

MEMORANDUM
AND
ARTICLES OF ASSOCIATION
OF
LUPIN LIMITED

No.11- 29442

FRESH CERTIFICATE OF INCORPORATION
CONSEQUENT ON CHANGE OF NAME
IN THE OFFICE OF THE REGISTRAR OF COMPANIES, MAHARASHTRA,
MUMBAI.

In the matter of LUPIN CHEMICALS LIMITED

I hereby approve and signify in Writing under Section 21
of the Companies Act, 1956 (Act of 1956) read with the
Government of India, Department of Company Affairs,
Notification No.G.S.R. 507E dated the 24th June 1985 the
change of name of the company :

from LUPIN CHEMICALS LIMITED

to LUPIN LIMITED and I hereby certify that

LUPIN CHEMICALS LIMITED

which was originally incorporated on FIRST
day of MARCH 1983 under the Companies Act, 1956
under the name LUPIN CHEMICALS PRIVATE LIMITED

having duly passed necessary resolution in terms of section
21 / / / / of the Companies Act, 1956 the name of
the said Company is this day changed to LUPIN LIMITED in
pursuance of order passed on 13/06/2001 by the Hon'ble
High Court, Mumbai and this certificate is issued
pursuant to Section 23(1) of the said Act.

Given under my hand at MUMBAI this SECOND
day of AUGUST Two Thousand ONE.


A.W. ANSARI
DEPUTY REGISTRAR OF COMPANIES
MAHARASHTRA MUMBAI.

THE COMPANIES ACT, 1956

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

LUPIN LIMITED

=====

- I. The name of the Company is LUPIN LIMITED.
- II. The Registered Office of the Company will be situated in the State of **MAHARASHTRA**.
- III. The Objects for which the Company is established are :
 - (A) **MAIN OBJECTS OF THE COMPANY TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION :**
 1. To manufacture, produce, formulate, process, refine, finish, recover, extract, buy, sell, export, import, distribute and deal in chemicals of all kinds, organic or inorganic, including acids, alkalis, synthetic ammonia, fertilisers, chromates, zinc oxide, barytes, lead nitrate, lead acetate, chlorine, bleaching powder, caustic soda, hydrosulfite, mineral intermediates both synthetic and natural, fermentation products, such as alcohols, acetone, acids and vinegar, etc. petroleum and its products, petro chemicals, dyes, colours and intermediaries, for dyes and colours, animal and vegetable oils, fats and waxes, extraction of oils from oil-cake, essential oils, perfume, flavours and pigments, paints, varnishes, liquors, glycerine, explosives, plastics, linoleum, natural and synthetic resins, rosins, camphor, gelatin, glue,

photographic chemicals, insecticides, fungicides, disinfectants, agricultural chemicals, activated carbon, synthetic rubber, textile chemicals, wetting agents and chemicals in general, paper of all kinds and articles made from paper or pulp and materials used in the manufacture or treatment of paper, including cardboard, mill boards, wall and ceiling papers and without limiting the generality of the foregoing to manufacture and deal in boxes, cartons, wrappers and other packing and packaging material made of paper, cardboard and boards of whatever commercial description, wood, plastics, polythene, polyolefins and similar products, makers of and dealers in proprietary articles of all kinds, and of chemical, photographic, hospital, surgical, electrical, scientific and other apparatus, appliances, instruments and materials.

2. To manufacture, produce, formulate, process, refine, finish, recover, extract, buy, sell, export, import, distribute and deal in pharmaceutical, medical and medicinal preparations, drugs formulations and medicines.
- 2A. To establish, develop, provide and render on commercial basis, projects, services or training in the nature of scientific research and development, technology or consultancy related thereto, for the development of and improvement in bulk drugs, pharmaceutical and medicinal substances and finished products of all kinds and related to all branches of medicines, to develop novel drug-delivery systems, modeling, process chemistry research, discover new molecules, computational chemistry and novel chemical entities, to improve production processes, to conduct all kinds of clinical trials and to establish, conduct and maintain all kinds of infrastructure, including scientific research and development laboratories, animal houses, training colleges and other institutions for training, education and holding any lectures, conferences, meetings, exhibitions connected thereto and to carry on any other operations or activities of whatsoever nature and kind in relation or incidental hereto.

(B) INCIDENTAL AND ANCILLARY OBJECTS TO THE ATTAINMENT OF THE SAID MAIN OBJECTS ARE :

3. To cultivate, produce or deal in any medicinal plants, herbs, seeds, bushes, trees and to manufacture, process, refine, finish, recover, extract, buy, sell, import, distribute and deal in their concentrates, extracts, etc. and any products using such concentrates, extracts, etc.
4. To carry on the business of exporters and importers and to sell, purchase, export, prepare for market and otherwise deal in all goods, merchandise, articles and things.
5. To establish, provide, maintain and conduct or otherwise subsidize research laboratories and experimental workshops for scientific and

technical studies, researches, investigations, experiments, tests and technical of any kind that may be considered likely to assist any of the business which the company is authorised to carry on.

6. To acquire and undertake the whole or any part of the business, property and liabilities of any person or company carrying on any business which the company is authorised to carry on, or possessed of property which may seem directly or indirectly calculated to benefit the company.
7. To apply for purchase or otherwise acquire any patents, rights, bevels d'invention licences, concessions, copyrights, trade names, trade marks, formulas, designs and the like conferring any exclusive or non-exclusive or limited rights to use of 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 or indirectly to benefit the company and to use, exercise, develop or grant licences in respect of or otherwise turn to account the property, assets, or information so acquired.
8. To purchase, take on lease or in exchange, hire or otherwise acquire, any real and personal property and any rights or privileges which the company may think necessary or convenient for the purpose of its business or which may enhance the value of the other property and assets of the Company and in particular any land, building, easement, machinery, plant, vehicle and stock-in-trade.
9. To amalgamate, enter into partnership or into any arrangement for sharing profits, union of interests, co-operation, joint venture, reciprocal concession, amalgamation, absorption or otherwise, with any person or Company carrying on or engaged in or about to carry on or engage in any business or transaction which the company is authorised to carry on or engaged in, or any business or transaction capable of being conducted so as to directly or indirectly benefit this company.
10. To enter into any arrangement with any government or authorities, supreme, municipal, local or otherwise that may seem conducive to the Company's objects, or any of them; and to obtain from any such government or authorities any rights, privileges and concessions which the Company may think it desirable to obtain; and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions.
11. To invest and deal with the monies of the Company not immediately required in any manner as may from time to time, be thought fit.
12. To lend and advance money or give credit to any person or company; to guarantee and give guarantees or indemnities for the payment of

money or the performance of contracts or obligations by any person or company, to secure or undertake in any way the repayment of money lent or advanced to or the liabilities incurred by any person or company, and otherwise to assist any person or company.

13. To take or hold pledges, mortgages, liens and charges to secure payment of the purchase price, or any unpaid balance of the purchase price, of any part of the company's property of whatsoever kind sold by the company, or any money due to the company from purchasers and others.
14. To receive money on deposit or loan and borrow or raise or secure the payment of money in such manner as the company may think fit and to secure the same or the repayment or performance of any debt, liability, contract, guarantee, or other engagement entered into or to be entered into by the company in any way and in particular by the issue of debentures or debenture-stocks, perpetual or otherwise, charged upon all or any of the company's property and assets (both present and future), including its uncalled capital and to purchase, redeem, cancel or pay off any such securities subject to the provision of Sec. 58-A and directives of Reserve Bank of India.
15. To sell, lease, mortgage or otherwise dispose of the property, assets or undertaking of the company or any part thereof for such consideration as the Company may think fit and in particular for shares, stocks, debentures or other securities of any other Company whether or not having objects altogether or in part similar to those of the Company.
16. To sell, improve, manage, develop, exchange, lease, dispose of, turn to account, or otherwise deal with all or any part of the property, assets and rights of the Company.
17. To sell any patent rights or privileges belonging to the company or which may be acquired by it, or any interest in the same, and to grant licences for the use and practice of the same or any of them, and to let or allow to be used or otherwise deal with any inventions, patents or privileges in which the company may be interested and to do all such acts and things as may be deemed expedient for turning to account any inventions, patents and privileges in which the company may be interested.
18. To manage, improve, farm, cultivate, maintain, lease, underlet, exchange, sell or otherwise deal with and dispose of all or any part of the lands, buildings or other real property of the company, not required for the purposes of the company.
19. To appropriate any part or parts of the property of the company for the purposes of and to build and let or sell, shops, offices and other places of business.

20. To apply for, secure, acquire by grant, legislative enactment, assignment, transfer, purchase, or otherwise, licence, power, authority, franchise, concession, right, or privileges, which any government or authority or corporation or other public body may be empowered to grant and to pay for, aid in and contribute towards carrying the same into effect and to appropriate any of the company's shares, debentures or other securities and assets to repay the necessary costs, charges and expenses thereof.
21. To apply for, promote and obtain any state ordinance, order, regulation, or other authorisation or enactment which may seem calculated directly or indirectly to benefit the company and to oppose any bills, ordinances, proceedings or applications which may seem calculated directly or indirectly to prejudice the company's interests.
22. To promote any other company or companies for the purpose of acquiring or taking over all or any of the purpose of acquiring or taking over all or any of the property, assets, rights and liabilities of the company, or for any other purpose which may seem directly or indirectly calculated to benefit the company.
23. To establish and support or aid in the establishment and support associations, institutions, funds, trusts and conveniences, a contributory or non-contributory including pension gratuity or superannuation funds for the benefit of and give or procure the giving of donations, gratuities, pensions, annuities, superannuations, allowances, benefits or emoluments to any persons who are or were at any time in the employment or service of the company, or of any company which is a subsidiary of the company or which is allied to or associated with the company or with any such subsidiary company, either by substantial common shareholdings or one or more common directors or which is the holding company of the company or who are or were at any time directors or officers of the company or of any such other company as aforesaid, or any person in whose welfare the company or any such other company as aforesaid is or has been interested and the wives, widows, families and dependents of any such persons and to make payments for or towards the insurance of any such persons, as aforesaid and to do any of the matters aforesaid either alone or in conjunction with or through the holding company (if any) of the company or in conjunction with or through any such other company aforesaid.
24. To adopt such means of making known the business of the Company as may seem expedient and in particular by advertising in the press, by circular, radio, television, cinema posters, bills, sky writing, by purchase and exhibition of works of art or interest, by publication of books and periodicals and by granting prizes, awards, rewards and donations.

25. To pay for any business property, assets or rights acquired or agreed to be acquired by the company and to remunerate any person or Company and generally to satisfy any obligation of the Company by cash or cheque payment or by the issue, allotment or transfer of shares of this or any other company credited as fully paid-up or partly paid-up or debentures or other securities of this or any other company.
26. To pay out of the funds of the Company or by allotment of its shares, whether fully paid-up, all expenses which the Company may lawfully pay with respect to the formation and registration of the Company or for services rendered in placing or assisting to place or guaranteeing the placing of any of the shares in the Company's capital or any debentures, debenture stocks or other securities of the Company.
27. To subscribe or guarantee or contribute or otherwise assist or to grant money to charitable, benevolent, religious, scientific, national, public, institutions, or to meet its social obligations.
28. To acquire any movable or immovable property which the Company may think it desirable to acquire by way of investment or with a view to resell, let out, hire, lease, sublease or otherwise deal with it in any manner whatsoever.
29. To subscribe for, take, purchase or otherwise acquire and hold shares or other interests in or securities of any other company whether Indian or foreign or of any country, state or dominion having objects altogether or in part similar to those of the company or carrying on any business capable of being carried on so as directly or indirectly to benefit the company.
30. To employ experts, consultants, engineers, workmen, permanent directors or Managing Directors, Secretaries, Deputy Managing Directors, Ordinary Directors, bankers, solicitors, advocates, Chartered Accountants and/or Cost Accountants, insurers, advertisers, selling and buying agents and others as found expedient and in the interest of the Company's business.
31. To subscribe for, take, acquire and hold, sell, exchange and deal in shares, stocks, bonds, obligations or securities, of any Government, Local Authority or Company or Society.
32. To form, promote and assist companies, associates and firms of all kinds.
33. To procure the Company to be registered or recognised in any country, state or place and establish and regulate agencies for the purpose of the Company.

