorating further, RBI had appointed Shri Chandra Kantha Ayoor, ex- Superintendent of Police (Karnataka) as an observer, and the said Observer had taken charge from 5th September 2002.
35. In the meanwhile, based on representations received from various cross section of creditors and keeping in view the accelerated recovery mechanism deployed by the Company, a modified scheme was recommended to be substituted by a workable revised scheme for repayment of the debt within a period of 60 months. As a sequel, the revised scheme was formulated after discussions with a large cross section of representatives of depositors and bondholders and after carefully considering and accepting the implementable suggestions given by them. The Board of Directors of the Company at their meeting held on 11th November 2002 recommended the said revised scheme so as to essentially alter the repayment terms of the debts of the Company over a period of five years, having regard to the cash flows expected to be realised out of the assets of the company and with an objective that all investors would derive greater benefit than would result from a forced liquidation. The present revised scheme is in supercession of the earlier scheme of arrangement proposed by the Board of Directors of the Company during April 2002 as well as the modified scheme approved during July 2002.
36. The salient features of the revised scheme would inter alia, include the following major aspects:
 - The appointed date has been fixed as 01/04/2001
 - Waiver of interest on all outstanding debenture/ bonds/deposits for period commencing on and from the appointed date;
 - No interest shall accrue on the debts after the appointed date;
 - Bonds issued by the company and remaining unpaid as on 31/3/2002 and Deposits accepted/renewed by the Company and remaining unpaid as at 31/03/2002 shall be repaid their respective principal/face value amount together with interest if any upto the appointed date, as the case may be, in five annual installments, i.e., 15% of the debt in the first year and 20% in the second year, 25% in the third year and 20% each in the fourth and the fifth year.
 - Interest payable, if any on the outstanding debt as on the appointed date, shall be paid along with the final instalment payment of the debt;
 - Repayment of debt in 20 equal quarterly instalments, for those of the creditors who were receiving interest on the bonds/deposits at monthly/quarterly rests;
 - Appointment of a "Hardship Committee" for expediting the repayment of the debt in deserving cases and by specifying the powers of the said Hardship Committee;
 - The debt payable to deposit holders to be secured by the financial assets, receivables and claims and one of the trustees of the bond holders will act as trustee for the deposit holders also.
37. The revised Scheme proposed hereto envisages compromise of the interest by the creditors effective from the appointed date and also envisages an extended period of repayment based on recoveries. The scheme aims at providing efficient restructure of debts of the company, to its bondholders and deposit holders, by minimizing losses through co-ordinated efforts, focusing towards recovery of all outstanding loans/claims and consequently restructuring the repayment period with sacrifice of interest on and from the appointed date.
38. The Company had filed an application [CA No 1108 of 2002] in the Hon'ble High Court seeking direction of the court for convening the meetings of members and creditors of the company to consider and approve the revised scheme and the same was granted by the Hon'ble Court on the 2nd January 2003. Subsequently, the winding-up application filed by RBI in the said Company Application No.720/2002 has been withdrawn by RBI on the 3rd January 2003. However, certain creditors viz., Bondholders of Dharwad of Karnataka had filed a winding up petition in the High Court of Karnataka and the Company is filing its objection for the same. Besides the above, certain creditors had approached consumer forums and other courts and the same are pending at various stages. The Company is in the process of filing an application under section 391(6) of the Act seeking the directions of the Hon'ble Court for grant of appropriate stay of these proceedings till the sanction of the revised scheme.
39. The present revised scheme shall, on approval of the members and creditors of the Company, in the said Court convened meetings scheduled to be held on 14/02/2003 and 15/02/2003 respectively, will become effective and binding, subject to obtaining of sanction of the Hon'ble High Court of Karnataka, in terms of provisions of section 391 of the Companies Act 1956 and other applicable enactments. In the event, the revised scheme is not being acceptable by the class meetings, and/or the scheme fails to be implemented as provided therein, due to any reason whatsoever, the Company would not be in a position any further to meet its debts at the contracted terms.
40. The Directors of the Company shall be deemed to be interested to the extent of shareholding and/or holding of bonds/deposits in the Company, as detailed hereinbelow:-

Name	Position held	Equity shares held	Pref. Shares held	Value of Bonds held	Value of Deposits held
Mr Ramesh U Pai	Chairman	7085	Nil	Nil	Nil
Mr.G A Rego	Director	1600	Nil	Nil	Nil
Mr. Jamshed Pandey	Director	Nil	Nil	Nil	Nil