34. To distribute among the members in piece any property of the Company, or any proceeds of sale or disposition of any property of the Company and for such purpose to distinguish and separate capital from profits subject to the provisions of the Act in the event of winding up.
35. Subject to and in accordance with the provisions of section 293A or any other provisions of the Companies Act, or any other enactment, to contribute to any individual, corporate body, association, trust, etc.
36. To open bank accounts of all natures including overdraft, cash credit, loan accounts and to operate the same and to draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, cheques, bills of lading, warrants, debentures and other negotiable or transferable instruments and to deal with all documents mercantile or otherwise in the ordinary course of business.
37. To create any depreciation fund, reserve fund, sinking fund, insurance fund, obsolescence fund or any special or other fund whether for depreciation or for improving, repairing, extending or maintaining any of the property of the Company or for redemption of debentures or redeemable preference shares or for any other purpose whatsoever conducive to the interest of the Company.
38. To undertake and execute any trust, the undertaking of which may seem to the Company desirable either gratuitously or otherwise.
39. To place, to reserve or to distribute as or bonus shares among the members or to otherwise apply, as the Company may from time to time think fit any moneys received by way of premium on shares or debentures issued at a premium by the Company and any moneys, received in respect of forfeited shares and also any moneys arising from the sale by the Company or forfeited shares.
40. To establish, provide maintain and conduct or otherwise subsidise research laboratories and experimental workshops for scientific and technical research and experiments and to undertake and carry on all scientific and technical researches, experiments and tests of all kinds and to promote studies and research both scientific and technical investigation and invention by providing subsidising, endowing or assisting laboratories, workshops, libraries, lectures, meetings and conferences and by providing for the award of exhibitions, scholarships, grants and bursaries to students or intending students or otherwise and generally to encourage, promote and reward studies, researches, investigations, experiments, tests and inventions of any kind that may be considered likely to assist any of the business which the company is authorised to carry on.

41. To undertake, carry out, promote and sponsor rural development including any programme for promoting the social and economic welfare of or the uplift of the public in any rural area, to incur any expenditure on any programme of rural development and to assist execution and promotion thereof either directly or through an independent agency or in any other manner. Without prejudice to the generality of the foregoing, programme for promoting the social and economic welfare of or the uplift of the public in any rural area likely to promote and assist rural development and that the words "rural area" shall include such areas as may be regarded as rural areas under section 35CC of the Income-tax Act, 1961 or any other law relating to rural development for the time being in force in order to implement any of the above mentioned objects or purposes, transfer without consideration or at such fair or concessional value and subject to the provisions of the Act divest the ownership of any property of the Company to or in favour of any public or Local Body or Authority or Central or State Government or any Public Institutions or Trusts of Funds.
42. To undertake, carry out, promote and sponsor or assist any activity for the promotion and growth of national economy and for discharging what may consider to be social and moral responsibilities of the Company to the public or any section of the public as also any activity which consider likely to promote national welfare or social, economic or moral uplift of the public or any section of the public and in such manner and by such means, undertake, carry out, promote and sponsor any activity for publication of any books, literature, newspapers, etc. or for organising conferences, lectures or seminars likely to advance these objects or for giving merit awards, for giving scholarships, loans or any other assistance to deserving students or other scholars or persons to enable them to pursue their studies or academic pursuits or researches and for establishing, conducting or assisting any institution, fund, trust having any of the aforesaid objects as one of its objects, by giving donations or otherwise in any other manner and in order to implement any of the above mentioned objects or purposes transfer without consideration or at such fair or concessional value and subject to the provisions of the Act divest the ownership of any property of the Company to or in favour of any Public or Local Body or Authority or Central or State Government or any Public Institutions or Trusts of Funds.
43. To collaborate with foreign or local firms for acquiring or offering technical know-how, or to employ foreign or local technicians or experts or advisers on a contract basis or otherwise and to loan on suitable terms the Company's technicians, experts and others to other parties in or outside India for developing allied industries and to send out to foreign countries the Company's own technicians, experts, advisers, plant and machinery tools, etc. developing industries in foreign countries on a joint venture basis or otherwise and to send out company's men to foreign countries for further training.

44. To erect and equip factories in any part of India or abroad for the manufacture and/or the sale of the Company's articles or products.
45. To construct, maintain, develop, work, manage, carry out or control any buildings, works, factories, mills, roadways, railways, branches or sidings, bridges, reservoirs, watercourses, wharves, warehouses, electric works, shops, stores and other works and conveniences which may seem calculated directly or indirectly to advance the company's interests; and to contribute to, subsidise, or otherwise assist or take part in the construction, improvement, maintenance, development, working, management, carrying out, or control thereof.
46. To do the above things (in any part of the World) as principals, agents, distributors, contractors, trustees or otherwise and by or through trustees, agents, distributors or otherwise either alone or in conjunction with others.

(C) OTHER OBJECTS ARE :

47. To carry on any business relating to the mining and working of minerals, the production and working of metals and the production, manufacture and preparation of any other materials which may be usefully or conveniently combined with business of the Company or any contracts undertaken by the Company and either for the purpose only of such contracts or as an independent business.
48. To carry on all or any of the following business, namely, of builders, contractors, decorators, merchants, manufacturers, traders and commission agents in all commodities.
49. To carry on the business of iron masters, iron founders, metal founders, steel makers, metal pressers, metal rollers, metal workers, metal converters, tin plate makers, manufacturers of various kind of metal and other utensils, structural, civil or mechanical engineers and manufacturers of work shops, agricultural and other implements and machinery, tool makers, brass founders, boiler makers, mill wrights, mechanists, electroplaters, iron and steel converters, smiths, wood workers, builders, painters, metallurgists, electrical engineers, water works engineers, gas makers, printers, carriers and merchants and to buy, sell, manufacture, repair, convert, alter, let on hire and deal in machinery, rolling stock, metal and hardware of all kinds.
50. To cultivate, grow, produce or deal in any vegetable products and to carry on all or any of the business of farmers, dairymen, milk contractors, dairy farmers, millers, surveyors and vendors of milk, cream, cheese, butter, poultry and provisions of all kinds, growers of and dealers in corn, hay and straw, seedsmen and nurserymen and to buy, sell, manufacture and trade in any goods usually traded in any of the above businesses or any other business inclusive of staple

foods and medicinal preparations from milk, vegetable and animal products and like or any substitute for any of them associated with the farming interest.

51. To carry on business as industrialists and financiers.
52. To carry on the business of water proofers and manufacturers of rubber, leather, imitation leather, leather cloth, tarpaulin, hospital sheeting and other allied articles.
53. Subject to the provision of any law for the time being in force to do the business of money changer and to deal in foreign exchange either in cash or traveller's cheques.
54. To carry on the business of purchase and sale of petroleum products, to act as dealers and distributors for petroleum companies, to run service stations for the repairs and servicing of automobiles and to manufacture or deal in fuel oil, cutting oils, greases, etc.
55. To carry on all or any of the business of printers, stationers, lithographers, type founders, stereotypers, photographic printers, photographers, chrome-lithographers, engravers, die sinkers, book binders, designers, draughtsman, paper and ink manufacturers, book sellers, publishers, advertising agents, engineers and dealers in or manufacturers of any other articles or things or any of them concerned therewith.
56. To carry on the business of proprietors and publishers of newspapers, journals, magazines, books and other literary works and undertakings.

AND IT IS HEREBY DECLARED THAT :

- (i) The word "Company" in this Memorandum when applied or otherwise than to this Company shall be deemed to include any authority, partnership or other body or association or persons, whether incorporated or not and whether domiciled in India or elsewhere and
- (ii) The objects set forth in each of the several paragraphs of this clause have the widest possible construction and shall be in no way limited or restricted by reference to or inference from the terms of any other paragraph of this clause or the name of the Company.

IV. The liability of the members is limited.

[Altered vide an Ordinary Resolution passed by the Members at the AGM held on July 23, 2015]

V. The Authorised Share Capital of the Company is ₹ 2,000,000,000/- (Rupees Two Thousand Million) divided into 1,000,000,000 (One Thousand Million) Equity shares of ₹ 2/- (Rupees Two) each with rights, privileges and conditions attached thereto as are provided by the Articles of Association of the Company

for the time being, with power to increase and reduce the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company.

We, the several persons, whose names, addresses and descriptions are hereunder subscribed, are desirous of being formed into a Company in pursuance of this MEMORANDUM OF ASSOCIATION and we respectively agree to take the number of shares in the Capital of the Company set opposite to our respective names :

Name, address, description and occupation of subscriber	Number of shares taken by each Subscriber	Signature of subscriber	Witness, signature and address
MR. DESH BANDHU GUPTA S/o. Shri PEAREY LAL GUPTA 48/49, Hatkesh Co-op. Hsg. Soc. Juhu Vile Parle Scheme, Juhu, BOMBAY. - Industrialist	100 Equity Shares	Sd/-	Subodh Rajaram Manjrekar C-31, Indra-Sukh Co-op. Hsg. Soc. Char Bungalow, Andheri (W), Bombay.
MRS. MANJU D. GUPTA W/o. Shri DESH BANDHU GUPTA 48/49, Hatkesh Co-op. Hsg. Soc. Juhu Vile Parle Scheme, Juhu, BOMBAY. - Industrialist	100 Equity Shares	Sd/-	
	200 (Two hundred Equity Shares only)		

Dated : 4th November, 1982

THE COMPANIES ACT, 1956

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

LUPIN LIMITED

=====

CONSTITUTION OF THE COMPANY

1. The Regulations contained in Table 'A' in the First Schedule to the Companies Act, 1956 shall not apply to this Company but the regulations for the management of the Company and for the observance thereof by the Members of the Company and their representatives, shall subject to any exercise of the statutory powers of the Company in reference to the repeal or alteration of, or addition to, its regulations by special resolution, as prescribed by the Companies Act, 1956, be such as are contained in these Articles.

Company to be governed by the Articles and Table 'A' not to apply.

INTERPRETATION

2. (a) The marginal notes hereto shall not affect the construction hereof. In these presents, unless there be something in the subject or context inconsistent therewith :
- (b) **“Affiliate”** means, in relation to any person (**“Subject Person”**), any entity controlled, directly or indirectly, by that Subject Person, any entity that controls, directly or indirectly, that Subject Person, or any entity under common control with that Subject Person and, in the case of a natural person, any Relative (as such term is defined in the Act) of that Subject Person. For the purpose of this definition :
- (i) **“control”** means the power to direct the management and policies of an entity whether through the ownership of voting capital, by contract or otherwise, and

Interpretation

Affiliate

- (ii) A holding company or subsidiary company of any entity pursuant to Section 4 of the Act (or other law applicable to such entity) shall be deemed to be an Affiliate of that entity.
- Beneficial Owner* (c) “**Beneficial Owner**” shall mean beneficial owner as defined in the Depositories Act, 1996;
- Board* (d) “**Board**” means the board of directors of the Company.
- Business Day* (e) “**Business Day**” means a day (excluding Saturdays and Sundays) on which banks are generally open in Mumbai, India, for the transaction of normal banking business.
- Charter Documents* (f) “**Charter Documents**” means the memorandum of association and articles of association of the Company.
- Debentures* (g) “**Debentures**” includes debenture-stock, bonds and other securities of the Company, whether constituting a charge on the assets of the Company or not;
- Depository* (h) “**Depository**” shall mean a Depository as defined in the Depositories Act, 1996.
- Depositories Act, 1996* (i) “**Depositories Act, 1996**” shall include any statutory modification or re-enactment thereof.
- Director* (j) “**Director**” means a director of the Company (including any duly appointed alternate director).
- Dividend* (k) “**Dividend**” includes interim dividend.
- Encumbrance* (l) “**Encumbrance**” means any encumbrance including without limitation any claim, debenture, mortgage, pledge, charge, hypothecation, lien, deposit by way of security, sale, sale agreement, agreement for payment on deferred terms, option, right of pre-emption, beneficial ownership (including usufruct and similar entitlements), public right, common right, any provisional or executorial attachment and any other interest held by a third party; and “**Encumber**” and “**Encumbered**” shall be construed accordingly.
- Equity Share Capital* (m) “**Equity Share Capital**” means the issued and paid up equity share capital of the Company.
- Equity Shares* (n) “**Equity Shares**” means the equity shares of the Company.
- Exchanges* (o) “**Exchanges**” means the Bombay Stock Exchange Limited, the National Stock Exchange of India Limited and internationally recognised stock exchanges.