41. The Trustees to the Bond holders viz. The General Investment & Commercial Corporation Limited shall be deemed to be interested to the extent of the common directorship in the Company by Mr. G A Rego who is also one of the Directors of the Trustee Company. There is no common director in the other trustees of Debenture holders viz., Industrial and Technical Consultancy Organisation of Tamilnadu Limited
42. In order to give effect to the scheme as proposed, it has become necessary to convene separate class meetings of equity shareholders, preference shareholders, secured creditors and unsecured creditors to approve the proposed Scheme. Accordingly, the convening of separate class meeting(s) of the equity shareholders, preference shareholders, secured creditors and unsecured creditors of the Company, has been directed by the Hon'ble High Court, pursuant to the requirements stipulated in Section 391 of the Act.
43. Pursuant to the order dated 2nd January 2003 of the Hon'ble High Court, meetings of the equity shareholders, preference shareholders, secured creditors and unsecured creditors of the Company have been convened to seek the approval of the respective class meetings as required under Section 391 read with other applicable provisions of the Companies Act 1956. Accordingly the respective meetings as set out in the notice hereto or being convened.
44. The following documents will be open for inspection at the Registered Office of the Company, on any working day, till the date of the meeting between 11 AM and 1 PM
- 1) The Memorandum and Articles of Association of the Company
 - 2) Annual Report of the Company for the year ended 31st March 2002
 - 3) Statement of interest of the Directors of the company showing particulars of shares, debentures, bonds and deposits if any held by the Directors and/or their relatives
 - 4) Copy of the Company Application No 1108 of 2002 filed with the Hon'ble High Court of Karnataka and Certified Copy of the Order passed by the Hon'ble High Court of Karnataka, directing the convening of the respective class meetings
 - 5) Copy of the Revised Scheme of Compromise & Arrangement as submitted to the Hon'ble High Court of Karnataka
 - 6) Register of Members, Register of Debenture holders and list of Deposit holders of the Company
 - 7) Register of Directors' Share holdings.
45. This statement may also be treated as an Explanatory Statement under Section 173 as well as under Section 393 of the Companies Act 1956. A copy of the scheme and the statement may be obtained from the Registered office of the Company.

Bangalore
6th January 2003

Dr.K.Sreenivasan
Chairman Appointed for the Meetings

Registered Office:
Syndicate House
Uppendranagar,
Manipal 576 119
Udupi District

SCHEME OF COMPROMISE AND ARRANGEMENT (REVISED)

PREAMBLE:

This revised scheme of compromise and arrangement (scheme) is presented for a compromise and arrangement between **Maha Rashtra Apex Corporation Limited** (hereinafter referred to for the sake of convenience, as the Company) and its creditors [bondholders and deposit holders] by restructuring the terms and conditions of repayment of the debts due to them.

1. OBJECT OF THE SCHEME:

The scheme is primarily aimed to effect restructure of the company's debts by way of arrangement and compromise with the creditors holding bonds and deposits, with the objective of ensuring efficient realisation of the assets of the company and secure repayments to the said creditors of the company, with the expectation that all members/creditors shall derive greater benefits than would otherwise derive on forced cessation of company's business and consequent liquidation of the company's assets.

2. INTERPRETATION:

In the interpretation of scheme of compromise and arrangement, unless repugnant to the context or subject thereof, the respective words/phrases, shall have the meaning as provided for hereinafter:

- a. **Act** means The Companies Act 1956
- b. **Appointed Date** means 1st day of April 2001
- c. **Bonds** means bonds & includes debentures issued by the company.
- d. **Court** means the Hon'ble High Court of Karnataka at Bangalore
- e. **Company** means Maha Rashtra Apex Corporation Limited, a company having its registered office presently at Syndicate House, Uperdranagar, Manipal 576 119
- f. **Claim** means any right or claim in connection with any indebtedness, liability or obligation of any kind in existence as at the Appointed Date or arising thereafter and any interest (on deposits/bonds or other instruments) which may accrue thereon whether or not covered by judgement/decreed/arbitral award, direct, indirect, liquidated, unliquidated, fixed, absolute, contingent, matured, unmatured, choate, inchoate, disputed, undisputed, legal, beneficial, equitable, statutory, secured, unsecured, past, present, future, known, unknown, by or by way of or based in whole or in part upon guarantee, surety, contribution, indemnity, subrogation, trust, agency, contract, tort, restitution, quantum meruit, or otherwise including, without limitation any claims that have been accepted as proven claims or that would have been claims provable.
- g. **Effective date** means the date on which the order of the court sanctioning the scheme is filed with the Office of the Registrar of Companies, Karnataka.
- h. **Outstanding Bonds** means bonds issued by the company with maturity date on or after 1st April 2002 and remaining unpaid/outstanding as on 31/03/2002.
- i. **Outstanding Debts** means aggregate of outstanding bonds and outstanding deposits
- j. **Outstanding Deposits** means deposits accepted/renewed by the company with maturity date on or after 1st April 2002 and remaining unpaid/outstanding as on 31/03/2002.
- k. **Pending Sanction of the Scheme** means the period between the date of filing of the scheme by the company with the court and the date of obtaining sanction of the scheme from the court.
- l. **Scheme** means the scheme of compromise and arrangement (made pursuant to Section 391 of the Act read with other applicable provisions), as contained herein with such modifications or conditions, if any, that may be approved or directed by the court.
- m. **Secured Creditors** means all creditors (save and except the bankers to the company), including bond holders of the company whose debts are secured against the properties and assets of the company.
- n. **Unclaimed Deposits/Bonds** means deposits/bonds matured on or before 31st March 2002 and remaining unclaimed.
- o. **Unpaid Creditors** means those of the persons holding outstanding bonds and/or outstanding deposits in the company.
- p. **Unsecured Creditors** means all creditors of the company other than bankers to the company and the secured creditors of the company.