- (p) **“Financial Year”** means a financial year commencing on 1 April and ending on 31 March of the immediately following calendar year. *Financial Year*
- (q) **“In Writing”** or **“Written”** means and includes words printed, lithographed, represented or reproduced in any mode in a visible form. *In Writing or Written*
- (r) **“Law”** includes all statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Government, statutory authority, tribunal, board, court or recognised stock exchange and, if applicable, international treaties and regulations. *Law*
- (s) **“Member”** means the duly registered holder from time to time of Shares in the Company and includes the subscribers to the Memorandum of the Company and the beneficial owner(s) as defined in the Depositories Act, 1996. *Member*
- (t) **“Modify”** and **“Modification”** shall include the making of additions and omissions. *Modify and Modification*
- (u) **“Month”** and **“Year”** means respectively a calendar month and a calendar year. *Month and Year*
- (v) **“Ordinary Resolution”** and **“Special Resolution”** shall have the meaning assigned thereto respectively by Section 189 of the Act. *Ordinary Resolution and Special Resolution*
- (w) **“Person(s)”** means any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, Government Authority or trust or any other entity or organization. *Person(s)*
- (x) **“Promoters”** means persons, who are the promoters of and are in control and management of the Company [which expression shall include the persons and entities as defined in Regulation 2(1) (h) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations as amended from time to time]. *Promoters*
- (y) **“Share Capital”** means the issued and paid up share capital of the Company. *Share Capital*
- (z) **“Subsidiary”**, with reference to any entity, has the meaning given to such term in the Act or other law applicable to the entity. *Subsidiary*

<i>The Act</i>	(aa) “ The Act ” means the Companies Act, 1956 or any statutory modifications or re-enactment thereof for the time being in force.
<i>The Company or This Company</i>	(bb) “ The Company ” or “ This Company ” means the above named Company.
<i>The Office</i>	(cc) “ The Office ” means the Registered Office for the time being of the Company.
<i>The Register</i>	(dd) “ The Register ” means the Register of Members to be kept pursuant to Section 150 of the Act.
<i>These Articles or The Articles or These Presents</i>	(ee) “ These Articles ” or “ The Articles ” or “ These Presents ” mean these Articles of Association or as originally framed or as altered from time to time by Special Resolution.
<i>Variation and Vary</i>	(ff) “ Variation ” shall include abrogation and “ Vary ” shall include abrogate.
<i>Singular Number</i>	(gg) Words imparting singular number also include plural number.
<i>Plural Number</i>	(hh) Words imparting plural number also include singular number.
<i>Gender</i>	(ii) Words imparting masculine gender also include feminine gender.
<i>Interpretation</i>	(jj) References to persons shall include individuals, bodies corporate (wherever incorporated), unincorporated associations and partnerships.

The headings and side headings are inserted for ease of reference only and shall not affect the construction or interpretation of these Articles;

References to one gender include all genders;

Any reference to any enactment of statutory provision is a reference to it as it may have been, or may from time to time be, amended, modified, consolidated or re-enacted;

References to an “**agreement**” or “**document**” shall be construed as a reference to such agreement or document as the same may have been amended, varied, supplemented or novated in writing at the relevant time in accordance with the requirements of such agreement or document and, if applicable, of these Articles with respect to amendments.

Subject as aforesaid, and unless repugnant to the context or meaning thereof, any words or expressions defined in the Act shall except where the subject or context forbid bears the same meaning in these Articles.

Expressions in the Act bear the same meaning in Articles

3. The Company shall have power to issue Preference Shares liable to be redeemed in any manner permissible under the Act and the Directors may, subject to the provisions under the Act exercise such power in any manner as they think fit and provide for redemption of such shares on such terms including the right to redeem at a premium or otherwise as they think fit.

Redeemable Preference Shares

4. In the issue of Redeemable Preference Shares under the provisions of Article 4, the following provisions shall take effect;

Provisions in case of Redeemable Preference Shares

- (a)** no such shares shall be redeemed except out of profits which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purposes of the redemption;
- (b)** no such shares shall be redeemed unless they are fully paid;
- (c)** the premium if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's Share Premium Account before the shares are redeemed;
- (d)** Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to a Reserve Account, to be called "The Capital Redemption Reserve Account" a sum equal to the nominal amount of the shares redeemed and the provisions of the Act relating to the reduction of the share capital of a company shall, except as provided by Section 80 of the Act, apply as if the Capital Redemption Reserve Account were paid up share capital of the Company;
- (e)** Subject to the provisions of Section 80 of the Act, the redemption of Preference Shares may be effected in accordance with the terms and conditions of their use and failing that, in such manner as the Board of Directors may think fit and the Company may issue shares upto the nominal amount of the shares redeemed or to be redeemed as if those shares had never been issued;
- (f)** Whenever the Company shall redeem any Redeemable Preference Shares the Company shall, within thirty days thereafter, give notice thereof to the Registrar of Companies as required by Section 95 of the Act.

*Increase of
Capital*

- 5.** The Company may by ordinary resolution in General Meeting from time to time alter the conditions of its Memorandum as follows, that is to say, it may :
- (a)** increase its share capital by such amount as it thinks expedient by issuing new shares of such amount as may be deemed expedient and the new shares shall be issued on such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation thereof, shall direct and if no direction be given, as the Board of Directors shall determine and in particular such shares may be issued with a preferential right to dividends and in the distribution of the assets of the Company;
 - (b)** consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - (c)** convert all or any of its fully paid up shares into stock and reconvert that stock into fully paid up shares of any denomination;
 - (d)** sub-divide its shares or any of them into shares of smaller amount that is fixed by the Memorandum so however, that in the sub divisions of the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;
 - (e)** cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount the shares so cancelled. A cancellation of shares in pursuance of this Clause shall not be deemed to be a reduction of share capital within the meaning of the Act.

*Notice of
Increase of
Share Capital*

- 6.** **(a)** Whenever the Company shall increase its capital beyond its Authorised Capital, the Company shall file with the Registrar of Companies notice of the increase of capital as required by Section 97 of the Act within thirty days after the passing of the Resolution authorising the increase. The notice shall include particulars of the class of shares affected and the conditions if any, subject to which the new shares have been or are to be issued.

The Company shall also comply with the provisions of sub-section (3) of Section 94 A within the time thereby limited.

- (b)** Whenever the Company shall do any one or more of the things provided for in Articles 5 (b), (c), (d) and (e) the Company

shall within thirty days after doing so, give notice thereof to the Registrar of Companies as required by Section 95 of the Act specifying as the case may be, the shares consolidated, divided, converted, subdivided, redeemed or cancelled or the stock reconverted.

- 7.** Neither the original capital nor any increased capital shall be of more than two kinds, namely (a) Equity share Capital and (b) Preference Share Capital as defined in Section 85 of the Act. *Capital of two kinds only*
- 8. (1)** Where at any time after the expiry of one year from the allotment of shares made for the first time, it is proposed to increase the subscribed Capital of the Company by allotment of further shares then, *Further issue of Capital*
- (a)** Such further shares shall be offered to the persons who at the date of the offer, are holders of the Equity Shares of the Company in proportion as nearly as circumstances admit, to the capital paid up on those shares at that date;
 - (b)** the offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than 30 days from the date of the offer within which the offer is not accepted will be deemed to have been declined;
 - (c)** the offer aforesaid shall be deemed to include right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of other person and the notice referred to in sub-clause (b) hereof shall contain a statement of this right provided that the Directors may decline, without assigning any reason to allot any shares to any person in whose favour any member may renounce the shares offered to him;
 - (d)** after the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the persons to whom such notice is given that he declines to accept the shares offered; the Board of Directors may dispose of them in such manner as they think most beneficial to the Company.
- (2)** Notwithstanding anything contained in sub-clause (1) the further shares aforesaid may be offered to any person (whether or not those persons include the persons referred to in subclause (1) (a) in any manner whatsoever;
- (a)** if a Special Resolution to that effect is passed by the Company in General Meeting, or

- (b)** where no such Special Resolution is passed, if the votes cast whether on a show of hands or on a poll (as the case may be) in favour of the proposal contained in the resolution moved in that General Meeting (including the casting vote, if any, of the Chairman) by members, who being entitled to do, vote in person, or by proxy, exceed the votes, if any cast against the proposal by members so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in that behalf, that the proposal is most beneficial to the Company.
- (3)** Nothing in clause (c) of sub-clause (1) hereof shall be deemed:

 - (a)** to extend the time within which the offer should be accepted; or
 - (b)** to authorise any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.
- (4)** Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debenture issued or loans raised by the Company:

 - (i)** To convert such debentures or loans into shares in the Company; or
 - (ii)** To subscribe for shares in the Company (whether such option is conferred in these Articles or otherwise).

Provided that the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term :

- (a)** Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with rules, if any, made by that Government in this behalf; and
- (b)** In the case of debentures or loans or other than debentures issued to or loans obtained from Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the Company in General Meeting before the issue of the debentures or raising of the loans.

- 9.** Except so far as otherwise provided by the conditions of issue or by these presents any capital raised by the creation of new shares shall be considered part of the original capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments, transfers and transmission, forfeiture, lien, surrender, voting and otherwise. *How far new shares to rank with shares of original capital*
- 10.** The amount payable on application on each share of the Company shall not be less than five percent of the nominal amount of the share. *Amount payable on Application*
- 11.** Whenever the Company shall make an allotment of its shares, it shall within thirty days thereafter file with the Registrar of Companies a Return of Allotment, as required by Section 75 of the Act. *Return of Allotment*
- 12.** The Company may from time to time by Special Resolution subject to confirmation by the Court and subject to the provisions of Sections 100 to 104 of the Act, reduce its Share Capital and Capital Redemption Reserve Account and Share Premium Account in any way and in particular without prejudice to the generality of the foregoing power by :
- (a)** extinguishing or reducing the liability on any of its shares in respect of the Share Capital not paid up; or
- (b)** cancelling either with or without extinguishing or reducing liability on any of its shares, any paid up share Capital which is lost or is unrepresented by available assets; or
- (c)** paying off, either with or without extinguishing or reducing liability on any of its shares, any paid up Share Capital which is in excess of the wants of the Company and capital may be paid off upon the footing that it may be called up again or otherwise and paid up capital may be cancelled as aforesaid without reducing the nominal amount of shares by the like amount with the intent that the unpaid and uncallable capital shall be increased by the like amount. *Reduction of Capital*

MODIFICATION OF RIGHTS

- 13.** Whenever, the Share Capital is divided into different classes of shares, the rights attached to the shares of any class may, subject to the provisions of Sections 106 and 107 of the Act be varied with; *Power to modify rights*
- (a)** the consent in writing of the holders of not less than three-fourths of the issued shares of that class; or
- (b)** the sanction of a Special Resolution passed at a separate meeting of the holders of the issued shares of that class;

and all the provisions hereinafter contained as to General Meetings (including the provisions relating to quorum at such meetings) shall *mutatis mutandis* apply to every such meeting.

SHARES

Shares to be numbered progressively

- 14.** The Shares in the capital shall be numbered progressively according to their several denominations, provided however, that the provision relating to progressive numbering shall not apply to the shares which are dematerialised or may be dematerialised form. Every forfeited or surrendered share held in material form shall continue to bear the number by which the same was originally distinguished.

Dematerialisation of shares

- 14A.** The Company shall be entitled to dematerialise its existing Shares, rematerialize its shares held in the Depositories and/or to offer its fresh shares in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any.

Shares at the disposal of the Directors

- 15.** Subject to the provisions of the Act and these Articles the shares shall be under the control of the Directors, who may allot or otherwise dispose of the same to such persons on such terms and conditions and either at a premium or at par or (subject to the provisions of Section 79 of the Act) at a discount and at such times as the Directors may think fit. Option or right to call on shares shall not be given to any person except with the sanction of the Company in General Meeting.

Application of premia received on shares

- 16.** (1) Where the Company issues shares at a premia whether for cash or otherwise, a sum equal to the aggregate amount or value of the premia on those shares shall be transferred to an account, to be called "The Share Premium Account" and the provisions of the Act relating to the reduction of Share Capital of the Company shall except as provided in this Article apply as if the Share Premium Account were paid up Share Capital of the Company.
- (2) The Share Premium Account may notwithstanding anything contained in sub-clause (1) hereof be applied by the Company;
- (a) in paying the unissued shares of the Company to be issued to members of the Company as fully paid bonus shares;
 - (b) in writing off the preliminary expenses of the Company;
 - (c) in writing off the expenses of, or the commission paid or discount allowed on any issue of shares or debentures of the Company; or

- (d) in providing for the premium payable on the redemption of any Redeemable Preference Shares or of any debentures of the Company.

- 17.** The Company may issue at a discount shares in the Company of a class already issued, if the following conditions are fulfilled, namely *Shares at a discount*
- (i) The issue of shares at a discount is authorised by a resolution passed by the Company in General Meeting and sanctioned by the Company Law Board.
 - (ii) The Resolution specifies the maximum rate of discount (not exceeding 10% or such higher percentage as the Company Law Board may permit in any special case) at which the shares are to be issued.
 - (iii) The shares to be issued at a discount are issued within two months after the date on which the issue is sanctioned by the Company Law Board or within such extended time as the Company Law Board may allow.
- 18.** Subject to the provisions of the Act and these Articles the Board may allot and issue shares in the capital of the Company as payment for any property sold or transferred or for services rendered to the Company in the conduct of its business and any shares which may be so issued shall be deemed to be fully paid up shares. *The Board may issue shares as fully paid up*
- 19.** An application signed by or on behalf of an applicant for shares in the Company followed by an allotment of any shares therein shall be acceptance of shares within the meaning of these Articles and every person who accepts any shares and whose name is on the Register shall for the purposes of these Articles be a Member. *Acceptance of Shares*
- 20.** The money (if any) which the Directors shall on allotment of any shares being made by them require or direct to be paid by way of deposit, call or otherwise in respect of any shares, shall immediately on the inscription of the name of the allottee in the Register of Members as the name of the holder of such shares become a debt due to and recoverable by the Company from the allottee thereof and shall be paid by him accordingly. *Deposit and calls etc. to be a debt payable immediately*
- 21.** If by the conditions of allotment of any share the whole or any part of the amount or issue price thereof shall be payable by installment, every such installment shall when due be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the shares or his legal representative. *Installments on shares to be duly paid*
- 22.** Every member or his heirs, executors and administrators shall pay to the Company the proportion of the capital represented by his *Liability of members*

share or shares which may for the time being remain unpaid thereon in such amounts at such time or times and in such manner as the Board shall from time to time in accordance with the Company's regulations require or fix for the payment thereof.

Liability of joint holders of shares

23. The joint holders of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such shares.

Trusts not recognised

24. Except as required by law no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the member.

No purchase of or loans on Company's Shares

25. None of the funds of the Company shall except as provided by Section 77 of the Act be employed in the purchase of its own shares unless the consequent reduction of capital is effected and sanctioned in pursuance of Sections 100 to 104 or of Section 402 of the Act or in giving either directly or indirectly and whether by means of a loan, guarantee, the provisions of security or otherwise any financial assistance for the purpose of or in connection with a purchase or subscription, made or to be made by any person, of or for any shares in the Company or in its holding Company or in loan upon the securities of its shares.

Buyback of Shares

25A. Notwithstanding anything contained in these Articles and pursuant to the provisions of Sections 77A, 77AA, 77B and other applicable provisions, if any, of the Act, SEBI Guidelines and other applicable guidelines, rules and regulations that may be issued in this regard, the Company may purchase its own shares or other specified securities out of its free reserves or securities premium account or proceeds of any shares or other specified securities or from such other sources as may be prescribed by law from time to time.

Copy of Memorandum and Articles to be given to members

26. The Company shall on being so required by a member, send to him within seven days of the requirement and subject to the payment of fee of Re. 1 a copy of each of the following documents as in force for the time being :

(a) Memorandum

(b) The Articles

(c) the Agreement, if any entered into or proposed to be entered into by the Company with any person appointed or to be

appointed as its Managing Director or as its whole-time Director and

- (d) every other agreement and every resolution referred to in Section 192 of the Act if and in so far as they have not been embodied in the Memorandum of the Company or these Articles.

CERTIFICATES

- 27.** (1) Certificates of title to shares shall be issued under the Common Seal of the Company which shall be affixed in the presence of and signed by (i) two Directors or persons acting on behalf of the Directors under a duly registered Power of Attorney and; (b) the Secretary or some other person appointed by the Board for the purpose; provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing Director or whole-time Director. *Certificates*
- (2) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means such as engraving in metal, or lithography, but not by any means of a rubber stamp. Provided, however, that notwithstanding anything contained in this clause, the certificate of title to shares may be executed and issued in accordance with such other provisions of the Act or the rules made thereunder as may be in force for the time being and from time to time. The Certificate shall be made out in favour of not more than four persons.
- 28.** The Company shall within three months after the allotment of any of its shares, debentures or debenture-stock or within two months after the application for the registration of the transfer of any shares, debentures or debenture-stock complete and have ready for delivery the certificates of all shares, debentures and the certificates of all debenture stock allotted or transferred unless the conditions of issue of the shares, debentures or debenture-stock otherwise provide. Every certificate of shares shall specify the numbers and denoting numbers of the shares in respect of which it is issued and the amount paid thereon. *Members right to certificates*
- 29.** If any certificate is lost or destroyed or defaced, mutilated or torn or has no further space on the back thereof for endorsement of transfers then in case of a lost or destroyed certificate upon proof to the satisfaction of the Directors as to its loss or destruction and on such indemnity as the Directors deem adequate being given and in other cases, upon surrender of the certificate to the Company, a new certificate in lieu thereof shall be given to the party entitled to such *Issue of new certificate in place of one defaced or lost or destroyed*

certificate. Any new or renewed certificate may be marked as such. The out of pocket expenses incurred by the Company in investigating the evidence as to the loss or destruction shall be paid to the Company. No fee shall be charged for issue of new certificates in replacement of those which are old, decrepit or worn out or where the cages on the reverse for recording transfers have been utilised fully.

To which of joint holders certificate to be issued

30. The certificate of shares registered in the names of two or more persons shall be delivered to the person first named in the Register.

The first named joint holder deemed sole holder

31. If any shares stand in the names of two or more persons, the person first named in the Register shall as regards receipt of dividends or bonus or service of notices and all or any other matters connected with the Company except voting at the meeting and the transfer of shares be deemed the sole holder thereof.

Death of one or more joint holders of shares

32. In the case of death of any one or more of the persons named in the Register as the joint holders of any share the survivor or survivors shall be the only person or persons recognised by the Company as having any title to or interest in such share but nothing herein contained shall be taken to release the estate of a joint holder from any liability on shares held by him jointly with any other person.

UNDERWRITING AND BROKERAGE

Commission for placing shares

33. (1) The Company may at any time pay a commission to any person in consideration of :

- (a)** his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in, or debentures of the Company; or
- (b)** his procuring or agreeing to procure subscriptions whether absolute or conditional for any shares in or debentures of the Company.

If the following conditions are fulfilled, namely :

- (i)** the commission paid or agreed to be paid does not exceed in the case of shares, five percent of the price at which the shares are issued and in the case of debentures one and a half percent of the price at which the debentures are issued;
- (ii)** the amount or rate percent of the commission paid or agreed to be paid is in the case of shares or debentures offered to the public for subscription, disclosed in the

Prospectus, and in the case of shares or debentures not offered to the public for subscription, disclosed in the Statement in lieu of Prospectus, or in a Statement in the form prescribed in the Act signed in like manner as a Statement in lieu of Prospectus and filed before the payment of commission with the Registrar of Companies and, where a circular or notice, not being a Prospectus inviting subscription for the shares or debentures, is issued, also disclosed in that circular or notice, and

- (iii) the number of shares or debentures which persons have agreed for a commission to subscribe absolutely or conditionally is disclosed in the manner aforesaid.
- (2) Save as aforesaid and save as provided in Section 79 of the Act, the Company shall not allot any of its shares or debentures or apply any of its moneys, either directly or indirectly in payment of any commission, discount or allowance to any person in consideration of :

 - (a) his subscribing or agreeing to subscribe whether absolutely or conditionally, for any shares in or debentures of the Company or :
 - (b) his procuring or agreeing to procure subscription whether absolute or conditional, for any shares in or debentures of the Company.

Whether the shares, debentures or money so allotted or applied by being added to the purchaser money of any property acquired by the Company, or the contract price of any work to be executed for the Company, or the money be paid out of the nominal purchase money or contract price or otherwise.

- (3) Nothing in this clause shall affect the power of the Company to pay such brokerage as is lawful for the Company to pay.
- (4) A vendor promoter, or other person who receives payment in shares, debentures or money from the Company shall have and shall be deemed always to have had power to apply any part of the shares, debentures, or money so received in payment of any commission, the payment of which if made directly by the Company would have been legal under this clause.
- (5) The Commission may be paid or satisfied subject to the provisions of the Act and these presents in cash or in shares in or debentures of the Company.

Commission to be included in the Annual Return

- 34.** Where the Company had paid any sum by way of commission in respect of any shares or debentures or allowed any sums by way of discount in respect of any debentures such statement thereof as required by Part I of Schedule V of the Act shall be made in the Annual Return to be made by the Company under Section 159 of the Act.

INTEREST OUT OF CAPITAL

Payment of interest

- 35.** Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any work or building or the provision of any plant which cannot be made profitable for a lengthy period, the Company may with the previous sanction of the Central Government
- (a)** pay interest on so much for that Share Capital as is for the time being paid up for the period and subject to the condition and restrictions mentioned in sub-section (2) to (7) of section 208 of the Act; and
 - (b)** charge the sum so paid by way of interest to capital as part of the cost of construction of the work or building or the provisions of the plant.

TRANSFER AND TRANSMISION OF SHARES

Register of transfer etc.

- 36.** The Company shall keep a book called “The Register of Transfers” and therein shall fairly and distinctly enter the particulars of every transfer or transmission of any shares.

Execution of transfer etc.

- 37.** No transfer shall be registered unless a proper instrument of transfer has been delivered to the Company. The instrument of transfer of any share shall be duly stamped and be executed by or on behalf of the transferor and by or on behalf of the transferee and shall specify the name, address and occupation if any of the transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register in respect thereof. Shares of different classes shall not be included in the same instrument of transfer.

Form of transfer

- 38.** The instrument of transfer of any share shall be in writing in the usual common form or in such form as may be approved by or current in any Recognised Stock Exchange or as near thereto as circumstances may require.

The Board may decline to register transfer

- 39.** **(a)** The Directors may subject to the provisions of Section 111 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956 in their absolute and uncontrolled discretion decline to register any transfer of or the transmission by operation of

law of the right to any shares in or debentures of the Company to any person of whom they do not approve and in particular, may so decline in any case in which the Company has a lien upon the shares or any of them. The registration of a transfer shall be conclusive evidence of the approval by the Board of the transferee but so far only as regards the share or shares in respect of which the transfer is so registered and not further or otherwise and not so as to debar the Directors from declining to register any subsequent or other transfer of other shares applied for in the name of such transferee. Provided that registration of any transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except as stated herein above.

- (b) The Directors may decline to register transfer of shares on the ground that the share transfer is not of a marketable lot. The marketable lot will be decided in consultation with the concerned Stock Exchange.

- 40.**
- (1) An application for registration of a transfer of share may be made either by the transferor or transferee.
 - (2) Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from receipt of the notice.
 - (3) For the purpose of sub-clause (2) hereof notice to the transferee shall be deemed to have been duly given if it is despatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been duly delivered in the ordinary course of post.
 - (4) It shall be lawful for the Company to refuse to register a transfer of any shares, unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company alongwith the certificate relating to the shares or if no such certificate is in existence alongwith the letter of allotment of shares provided that where on an application in writing made to the Company by the transferee and bearing the stamp required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost

*Transfer of
Shares*

the Company may register the transfer on such terms as to indemnity as the Board may think fit.

- (5) If the Company refuses to register any such transfer or transmission right, the Company shall within one month from the date on which the instrument of transfer or the intimation of such transmission as the case may be was delivered to the Company send notice of the refusal to the transferee and the transferor or to the persons giving intimation of such transmission as the case may be giving reasons for such refusal.

Nothing in sub-clause (4) hereof shall prejudice any power of the Company hereunder to refuse to register the transfer of or the transmission by operation of law of the right to any shares in or debentures of the Company.

The Company shall comply with the provisions of Section 108 of the Act.

- 41.** Where any instrument of transfer of shares has been delivered to the Company for registration and the transfer of such shares has not been registered by the Company, it shall notwithstanding anything contained in any other provision of these Articles shall :
- (a) transfer the dividend in relation to such shares to the Special Account referred to in Section 205-A of the Act; unless the Company is authorised by the registered holder of such shares in writing to pay such dividend to the transferee specified in such instrument of transfer.
 - (b) keep in abeyance in relation to such shares any offer of rights shares under clause (a) of sub-section (1) of Section 81 and issue of fully paid up bonus shares in pursuance of sub-section (3) of Section 205.

Transfer to be left at office as evidence of title given

- 42.** Every instrument of transfer duly executed and stamped shall be left at the office for registration accompanied by the certificate of the shares to be transferred and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares.

When transfer to be retained

- 43.** All instruments of transfer which shall be registered shall be retained by the Company but any instrument of transfer which the Directors may decline to register shall on demand be returned to the person depositing the same. The Directors may cause to be destroyed all transfer deeds lying with the Company after such periods as they may determine.