3. Operative Date/Coming into force:

The scheme set out herein or with any modification(s)/ amendments approved or imposed or directed by the court, upon its sanction, shall be deemed to be operative and deemed to have come into force from the appointed date, without any further action or deed of any nature whatsoever.

4. The Rationale for the scheme:

4.1 The present scheme is in supersession of the earlier schemes filed in the Court vide company application No 226 of 2002 and 720 of 2002. The Board of Directors of the company after taking into consideration the following have formulated this revised scheme with the bonafide and sincere intention of repayment of the entire deposit/bond amount to the respective creditors in cash:

- i. the suggestions made by creditors and members to draw up a revised scheme without involving the subsidiary companies;
- ii. recoveries that could be reasonably anticipated to be made;
- iii. probable sale of investments and other assets of the company including SLR; and
- iv. the existing cash position and the probable and reasonable cash flow which could be generated by the company, including cash flow based on suit claims over a period of time.

5. The Compromise and Arrangement:

A. Equity and Preference Shareholders

5.1 The equity and preference holders are unaffected parties to the Scheme as far as their holdings and the rights attached thereto are concerned and they shall not be affected by this Scheme as they shall continue to be governed by the terms of issue of the said shares to them, save and except the rights of redemption of preference shares being separately attended to by the company.

- 5.2 In respect of the outstanding debts, the full amount of interest accrued on and after the appointed date and all claims thereon are cancelled. No interest shall accrue or be payable on the outstanding debts on and after the appointed date.
- 5.3 The Unpaid creditors shall be repaid their outstanding debts i.e., the face value/principal value of their bond/deposit amount, in the following manner :
- A. 15% of the outstanding debts, on or before the expiry of the 12th month of the effective date.
 - B. 20% of the outstanding debts, on or before the expiry of the 24th month of the effective date.
 - C. 25% of the outstanding debts, on or before the expiry of the 36th month of the effective date.
 - D. 20% of the outstanding debts, on or before the expiry of the 48th month of the effective date.
 - E. the aggregate of the balance 20% of the outstanding debts and the interest payable upto the appointed date, on or before the expiry of the 60th month of the effective date, against the surrender of the bond/deposit certificates;
- 5.4 The amount of loan and/or advance if any, availed of or granted to any bond holders or deposit holders, and remaining outstanding as on the appointed date, together with interest payable on such loan/advance shall be set off and adjusted and accordingly the outstanding debts payable by the company shall be reduced by the said outstanding loan/advance amount alongwith the interest due thereon.
- 5.5 Unpaid Creditors hitherto receiving interest on the bonds/deposits at monthly/quarterly rests, unless otherwise instruct the Company to the contrary, shall receive the outstanding debts in each quarter, in 20 equal quarterly instalments, i.e., quarters ending 30th September, 31st December, 31st March and 30th June each year. Pending sanction of the scheme, the said quarterly payments, shall be disbursed for the quarters ending 31st December, 31st March, 30th June and 30th September as the case may be, to such unpaid creditors, commencing on or after 31st December 2002. On and from the effective date, such of these unpaid creditors may opt to convert the settlement terms as per clause 5.3 hereinabove and in such an event all payments made till that date of conversion shall be adjusted and the balance shall become repayable in pursuance of clause 5.3 above.
- 5.6 Upon the scheme becoming effective, the debenture trust deed dated 30/04/1998 executed between the company and Industrial and Technical Consultancy Organisation of Tamil Nadu Limited inter alia appointing them as trustees for bondholders shall be and deemed to be cancelled without any further act, obligation, deed or instrument; consequently the charge on the assets of the company covered pursuant to the said trust deed or otherwise for such bonds shall stand satisfied and deemed to have been satisfied in full.
- 5.7 Upon the scheme becoming effective, the various bond trust deeds executed between the company and The General Investment and Commercial Corporation Limited inter alia appointing them as Trustees for bondholders shall be and deemed to be cancelled without any further act, obligation, deed or instrument; consequently the charge on the assets of the company covered pursuant to the said trust deed or otherwise for such bonds shall stand satisfied and deemed to have been satisfied in full.
- 5.8 Upon the scheme becoming effective, the said The General Investment and Commercial Corporation Limited shall act as trustees for the unpaid creditors in respect of the outstanding debts payable to them pursuant to the scheme, being in the nature of debts due to the unpaid creditors and the said debts shall be secured by first charge on company's financial assets (i.e., claims on customers, amounts receivable under lease/hire purchase/ loan agreements and negotiable instruments), book debts and receivables. The Company shall notify the unpaid creditors of the claim amount payable to them along with each of the instalments/quarterly payments made pursuant to the scheme. Upon the outstanding debts payable to the unpaid creditors becoming nil, the respective certificates of bond/deposit shall be deemed to have been cancelled, without any further act, deed or thing.
- 5.9 Bankers to the Company
- The other secured creditors viz., bankers to the company who have outstanding loan amounts which the company had to repay, are unaffected parties to the Scheme as far as their outstanding and the rights attached thereto are concerned and they shall not be affected by this Scheme as they shall continue to be governed by the terms of the agreements/instruments executed by the company in their favour. The company shall be repaying the outstanding to the banks in full.