- 44.** The Directors may after giving not less than seven days previous notice by advertisement as required by Section 154 of the Act close the Register of Members or the Register of Debenture-holders for any period or periods not exceeding in the aggregate forty five days in each year but not exceeding thirty days at any one time. *Closure of Transfer books*
- 45.** The executors or administrators of a deceased share holder (whether European, Hindu, Mohammedan, Parsi and otherwise) or the holder of a succession certificate shall be the only persons to be recognized by the Company as having any title to his share except in case of joint holders in which case the surviving holder or holders or the executors or administrators of the last surviving holder shall be the only persons entitled to be so recognised but nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share held jointly by him. The Company shall not be bound to recognise such executor or administrator or the holder of a succession certificate unless he shall have obtained Probate or Letters of Administration or a Succession Certificate or other legal representation as the case may be from a duly constituted competent court in India or from any court or authority authorised by any Act of the Legislature of India or by any order or notification of the President of India to grant such Probate, Letters of Administration, Succession Certificate or other legal representation. Provided nevertheless that it shall be lawful for the Directors in their absolute discretion to dispense with the production of Probate or Letters of Administration or Succession Certificate or other legal representation upon such terms as to indemnity or otherwise as the Directors may deem fit. *Transmission of shares*
- 46.** Any person becoming entitled to shares in consequence of the death, lunacy or insolvency of any member, upon producing proper clause evidence of the grant of Probate or Letters of Administration or Succession Certificate or such other evidence that he sustains the character in respect of which he proposes to act under this Clause or of his title, as the Directors think sufficient, may with the consent of the Directors (which they shall not be under any obligation to give) be Registered as a member in respect of such share or may subject to the regulations as to transfer hereinbefore contained, transfer such shares. This Clause is herein referred to as the "The Transmission Clause." *Transmission Clause*
- 47.** The Directors shall subject to the provisions of Article 39 hereof have the same right to refuse to register a person entitled by transmission to any shares or his nominee, as if he were the transferee named in an ordinary transfer presented for registration. *Directors right to refuse to register*
- 48.** Every transmission of share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until and unless as *Board may require evidence of transmission*

indemnity be given to the Company with regard to such registration which the Directors in their discretion shall consider sufficient, provided nevertheless that there shall not be any obligations on the Company or the Directors to accept an indemnity.

No fee on transfer or transmission

49. No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

Certificate of Transfer

50. The certification by the Company of any instrument of transfer of shares in, or debentures of the Company shall be taken as a representation by the Company to any person acting on the faith of the certification that there have been produced to the Company such documents as on the face of them show a prima facie title to the shares or debentures in the transferor named in the instrument of transfer but not as a representation that the transferor has any title to the shares or debentures.

Company not liable for discharge of notice prohibiting register of transfer

51. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purported to be made by any apparent legal owner thereof (as shown or appearing on the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right, title or interest, or notice prohibiting registration of such transfer and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or required to attend or give effect to any such notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or referred to in some book of the Company; but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Directors shall so think fit.

Transfer of Debentures

52. The provisions of these Articles mutatis mutandis apply to the transfer of or the transmission by operation of law of the right to Debentures of the Company.

CALLS

Calls

53. Subject to Section 91 of the Act, the Directors may, from time to time by resolution passed at a meeting of the Directors and not by a circular resolution, make such calls as they may think fit, upon the members in respect of all moneys unpaid on the shares held by them respectively, whether on account of the nominal value of the shares or by way of premium and not by the conditions of allotment thereof made payable at fixed times and each member shall pay the amount of every call so made on him to the persons and at the

times and places appointed by the Directors. A call may be made payable in installments.

- 54.** If by the condition of allotment of any share, the whole or part of the amount or issue price thereof shall be payable by installments, every such installment shall when due be paid to the Company by the person who for the time being shall be the registered holder of the share or his legal representative. *Payment by installments of issue price*
- 55.** No call shall exceed one-half of the nominal amount of a share or be made payable within two months after the last preceding call was payable. All calls shall be made on a uniform basis on all shares falling under the same class. Shares of the same nominal value on which different amounts have been paid up shall not be deemed to fall under the same class. *Restrictions on power to call*
- 56.** A call shall be deemed to have been made at the time when the Resolution of the Directors authorising such calls was passed at a Meeting of Directors and may be made payable by the members on the Register of Members on a subsequent date to be fixed by the Directors. *When calls deemed to have been made*
- 57.** Fifteen days notice of any call shall be given specifying the time and place of payment and to whom such call shall be paid provided that before the time for payment of such call the Directors may by notice in writing to the members, revoke the same. *Notice of Calls*
- 58.** If by the terms of issue of any share or otherwise any amount is payable at any fixed time or by installments at fixed times, whether on account of the nominal amount of the share or by way of premium every such amount or installment shall be payable as if it were a call duly made by the Directors and payable on the date on which by the terms of issue such sum becomes payable and of which due notice has been given. In case of non-payment of such sum, all the relevant provisions herein contained as to payment of interest and expenses, forfeiture, or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified. *When amount payable*
- 59.** If the sum payable in respect of any call or installment be not paid on or before the day appointed for payment thereof, the holder for the time being or allottee of the share in respect of which the call shall have been made or the installment shall be due, shall pay interest for the same from the day appointed for payment thereof to the time of actual payment at the rate of 9% per annum or at such lower rate as the Directors may determine. The Directors shall be at liberty to waive the payment of any such interest wholly or in part. *When interest on call or installment payable*
- 60.** The Directors may from time to time at their discretion extend the time fixed for the payment of any call and may extend such time as *Directors may extend time.*

to all or any of the share holders who for some reason or other cause the Directors may deem fairly entitled to such extension but no shareholders shall be entitled to such extension save as a matter of grace and favour.

*Liability of
Joint Holders*

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

*Evidence in
action for sell*

62. On the trial or hearing of any action for the recovery of any money due for any call it shall be sufficient to prove that the name of the member sued is entered in the Register as the holder or one of the holders of the shares in respect of which such debt accrued; that the Resolution making a call is duly recorded in the minute book; and that notice of such calls was duly given to the member sued in pursuance of these presents and it shall not be necessary to prove the appointment of the Directors who made such call nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.

*Payment of
calls in
advance*

63. The Directors may, if they think fit, receive from any member willing to advance the same, the whole or any part of the amount remaining unpaid on any shares held by him beyond the sums actually called for and upon the amount so paid or satisfied in advance or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may (until the same would but for such advance become presently payable) pay interest at such rate not exceeding, unless the Company in General Meeting shall otherwise direct, six percent per annum as the member paying such sum in advance and the Directors may agree upon and the Directors may at any time, repay the amount so advanced upon giving to such member three months notice in writing. The members making such advance payment shall not, however be entitled to any voting rights, in respect of the moneys so paid by him until the same would, but for such payment become presently payable, nor shall be entitled in respect thereof to dividend or to participate in profits.

*Particulars of
calls paid and
not paid to be
shown in
annual return*

64. Particulars of (a) amount called upto the date of Company's Annual General Meeting on each share, (b) the total amount of calls paid and received upto that date and (c) the total amount of calls unpaid at that date shall be shown in the Annual Return.

FORFEITURE

*If calls or
installment not
paid notice
may be given*

65. If any member fails to pay any call or installment of a call on or before the date appointed for the payment of the same the Directors may at any time thereafter, during such time as the call or installment remains unpaid, serve a notice on such member requiring him to pay the same together with any interest that may be accrued and all

expenses that may have been incurred by Company by reason of such non-payment.

- 66.** The notice shall name a day (not being earlier than the expiry of fourteen days) from the date of service of the notice and place or places, on and at which such call or installment and such interest expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment on or before the time and at the place appointed, the shares in respect of which the call was made or installment is payable, will be liable to be forfeited.
- 67.** If the requirement of any such notice as aforesaid is not complied with any shares in respect of which such notice has been given may at any time thereafter before payment of all calls or installments, interest and expenses due in respect thereof, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture. *If notice is not complied with shares may be forfeited*
- 68.** When any share shall have been so forfeited notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and any entry of the forfeiture with the date thereof shall forthwith be made in the Register provided however that the failure to give the notice will not in any way invalidate the forfeiture. *Notice after forfeiture*
- 69.** Any shares so forfeited shall be deemed to be the property of the Company and the Directors may sell, re-allot and otherwise dispose of the same in such manner as they think fit. *Forfeited shares to become property of the company*
- 70.** The Directors may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof as a matter of grace and favour but not as of right upon such terms and conditions as they may think fit. *Power to annul forfeiture*
- 71.** Any members whose share shall have been forfeited shall, notwithstanding be liable to pay and shall forthwith pay to the Company all calls, installments, interests and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at the rate of nine percent per annum and the Directors may enforce the payment of such moneys or any part thereof if they think fit, but shall not be under any obligation so to do. *Arrears to be paid notwithstanding forfeiture*
- 72.** The forfeiture of a share shall involve the extinction of all interest in and also all claims and demands made against the Company in respect of the share and all other right incidental to the shares except only such of those rights as by these Articles are expressly saved. *Effect of forfeiture*

Certificate of forfeiture

73. A duly verified declaration in writing that the declarant is a Director, the Manager or Secretary of the Company and that a share in the Company has been duly forfeited on a date in the declaration shall be conclusive evidence of the facts therein stated as against all persons entitled to the share.

Title of purchaser and allottee of forfeited shares

74. The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposal thereof and execute a transfer of the share in favour of the person to whom such share is sold, re-allotted in favour of the person or disposed of and the person to whom such share sold, re-allotted or disposed of may not (unless by express agreement) be liable to pay any calls, amounts, installments, interest and expenses owing to the Company prior to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the dividends, interest or bonuses accrued or which might have accrued upon the share before the time of completing such purchase or before such allotment. Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.

Partial payment not be preclude forfeiture

75. Neither a judgement nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such as herein provided.

The Provisions of these Articles as to forfeiture to apply in case of non-payment of any sum

76. The provisions of these Articles as to forfeiture shall apply to the case of non-payment of any sum which by the terms of issue of a share become payable at a fixed time whether on account of the nominal value of the share or by way of premium as if the same had been payable by virtue of a call duly made and notified.

LIEN

Company's lien on shares

77. The Company shall have no lien on its fully paid shares. In the case of partly paid up shares, the Company shall have a first and paramount lien thereon only in respect of all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares and such lien shall extend to all dividends from time to time declared and payable in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares. The Directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

- 78.** For the purpose of enforcing such lien, the Board of Directors may sell the shares subject thereto in such of manner as they think fit but no sale shall be made unless a sum in respect of which the lien exists is presently payable and until notice in writing of the intention to sell shall have been served on such member or the person or persons entitled by transmission of the shares and default shall have been made by him or them in the payment of sum payable as aforesaid for seven days after the date of such notice. *As to enforcing lien by sale*
- 79.** The net proceeds of any such sale, after payment of the cost of such sale, shall be applied in or towards satisfaction of all moneys called and payable in respect of such shares and the residue (if any) paid to such member or to the person (if any) entitled by transmission of the shares so sold. *Application of proceeds of sale*
- 80.** Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Directors may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings or to the application of the purchase money and after his name has been entered in the Register in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively. *Validity of proceeds of sale*

CONVERSION OF SHARES INTO STOCK

- 81.** The Company by resolution in General Meeting may convert any paid up shares into stock and may convert any stock into paid up shares of any denomination. Where any shares have been converted into stock, the several holders of such stock may, hence forth, transfer their respective interests therein, or any part of such interest in the same manner and subject to the same regulations as and subject to which fully paid up shares in the Company's capital may be transferred or as near thereto as circumstances will admit. But the Directors may from time to time, if they think fit fix the minimum amount of stock transferable and direct that fraction of a Rupee shall not be dealt with power, nevertheless, at their discretion to waive such rules in any particular case. *Conversion of shares into stock*
- 82.** The stock shall confer on the holder thereof respectively the same privileges and advantages, as regards participation in profits and voting at meetings of the Company, and for other purposes, as would have been conferred by shares of equal amount in the capital of the Company for the same class as the share from which such stock was converted, but so that none of such privileges or advantages except in the participation in profits of the Company, or in assets of the *Rights of stockholders*

Company, on a winding up, shall be conferred by any such adequate part of stock as would not, if existing in shares, have conferred such privileges or advantages. No such conversion shall effect or prejudice any preference or other special privilege attached to the shares so converted. Save as aforesaid but subject to the provisions of Sections 96 of the Act, all the provisions herein contained shall so far as circumstances will admit, apply to stock as well as to shares.

MEETINGS

*Annual
General
Meeting*

- 83.** (1) (a) The Company shall in each year hold in addition to any other meetings, a general meeting as its Annual General Meeting and shall specify the meeting as Annual General Meeting in the notices calling the same.
- (b) Annual General Meeting shall be held by the Company within six months after the expiry of each financial year, and
- (c) Not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next;

Unless the Registrar of Companies shall have for any special reason extended the time for holding any Annual General Meeting.

- (2) Every Annual General Meeting shall be called at a time during the business hours on a day that is not a public holiday and shall be held either at the Registered Office of the Company or at some other place within Mumbai as the Directors may determine.

- 84.** Subject to the provisions of section 159, the Company shall within sixty days from the day of which the Annual General Meeting is held prepare and file with the Registrar of Companies;

Annual Return

- (1) A return in Form set out in Part II Schedule V of the Act or as near thereto as the circumstances will admit signed by both a Director and by Manager or Secretary of the Company and where there are no Manager or Secretary, by two of the Directors of the Company, one of the whom shall be the Managing Director where there is one, containing the particulars specified in Part I of the said Schedule V as they stood on that day, regarding
- (a) its Registered Office;
- (b) the register of its members;

- (c) the register of its debenture-holders;
- (d) its shares and debentures;
- (e) its indebtedness;
- (f) its members and debenture holders, past and present; and
- (g) its Directors, Managing Directors, whole-time Directors, Managers and Secretaries, past and present;

Provided that if any of the immediately preceding returns under section 159 of the Companies Act 1956 have given as at the date of the Annual General Meeting with reference to which it was submitted, the full particulars required as to past and present members and the shares held and transferred by them, the return in question may contain any such of the particulars as relate to persons ceasing to be or becoming members since that date and to shares transferred since the date or to changes as compared with that date in the number of shares held by a member.

- (2) The reference in this Article to the day on which an Annual General Meeting is held or to the date of the Annual General Meeting shall, where the Annual General Meeting for any year has not been held, be constructed as a reference to the latest day on or before which that meeting should have been held in accordance with the provisions of the Act;
- (3) Where the return is filed even though the Annual General Meeting has not been held on or before the latest day by which it should have been held in accordance with the provisions of the Act, the Company shall file with the return a statement specifying the reasons for not holding the Annual General Meeting;
- (4) A Certificate signed by the signatories to the above return stating that the return states the facts as they stood on the day of the Annual General Meeting correctly and completely and that since the day of the last Annual Return the transfer of all the shares and debentures and the issue of all further certificates of shares and debentures, have been appropriately recorded in the books maintained for that purpose;
- (5) (i) Three copies of the Balance Sheet and the Profit and Loss Account laid before the Annual General Meeting within thirty days from the date on which the Balance Sheet and Profit and Loss Account were so laid or where

the Annual General Meeting for any year has not been held within thirty days from the latest day on or before which that meeting should have been held, shall be filed with the Registrar of Companies signed by the Managing Director, Manager or Secretary or if there be none of these by a Director of the Company together with three copies of all documents required by the Act to be annexed or attached to such Balance Sheet or Profit and Loss Account.

- (ii) If the Annual General Meeting of the Company before which the Balance Sheet is laid does not adopt the Balance Sheet or if the Annual General Meeting for any year has not been held, a statement on that fact and of the reasons therefor shall be annexed to the Balance Sheet and to the copies thereof required to be filed with the Registrar.

*Circulation of
members'
resolution*

- 85.** (1) Subject to the provisions of section 188 of the Act, the Directors' shall on the requisition in writing of such number of members as is hereinafter specified and (unless the Annual General Meeting otherwise resolves) at the expenses of the requisitionists;
- (a) give to the members of the Company entitled to receive notice of the next Annual General Meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting.
 - (b) circulate to members entitled to have notice of any General Meeting sent to them, any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or any business to be dealt with at that meeting.
- (2) The number of members necessary for a requisition under sub clause (1) hereof shall be :
- (a) such number of members as represent not less than one twentieth of the total voting power of all the members at the date of the requisition a right to vote on the resolution or business to which the requisition relates; or
 - (b) not less than one hundred members having the right aforesaid and holding shares in the Company on which there has been paid up an aggregate sum of not less than Rupees one lac in all.

- (3) Notice of any such resolution shall be given and any such statement shall be circulated to members of the Company entitled to have notice of the meeting sent to them, by serving a copy of the resolution or statement on each member in any manner permitted by the Act for service of notice of the meeting and notice of any such resolution shall be given to any other member of the Company by giving notice of the general effect of the resolution in any manner permitted by the Act for giving him notice of meeting of the Company. The copy of the resolution shall be served or notice to the effect of the resolution shall be given, as the case may be, in the same manner and, so far as practicable, at the same time as the notice of the meeting and where it is not practicable for it to be served or given at that time, it shall be served or given as soon as practicable thereafter.
- (4) The Company shall not be bound under this Article to give notice of any resolution or to circulate any statement unless a copy of the resolution signed by the requisitionists or two or more copies of which between them contain the signatures of all the requisitionists is deposited at the Registered Office of the Company (i) in the case of a requisition requiring notice of resolution not less than six weeks before the meeting and (ii) in the case of any other requisition, not less than two weeks before the meeting and there is deposited or tendered with the requisition a sum reasonably sufficient to meet the Company's expenses in giving effect thereto; Provided that if after a copy of the requisition requiring notice of a resolution has been deposited at the Registered Office of the Company, a General Meeting is called for a date six weeks or less after such copy has been deposited, the copy although not deposited within the time required by this Article shall be deemed to have been properly deposited for the purposes thereof.
- (5) The Company shall also not be bound under this Article to circulate any statement, if on the application either of the Company or of any other person who claims to be aggrieved, the Court is satisfied that the rights conferred by this Article are being abused to secure needless publicity for defamatory matter.
- (6) Notwithstanding anything in these Presents contained, the business which may be dealt with at an Annual General Meeting shall include any resolution of which notice is given in accordance with this Article and for the purposes of this sub clause notice shall be deemed to have been so given notwithstanding the accidental omission in giving it, to one or more members.

*Extraordinary
General
Meeting*

86. All meetings of the Company other than the Annual General Meeting shall be called “Extraordinary General Meeting.”

*Directors
may call
Extraordinary
General
Meeting*

87. The Directors may whenever they think fit, convene an Extraordinary General Meeting.

*Calling of
Extraordinary
General
Meeting by
requisition*

88. (1) The Directors shall on the requisition of such number of members of the Company as is specified in sub-clause (4) hereof forthwith proceed duly to call an Extraordinary General Meeting of the Company and in the case of such requisition the following provisions shall have effect.

(2) The requisition shall set out the matters for the consideration of which the meeting is to be called, shall be signed by the requisitionists and shall be deposited at the Registered Office of the Company.

(3) The requisition may consist of several documents in the like form each signed by one or more requisitionists.

(4) The number of members entitled to requisition a meeting in regard to any matter shall be such number as hold at the date of deposit of the requisition not less than one-tenth of such of the Paid-up Capital of the Company as at that date carries the right of voting in regard to that matter.

(5) Where two or more distinct matters are specified in the requisition, the provisions of sub-clause (4) hereof shall apply separately in regard to each such matter and the requisition shall accordingly be valid only in respect of those matters in regard to which the condition specified in that sub-clause is fulfilled.

(6) If the Directors do not, within twenty-one days from the date of the deposit of a valid requisition in regard to any matter, proceed duly to call a meeting for the consideration of those matters on a day not later than forty-five days from the date of the deposit of the requisition, the meeting may be called by the requisitioners themselves or by such of the requisitionists as represent either a majority in value of the Paid up Share Capital held by all of them or not less than one-tenth of such of the Paid up Share Capital of the Company as at the deposit of the requisition carries the right of voting in regard to the matter referred to in the requisition whichever is less but any meeting so convened shall not be held after the expiry of three months from the date of the deposit of the requisition provided however that nothing herein contained shall be deemed to prevent a

meeting duly commenced before the expiry of the said period of three months from adjourning to some other day after the expiry of that period.

- (7)** In the case of a meeting at which a resolution is to be proposed as a Special Resolution, the Directors shall be deemed not to have duly convened the meeting if they do not give such notice thereof as is required to be given for a special resolution under Section 189(2) of the Act.
- (8)** Any meeting convened under this Article by the requisitionists or any of them shall be convened in the same manner as nearly as possible as that in which meetings are to be convened by the Directors.
- (9)** Where two or more persons hold any shares in the Company jointly, a requisition or a notice calling a meeting signed by one or more only of them shall for the purpose of this clause have the same force and effect as if it had been signed by all of them.
- (10)** Any reasonable expenses incurred by the requisitionists, by reason of the failure of the Directors duly to call a meeting shall be repaid to the requisitionists by the Company and any sum so repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.
- 89. (1)** Any General Meeting of the Company whether Annual General Meeting or Extraordinary General Meeting may be called by giving not less than twenty-one days notice in writing.
- (2)** A General Meeting may be called after giving shorter notice than that specified in sub-clause (1) hereof if consent is accorded thereto :

 - (i)** in the case an Annual General Meeting by all the members entitled to vote thereat; and
 - (ii)** in the case of any other meeting, by members of the Company holding not less than ninety-five percent of such part of the Paid up Share Capital of the Company as gives a right to vote at the meeting.

*Length of
notice for
calling meeting*

Provided that where any members of the Company are entitled to vote only on some resolution or resolutions to be moved at the meeting and not on the others, those members shall be taken into account for the purposes of this sub-clause in respect of the former resolution or resolutions and not in respect of the latter.

*Contents and manner of service of notice and person on whom it is to be served
To whom notice of meetings to be given*

- 90.** (1) Every notice of meeting of the Company shall specify the place and the day and hour of the meeting and shall contain a statement of the business to be transacted there at.
- (2) Notice of every meeting of the Company shall be given :
- (i) to every member of the Company in any manner authorized by sub-section (1) to (4) of Section 53 of the Act :
 - (ii) to the persons entitled to a share in consequence of the death or insolvency of a member, by sending it through the post in a prepaid letter addressed to them by name or by the title of representatives of the deceased, or assignees of the insolvent or by any like description at the address, if any, in India, supplied for the purpose by the persons claiming to be so entitled, or until such address has been so supplied, by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred :
 - (iii) to the Auditor or Auditors for the time being of the Company in any manner authorised by Section 53 of the Act in the case of any member or members of the Company.
- (3) The accidental omission to give notice to or non-receipt of notice by any member or other person to whom it should be given shall not invalidate the proceedings at the meeting.

As to omission to give notice

Special business

- 91.** All business to be transacted at an Annual General Meeting with the exception of business relating to (i) the consideration of the Accounts, Balance Sheet and the Reports of the Auditor and Directors; (ii) the declaration of a dividend; (iii) the appointment of Directors in the place of those retiring; and (iv) the appointment of and the fixing of the remuneration of the Auditors, and all business to be transacted at any other meeting of the Company shall be deemed "Special".

Explanatory statement to be annexed to notice

- 92.** Where any items of business to be transacted at any meeting of the Company are deemed to be Special as aforesaid, there shall be annexed to the notice of the meeting a Statement setting out all material facts concerning each such item of business, including in particular the nature of the concern or interest, if any, therein of every Director, and the Manager, if any and specifying where any item of business consists of the according of approval to any document by the meeting, the place and time where the document can be inspected.

Provided that where any item of Special Business to be transacted at a meeting relates to or affects any other company, the extent of share-holding interest in that other company of every Director, and the Manager, if any, of the Company, shall be set out in the statement of the extent of such share-holding interest is not less than twenty percent of the paid up capital of that other Company.

- 93.** No General Meeting, Ordinary or Extraordinary shall be competent to enter upon, discuss or transact any item of business deemed to be Special unless notice thereof is given in the notice convening the meeting. *General meeting not competent to discuss or transact any special business without special notice*
- 94.** Five members entitled to vote and present in person shall be a quorum for a General Meeting. When more than one of the joint holders of a share is present, not more than one of them shall be counted for ascertaining the quorum. Several executors or administrators of a deceased person in whose sole name shares stand shall for the purposes of this Clause be deemed joint holders thereof. *Quorum*
- 95.** No business shall be transacted at any General Meeting unless the quorum requisite shall be present at the commencement of the business. *Presence of Quorum*
- 96.** The Chairman of the Board of Directors shall be entitled to take the chair at every General Meeting. If there be no such Chairman or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting or being present declines to take the chair, the Directors present may choose one of their members to be Chairman and in default of their doing so, the members present shall choose one of the Directors to be Chairman, and if no Director present be willing to take the Chair, shall on show of hands elect one of the members to be the Chairman of the meeting. If a poll is demanded on the election of the Chairman, it shall be taken forthwith in accordance with the provisions of the Act and the Chairman elected on a show of hands shall exercise all the powers of the Chairman under the said Provisions. *Chairman of General Meetings*
- If some other person is elected Chairman as a result of the poll, he shall be the Chairman for the rest of the meeting.
- 97.** No business shall be discussed at any General Meeting except election of a Chairman while the chair is vacant. *Business confined to election of Chairman while Chair vacant*

Resolution must be proposed and seconded

98. No resolution submitted to a meeting, unless proposed by the Chairman of the meeting, shall be discussed nor put to vote until the same has been proposed by a member present and entitled to vote at such meeting and seconded by another member present and entitled to vote at such meeting.

How questions to be decided at meetings

99. At any General Meeting a resolution put to the vote of the meeting shall unless a poll is demanded be decided on a show of hands.

Chairman's declaration of result of voting by show of hands to be conclusive

100. A declaration by the Chairman that on a show of hands a resolution has or has not been carried unanimously or by a particular majority and an entry to that effect in the books containing the minutes of the meeting of the Company, shall be conclusive evidence of the fact without proof of the number or proportion of the votes cast in favour of or against such resolution.