6. Hardship Committee:

- 6.1 The Board of Directors of the Company shall, within 30 days of the effective date, constitute a "Hardship Committee", consisting of five persons of eminence, out of which one person shall be representing the deposit holders/bond holders, holding outstanding deposits/bonds of the value of not less than Rs 50,000/- and two of the directors representing the company.
- 6.2 The hardship committee shall meet at least once a fortnight or such other period as they may deem fit.
- 6.3 The hardship committee shall be entitled to consider requests made by deposit holders/bond holders and may grant the amounts in hardship cases in one or more instalments as may be desired necessary by them, subject to availability of funds in the hands of the company after meeting its commitments pursuant to clauses 5.3 and 5.5 of the scheme hereto.
- 6.4 All claimants under the hardship cases shall be paid the disbursements subject to such deposit holders/bond holders relinquishing not less than 15% of the face value of the outstanding debt as on the appointed date and in any event not more than 50% of such face value, as may be determined by the hardship committee according to formula as may be laid down by the committee, wherever the settlement is being requested to be made under hardship cases.
- 6.5 The hardship committee shall issue directions to the company in writing about its decision and the company shall arrange to disburse the said sanctioned amount in one or more instalments and in any case within twelve months of such sanction, the company shall disburse the settlement amount in all hardship cases as may be sanctioned by the hardship committee.
- 6.6 All decisions of the hardship committee shall be binding on the depositors/bond holders and on receipt of the settlement amount under hardship cases, they shall not have any further claim against the Company in any manner whatsoever on such outstanding debts and the respective certificates of deposits/bonds shall be surrendered to the company and all such certificates shall be deemed to have been cancelled, without any further act, deed or thing.

General:

7. The terms of the scheme shall be binding upon the company and its creditors, upon its sanction by the court.
8. Save and except as expressly provided in this scheme, all claims, legal or other proceeding pending on the effective date by or against the company shall not abate, be discontinued or be in any way prejudicially affected by reason of the scheme becoming

effective, but the same may be continued, prosecuted and enforced by or against the company in the same manner and to the same extent as it would or might have been continued, prosecuted or enforced by or against the company, as if the scheme had not been made.