Demand for poll

101. (1) Before or on the declaration of the result of the voting on any resolution on a show of hands a poll may be ordered to be taken by the Chairman of the meeting of his own motion, and shall be ordered to be taken on a demand made in that behalf by the persons or person specified below, that is to say :

(a) by any member or members present in person or by proxy and holding shares in the company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution; or

(b) by any member or members present in person or by proxy and holding shares in the Company on which an aggregate sum of not less than Rs. 50,000/- has been paid up.

(2) The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

Manner of taking poll and result thereof

102. Subject to the provisions of the Act, the Chairman of the meeting shall have power to regulate the manner in which a poll shall be taken. The result of the poll shall be deemed to be the decision of the meeting of the resolution on which the poll was taken.

Powers to adjourn General meeting

103. The Chairman of a General Meeting may, with the consent of the meeting, adjourn the same from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

Time of taking poll

104. Any poll duly demanded on the question of adjournment shall be taken forthwith. A poll demanded on any other question (not being

question relating to the election of a Chairman) shall be taken at such time not exceeding 48 hours from the time when the demand was made as the Chairman may direct.

- 105.** The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded. *Business may proceed notwithstanding demand for poll*
- 106.** No member shall be entitled to demand a poll or exercise voting rights if any calls or other sums presently payable by him in respect of any shares registered in his name have not been paid or in regard to which the Company has exercised any right of lien. *Members not entitled to vote will not be entitled to demand a poll*
- 107.** On a poll taken at a meeting of the Company's member entitled to more than one or his proxy or other person entitled to vote for him as the case may be need not, if he votes, use all his votes or cast in the same way the votes he uses. *Right of member to use his vote differently*
- 108.** Where a poll is to be taken the Chairman of the meeting shall appoint two Scrutineers to scrutinize the votes given on the poll and to report thereon to him. The Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutineer from office and to fill vacancies in the office of scrutineer arising from such removal and from any other cases. Of the two scrutineers so to be appointed one shall always be a member (not being an officer or employee of the Company) present at the meeting provided such a member is available and is willing to be appointed. *Scrutineers at poll*
- 109.** The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll. *Chairman to be the sole judge of the validity of the vote tendered at poll*
- 110.** In the case of equality of votes, the Chairman shall both on a show of hands and on a poll, have a second or casting vote in addition to the vote or votes to which he may be entitled as a member. *Chairman's casting vote*
- 111.** If within half an hour from the time appointed for the meeting a quorum is not present the meeting if called upon such requisition as aforesaid, shall be dissolved but in any other case, it shall stand adjourned to the same day in the next week, at the same time and place or to such other day, time and place, as the Board of Directors may determine. *If quorum not present meeting to be dissolved and when to be adjourned*
- 112.** If at the adjourned meeting also a quorum is not present within half an hour from the time appointed for holding the meeting, the members present shall be a quorum and may transact the business for which the meeting was called. *Adjourned meeting to transact business*

*Resolution
passed at
adjourned
meeting*

113. When a resolution is passed at an adjourned meeting of the Company the resolution shall, for all purposes be treated as having been passed on the date on which was in fact passed and shall not be deemed to have been passed on any earlier date.

Special notice

114. Where by any provision contained in the Act or in these Presents, special notice is required of any resolution, notice of the intention to move the resolution shall be given to the Company not less than fourteen days before the meeting at which it is to be moved exclusive of the day on which notice is served or deemed to be served and the day of the meeting. The Company shall immediately after the notice of the intention to move and any such resolution has been received by it, give its members notice of the resolution in the same manner, as it gives notices of the meeting or if that is not practicable shall give them notice thereof by advertisement in a newspaper having an appropriate circulation not less than seven days before the meeting.

*Resolution
requiring
special notice*

115. The following resolutions shall require special notice :

- (1)** Resolution under Section 225 of the Act, at an Annual General Meeting appointing as Auditor a person other or providing expressly that a retiring auditor shall not be reappointed;
- (2)** Resolution under Section 284 of the Act, removing a Director or appointing somebody in his stead.

*Registration of
certain
documents
and
agreements
with the
Registrar*

116. The Company shall subject to Section 192 of the Act, file with the Registrar of Companies printed or type-written copies of;

- (a)** Special Resolutions.
- (b)** Resolutions which have been agreed to by all the Members of the Company.
- (c)** Any resolution of the Board of Directors or agreement executed by a Company relating to appointment, re-appointment or renewal of the appointment or variations of the terms of Appointment of a Managing Director.
- (d)** Resolutions or agreements which have been agreed to by all the members of any class of share-holders, or by a particular majority or otherwise in some particular manner required by the Act or by these Presents.
- (e)** Resolutions passed by the Company;
 - (i)** According consent to the exercise by the Board of Directors of any of the powers under Clause (a) Clause (d) and Clause (e) of subsection (1) of Section 293.

- (ii) Approving the appointment of the Sole Selling Agents under Section 294 or Section 294AA,
- (f) Resolutions for voluntary winding-up of the Company.
- (g) The terms and conditions of appointment of a sole selling agent appointed under Section 294 or of a sole selling agent appointed or other person appointed under Section 294AA of the Act;

together with a copy of the statement of material facts annexed under Section 173 of the Act to the notice of the meeting in which the aforesaid resolutions were passed. Such resolution shall be duly certified under the signature of an officer of the Company within thirty days after the passing or making thereof and shall embody in or annex copies of resolutions altering the articles and of such agreements to every copy of the Articles issued after the passing of such resolutions or making of such agreement.

VOTING RIGHTS

- 117.** A member paying the whole or a part of the amount remaining unpaid on any shares held by him, although no part of that amount has been called up shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would become presently payable.
Member paying any moneys in advance not to be entitled to vote in respect thereof
- 118.** No member shall exercise any voting right in respect of any shares registered in his-name, on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.
Restriction on exercise of voting right of members who have not paid calls
- 119.** Subject to the provisions of Articles 117 and 118
 - (a) every member of the Company holding any - Equity Share Capital and otherwise entitled to vote shall on a show of hands when present in person, have one vote.
Votes of members holding equity shares
 - (b) every member of the Company holding any Equity Share Capital and otherwise entitled to vote shall on a poll when present in person or by proxy have one vote for each Equity Share of the nominal value of Rs. 10/- held by him.
 - (c) every member of the Company holding any Equity Share Capital and otherwise entitled to vote shall on a poll when present in person or by proxy have voting right in proportion

to his share of the paid up Equity Share Capital of the Company.

Voting rights of Preference shareholders

120. Subject to the provisions of Section 87 of the Companies Act, 1956 the holder of the Preference Shares shall have, in respect of such preference shares held by them, the right to vote only on resolutions placed before the Company in General Meeting which directly affect the rights attached to such Preference Shares.

Voting rights of new Preference shares

121. (1) Subject to the provisions of Article 117 and 118 every member of the Company holding Preference Share Capital, be entitled to vote on every resolution placed before the company at any meeting, if the dividend due on such capital or any part of such dividend has remained unpaid;

(i) in the case of Cumulative Preference Shares, in respect of an aggregate period of not less than two years preceding the date of commencement of the meeting and

(ii) in the case of Non-Cumulative Preference Shares either in respect of a period of not less than two years ending with the expiry of the financial year immediately preceding the commencement of the meeting or in respect of any aggregate period of not less than three years comprised in the six years ending with the expiry of the financial year aforesaid.

(2) For the purpose of sub-clause (1) hereof, dividend shall be deemed to be due on Preference Shares in respect of any periods whether a dividend has been declared by the Company on such shares for such period or not

(a) on the last day specified for the payment of such dividend for such period, in any instrument executed by the Company in that behalf; or

(b) in case no day is so specified on the day immediately following such period.

(3) Where the holder of any Preference Share has a right to vote on any resolution in accordance with the provisions of subclause (1) hereof, his voting right on a poll, as the holder of such share, shall subject to the provisions of Section 89 and sub-section (2) of Section 92 of the Act, be in the same proportion as the capital paid up in respect of Preference Shares bears to the total paid up Equity Capital of the Company.

- 122.** No member not personally present shall be entitled to vote on a show of hands unless such member is a company or a corporation present by proxy or by a representative duly authorised under Section 187 of the Act in which case, such proxy or representative may vote on a show of hands as if he were a member of the Company. *No voting of proxy by show of hands*
- 123.** Votes may be given either personally or by proxy or in the case of a company or other corporation, by a representative duly authorised as aforesaid. *Proxy permitted*
- 124.** The instrument appointing a proxy shall be in writing and signed by the appointer or his attorney duly authorised in writing or if the appointer is a body corporate, be under its seal or be signed by an officer or attorney duly authorised by it. *Instrument of proxy*
- 125.** Every notice convening a meeting of the Company shall state that a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and that a proxy need not be a member of the Company. *Member entitled to appoint a proxy*
- 126.** The instrument appointing a proxy and the Power of Attorney or other authority (if any) under which it is signed or a notarially certified copy of that Power of Attorney or authority shall be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument of proxy shall not be treated as valid. *Instrument of proxy to be deposited at office*
- 127.** A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed or the transfer of the share in respect of which the vote is given provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used. *When vote by proxy valid though authority is revoked*
- 128.** Every instrument of proxy whether for a specified meeting or otherwise shall, as nearly as circumstances will admit, be in the prescribed form under Schedule IX of the Act or in such other form as the Directors may approve from time to time. *Form of proxy*
- 129.** Every member entitled to vote at a meeting of the Company or on a resolution to be moved there at, shall be entitled during the period beginning twenty four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting to inspect the proxies lodged, at any time during the business hours of the Company provided not less than three days notice in writing of the intention so to inspect is given to the Company. *Members entitled to inspect the proxy*

Vote in respect of shares of deceased or insolvent member

130. Any person entitled under the Transmission Clause to transfer any shares, may vote in General Meeting in respect thereof in the same manner as if he were the registered holder of such shares provided that forty eight hours at least before the time of holding the meeting or adjourned meeting as the case may be, at which he proposes to vote, he shall satisfy the Directors of his right to transfer such share unless the Directors shall have previously admitted his right to vote as such meeting in respect thereof.

Joint holder

131. Where there are joint holders of any shares, any of such persons may vote at any meeting either personally or by proxy or by agent duly authorised under a power of attorney in respect of such share as if he were solely entitled thereto and if more than one of such joint holders, be present at any meeting personally or by proxy or by an agent duly authorised under a power of attorney that one of the said persons so present whose name stands first or higher as the case may be on the Register in respect of such share shall alone be entitled to vote in respect thereof but the other or others of the joint holders shall be entitled to be present at the meeting provided always that a person present at any meeting personally shall be entitled to vote in preference to a person present by proxy although the name of such person present by an agency or proxy stands first or higher in the Register in respect of such share. Several executors or administrators of a deceased member in whose (deceased member's) sole name any shares stand shall for purpose of this clause be deemed joint holders thereof.

Vote of member of unsound mind

132. A member of unsound mind in respect of whom an order has been made by any Court having jurisdiction in lunacy may vote whether on a show of hands or on a poll by his committee or other legal guardian and any such committee or guardian may on a poll vote by proxy. A member who is a minor may vote by his guardian or any one of his guardians if more than one to be elected in case of dispute by the Chairman of the meeting.

Objection to vote

133. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected is given or tendered and every vote not disallowed at such meeting shall be valid for all purpose. Any such objection made in due time shall be referred to the Chairman of the meeting whose decision shall be final and conclusive.

Proxy

134. (a) Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of himself, but a proxy so appointed shall not have any right to speak at the meeting.

(b) A proxy shall not be entitled to vote except on a poll.

- 135.** If such instrument of appointment be confined to the object of appointing an attorney or proxy of substitute, it shall remain permanently and for such time, as the Directors may determine, in the custody of the Company, if embracing other objects, a copy thereof examined with original shall be delivered to the Company to remain in the custody of the Company.
- Custody to instrument of proxy*

DIRECTORS

- 136.** The number of Directors shall not be less than three or until otherwise Directors determined by a General Meeting, more than twelve including the special director, debenture director or corporation director if any.
- Directors*

137. Composition of the Board

- (a) The Board shall at all times comprise a maximum of 12 Directors, of whom One Director who shall be the Chief Executive Officer of the Company.
- (b) The Chairman of the Board shall have a casting vote.
- (c) The Company shall, subject to Law, indemnify all Directors against :
- (i) any act, omission or conduct (including, without limitation, contravention of any Law) of or by the Company, the Promoters or its officials, employees or agents as a result of which, in whole or in part, the Director(s) is made a party to, or otherwise incurs any costs, charges, expenses, damages or loss (collectively "loss"), including loss pursuant to or in connection with any action, suit, claim or proceeding arising out of or relating to any such act, omission or conduct; and
 - (ii) any action or omission to act by the Director(s) at the request of or with the consent of the Company, the Promoters, officials, employees or agents.