9. Subscriptions for bonds/deposits received and pending allotment/ renewal and or accepted/renewed by the company on or after 01/04/2002, shall be refunded in full on or before the expiry of the 6th month of the effective date. No interest shall accrue or be payable on such subscriptions for bonds/deposits.
10. Bonds/deposits matured prior to 31st March 2002 and remaining unclaimed shall be repaid on receipt of claim from the holders thereof. No interest shall accrue or be payable on such unclaimed bonds/deposits after their respective dates of maturity.
11. The company shall be at liberty to encash/liquidate its investments including investments held for SLR purposes, assets, properties and its claims, and the proceeds thereof would be accumulated, set apart for the purpose of repayment to the creditors as provided for in this scheme. If for any reason the company liquidates its investments held for SLR purposes, the entire proceeds as may be realised thereto shall be utilised only for discharging the outstanding debts and shall not be utilised for any other purposes.
12. Upon the scheme being approved by the members and creditors of the company, each of the creditors of the company shall be deemed to have consented and agreed to all of the provisions of the scheme in its entirety. The payment, compromise or other satisfaction of any indebtedness under this scheme, if sanctioned and approved by the Court, shall be binding upon each creditor, his/her heirs, executors, administrators, legal personal representatives, and/or its successors and assigns, as the case may be, for all purposes.
13. Without limiting any other provision hereof, from and after the effective date, in the event of any conflict between this scheme and the covenants, warranties, representations, terms, conditions, provisions or obligations, expressed or implied, of any contract, mortgage, security agreement, indenture, trust indenture, loan agreements, commitment letter, agreement of sale, lease or other agreement, written or oral and any and all amendments or supplements thereto existing between one or more of the creditors or any trustee of creditors and the company as at the effective date, the terms, and conditions and provisions of this scheme shall govern and shall take precedence and priority. All such agreements and other instruments will be deemed to be amended, without further execution and delivery of any amending agreement or other instrument, to be consistent with the provisions of this scheme which shall be paramount.
14. On and after the appointed date, each creditor shall be deemed to have waived any and all defaults by the company arising on or prior to the effective date in respect of every covenant, warranty, representation, term, provision, condition or obligation, expressed or implied, in every contract, agreement, mortgage, security agreement, indenture, trust indenture, loan agreement, commitment letter, agreement for sale, lease or other agreement, written or oral, in respect of any claim, which may be in default or otherwise waived pursuant to the scheme. Any and all notices of default and demands for payment under any instrument, including without limitation any guarantee, shall be deemed to have been rescinded.
15. The Company, keeping in view the interest of its bond holders and deposit holders, shall [a] bestow its best efforts for recovery of its claims, including introducing a one time settlement mechanism for speedy recovery of its claims, enforcement of security and other recovery methods within the frame work of applicable laws in respect of its financial assets portfolio including standard, doubtful, sub-standard, written off and non-performing assets; and [b] disinvest its investment portfolio and liquidate its investments at best possible terms. In the event of mismatch of recovery of its claims and the dis-investment proceeds vis-a-vis the repayment of the instalment amounts as provided for in clauses 5.3 and 5.5 of the scheme, the company shall pay interest @ 6% p.a. on such outstanding instalment amount; such interest shall be calculated from the last of the due date of payment of the respective instalment as provided in clauses 5.3 and 5.5 of the scheme upto the actual date of payment of the said outstanding instalments amount as provided in clauses 5.3 and 5.5 of the scheme.
16. In this scheme, the deeming provisions are not rebuttable and are conclusive and irrevocable.
17. Notwithstanding that the transactions and events set out in this scheme shall be deemed to occur without any additional act or formality other than as set out herein, each of the persons affected hereby shall make, do or execute, or cause to be made done or executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may be reasonably required in order to implement this scheme.
18. This scheme is made pursuant to sections 391 of the Act and upon its sanction, shall be construed to have complied with the requirements of provisions contained in sections 58A, 58AA, 124 to 145, and other applicable provisions of the Act as well as the provisions contained in Chapter III – B of the Reserve Bank of India Act 1934.
19. All costs, charges and expenses incidental to the preparation and implementation of the scheme in respect of any deed, document, instrument or orders of the court shall be borne and paid by the company.
20. In case of any difficulty arising with regard to the interpretation or implementation of the scheme, necessary directions will be obtained from the court and the same shall be binding on the parties.
21. Pending the sanction of the scheme by the court, no suit or proceeding shall be commenced or continued in connection with or touching upon any claim by any creditor against the company except with the leave of the court.
22. The Board of Directors of the company or any person or persons duly authorised by it may consent and agree to any modification of the scheme or any condition that the Court may make or impose and may, with the leave of the Court withdraw the scheme and upon such consent being given or withdrawal being made, the scheme stands modified or cease to have effect, as the case may be.
23. For the purpose of giving effect to this scheme or any modification or amendments thereof as may be agreed upon the company and approved by the members and creditors, the Board of Directors of the company or any person authorised in that behalf, may give all such directions as are necessary or desirable, including for settling or resolving any question, doubt or difficulty, arising under the scheme or in regard to its implementation or in any manner connected or related therewith as the case may be, and which shall be binding on all parties, in the same manner as if it has been incorporated in this scheme.
24. The implementation of the scheme is conditional upon and subject to filing of certified copies of the orders of the court with the Registrar of Companies.