- 138.** The Company shall not increase the number of its Directors beyond the maximum limit fixed by these presents without the approval of the Central Government.
- Increase in number of Directors to require Govt. sanction*

- 139.** The Directors shall have power at any time and from time to time to appoint any other persons as a Director either to fill a casual vacancy or as an addition to the Board but so that the total number of Directors shall not at any time exceed the maximum number fixed. Any Directors appointed to fill a casual vacancy shall hold office only
- Power of Directors to appoint Additional Directors*

upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated. Any Director appointed as an Additional Director shall hold office only upto the date of the next Annual General Meeting of the Company but shall be eligible for re-election at such meeting.

Consent of candidate for Directorship to be filed with the Company and consent to act as Director to be filed with the Registrar

- 140. (1)** Every person (other than a Director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under Section 257 of the Act signifying his candidature for the office of a Director) who is proposed as a candidate for the office of a Director shall sign and file with the Company his consent in writing to act as such Director, if appointed.
- (2)** A person other than a Director reappointed after retirement by rotation or immediately on the expiry of his term of office or an additional or alternate Director or a person filling a casual vacancy in the office of a Director under Section 262 of the Act, appointed as a Director or reappointed as an Additional or Alternate Director immediately on the expiry of his term of office shall not act as a Director of the Company unless he has within thirty days of his appointment signed and filed with the Registrar his consent in writing to act as such Director.

Alternate Director

- 140A** The Directors may appoint an Alternate Director to act for a Director (hereinafter in this Article called the Original Director) during his absence for a period of not less than three months from the State in which meetings of the Board are ordinarily held. An Alternate Director shall not be bound to hold any qualification shares. An Alternate Director so appointed shall not hold office as such for a period longer than permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to the State in which meetings of the Board are ordinarily held. If the terms of the Office of the Original Director is determined before he so returns to the State aforesaid any provisions for the automatic reappointment of a retiring Director in default of another appointment shall apply to the Original and not the Alternate Director.

Qualification of Directors

- 141.** It shall not be necessary for a Director to hold any share in the Company to qualify for the office of a Director.

Remuneration of Directors

- 142. (a)** Subject to the provisions of Section 310 of the Act, each Director shall be entitled to be paid out of the funds of the Company by way of remuneration for his services, such sum not exceeding the amount prescribed under that Section from time to time as applicable for each meeting of the Board or Committee of the Board, attended by him as may be decided by the Board from time to time.

- (b) In addition to the remuneration payable as above, the Board of Directors may allow and pay to any Director who is not a bonafide resident of the place where a meeting is held and who shall come to such place for the purpose of attending the meeting such sum as the Board may consider fair compensation for travelling, hotel and other expenses properly incurred by him :
- (i) in attending and returning from meetings for the Board of Directors or any committee or General Meeting of the Company; or
 - (ii) in connection with the business of the Company.
- 143.** If any Director be called upon to go or reside out of his usual place of business on the Company's business or otherwise perform extra services or special exertions or efforts, the Board may arrange with such Director for such special remuneration for such extra services or special exertions or efforts either by a fixed sum or otherwise as may be determined by the Board subject to the provisions of the Act and such remuneration may be either in addition to or in substitution for his remuneration above provided. *Special Remuneration*
- 144.** Subject to the provisions of Schedule XIII of the Companies Act, any provision or any amendment of any provision relating to the remuneration of any Director which purports to increase or has the effect of increasing, whether directly or indirectly, the amount thereof, shall not except as otherwise provided in Section 310 of the Act, have any effect unless approved by the Central Government and the amendment shall become void if and so far as it is disapproved by the Central Government. *Increase in remuneration of a Director to require Govt. consent*
- 145.** The continuing Directors may act notwithstanding any vacancy in their body but if and so long as the number is reduced below the quorum fixed by the Act or by these Articles for a meeting of the Board, the continuing Director or Directors may act for the purpose of increasing the number of Directors to that fixed for the quorum or of summoning a General Meeting of the Company but for no other purpose. *Directors may act notwithstanding vacancy*
- 146.** A person shall not be capable of being appointed Director of the Company if : *Disqualification of Directors*
- (a) he has been found to be of unsound mind by a Court of competent jurisdiction and the finding is in force;
 - (b) he is an undischarged insolvent;
 - (c) he has applied to be adjudicated insolvent or his application is pending;

- (d) he has been convicted by a court in India of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence;
- (e) he has not paid any call in respect of the shares of the Company held by him, whether alone or jointly with others and six months have elapsed from the last day fixed for payment of the call, or
- (f) an order disqualifying him, for appointment as Director has been passed by a Court in pursuance of Section 203 of the Act and is in force unless the leave of the Court has been obtained for his appointment in pursuance of that Section.

*Office of
Directors
to be vacated*

147. (1) The office of a Director shall become vacant if;

- (a) he is found to be of unsound mind by a Court of competent jurisdiction; or
- (b) he applies to be adjudged insolvent; or
- (c) he is adjudged an insolvent; or
- (d) he is convicted by a Court of any offence involving moral turpitude and is sentenced in respect thereof to imprisonment for not less than six months; or
- (e) he fails to pay call in respect of shares of the Company held by him whether alone or jointly with others within six months from the last date fixed for the payment of the call unless the Central Government has by notification in the official gazette removed the disqualification incurred by such failure; or
- (f) he absents himself from three consecutive meetings of the Board of Directors or from the meetings of the Board for a continuous period of three months whichever is longer, without obtaining leave of absence from the Board; or
- (g) he (whether by himself or by any person for his benefit or on his account) or any firm in which he is a partner or any private company of which he is a Director, accepts a loan or any guarantee or security for a loan from the Company in a contravention of Section 295 of the Act; or
- (h) he acts in contravention of Section 299 of the Act; or

- (i) he becomes disqualified by an order of the Court under Section 203 of the Act; or
 - (j) he is removed by an ordinary resolution of the Company before the expiry of his period of office, in pursuance of Section 284 of the Act; or
 - (k) having been appointed a Director by virtue of his holding any office or other employment in the Company he ceases to hold such office or other employment in the Company.
- (2) Notwithstanding anything contained in clause (c), (d) and (i) of sub-clause (1) hereof, the disqualification referred to in these clauses shall not take effect :
- (a) for thirty days from the date of the adjudication, sentence or order;
 - (b) where any appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order, until the expiry of seven days from the date on which such appeal or petition is disposed of; or
 - (c) where within seven days aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order, and the appeal or petition, if allowed, would result in the removal of the disqualification, until such further appeal or petition is disposed of.

148. (1) Every Director of the Company who is in any way whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement, entered into or to be entered into, by or on behalf of the Company shall disclose the nature of his concern or interest at a meeting of the Board of Directors.

*Disclosure of
interest of
Directors*

- (2) (a) In the case of a proposed contract or arrangement the disclosure required to be made by a Director under sub-clause (1) shall be made at a meeting of the Board at which the question of entering into contract or arrangement first taken into consideration or if the Director was not at the date of that meeting concerned or interested in the proposed contract or arrangement, at the first meeting of the Board held after he becomes so concerned or interested.

- (b) In the case of any other contract or arrangement the required disclosure shall be made at the first meeting of the Board held after the Director becomes concerned or interested in the contract or arrangement.
- (3) (a) For the purpose of sub-clause (1) and (2) hereof a general notice given to the Board by a Director to the effect that he is a Director or a member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made.

(b) Any such general notice shall expire at the end of the financial year in which it is given, but may be renewed for further period of one financial year at a time, by a fresh notice given in the last month of the financial year in which it would otherwise expire.

(c) No such general notice and no renewal thereof shall be of effect unless either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

(d) Nothing in this Article shall be taken to prejudice the operation of any rule of law restricting a Director of the Company from having any concern or interest in any contracts or arrangements with the Company or shall apply to any contract or arrangement entered into or to be entered into between two companies where one of the Directors of the one company or two or more of them together holds, or hold not more than two percent of the paid up share capital in the other company.

*Interested
Director not to
participate or
vote in Board's
proceedings*

- 149. (1)** No Director of the Company shall, as a Director take any part in the discussion of or vote on any contract or arrangement entered into, or to be entered into by or on behalf of the Company, if he is in any way whether directly or indirectly, concerned or interested in the contract or arrangement nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote and if he does vote, his vote shall be void.
- (2)** Sub-clause (1) shall not apply to :
- (a) any contract or indemnity against any loss which the

Directors or any one or more of them may suffer by reason of becoming or being sureties or a surety for the Company.

- (b) any contract or arrangement entered into or to be entered into with a public company or private company which is a subsidiary of a public company, in which the interest of the Director aforesaid consists solely :
 - (i) in his being a director of such company and the holder of not more than shares of such number or value therein as is required to qualify him for appointment as director thereof, he having been nominated as such director by the Company; or
 - (ii) in his being a member of such company holding not more than two percent of its paid up share capital.
- (c) A public company or a private company which is a subsidiary of a public company in respect of which a notification is issued under sub-section (3) of Section 300 of the Act to the extent specified in such notification.

150. (1) Except with the consent of the Board of Directors, a Director or his relative, a firm in which such a Director or relative is a partner, any other partner in such a firm, or a private company of which the Director is a member or director, shall not enter into any contract with the Company :

Boards sanction to be required for certain contracts in which particular Directors are interested

- (a) for the sale, purchase or supply of any goods materials or services, or
 - (b) for underwriting the subscription of any shares in or debentures of the Company. Provided that if the paid up Share Capital of the Company shall at any time be not less than Rupees one crore no such contract shall be entered into except with the previous approval of the Central Government.
- (2) Nothing contained in clause (a) sub-clause (1) hereof shall affect :
- (a) the purchase of goods and materials from the Company or the sale of goods and materials to the Company by any director, relative, firm, partner or private company as aforesaid for cash at prevailing market prices; or
 - (b) any contract or contracts between the company on one

side and any such director, relative, firm, partner or private company on the other for sale, purchase or supply of any goods, materials and services in which either the Company or the director, relative, firm, partner or private company, as the case may be, regularly trades or does business;

Provided that such contract or contracts do not relate to goods and materials the value of which or services the costs of which exceeds Rs. 5,000 in the aggregate in any year comprised in the period of the contract or contracts.

- (3)** Notwithstanding anything contained in sub-clause (1) and (2) hereof, a director, relative, firm, partner or private company as aforesaid may in circumstances of urgent necessity, enter, without obtaining the consent of the Board into any contract with the Company for the sale, purchase or supply of any goods materials or services even if the value of such goods or cost of such services exceeds Rs. 5,000 in the aggregate in any year comprised in the period of the contract but in such case the consent of the Board shall be obtained at a meeting within three months of the date on which the contract was entered into.
- (4)** Every consent of the Board required under this Article shall be accorded by a resolution passed at the meeting of the Board and not otherwise and the consent of the Board required under sub-clause (1) hereof shall not be deemed to have been given within the meaning of that sub-clause unless the consent is accorded before the contract is entered into or within 3 months of the date on which it was entered into.
- (5)** If consent is not accorded to any contract under this Article anything done in pursuance of the contract shall be voidable at the option of the Board.

*Duty of
Director to
make
disclosure*

- 151.** Every Director including a person deemed to be a Director by virtue of the explanation to sub-section (1) of Section 303 of the Act, Managing Director, whole-time Director, Manager or Secretary of the Company who is appointed to or relinquishes, the office of Director, Managing Director, whole-time Director, Manager or Secretary of any other body corporate shall within twenty days of his appointment to or as the case may be relinquishment of such office, disclose to the Company the particulars relating to the office in other body corporate which are required to be specified under the provisions of Section 303 of the Act.

152. Every Director of the Company and every person deemed to be a Director of the Company by virtue of sub-section (10) of Section 307 of the Act, shall give notice to the Company of such matters relating to himself as may be necessary for the purposes of enabling the Company to comply with the provisions of that Section. Any such notice shall be given in writing and if it is not at a meeting of the Board, the person giving the notice shall take all reasonable steps to secure that it is brought up and read at meeting of the Board next after it is given.

Duty of Directors and persons deemed to be Directors to make disclosure of shareholdings

153. Save as otherwise provided in sub-section (2) of Section 295 of the Act the Company shall not without obtaining the previous approval of the Central Government in that behalf directly or indirectly make any loan to or give any guarantee or provide any security in connection with a loan made by any other person to or to any other person by :

Loan to Directors

- (a) any Director of the Company or of the Company which is its holding Company or any partner or relative of any such Director;
- (b) any private Company of which any such Director is a Director or member;
- (c) any body corporate, at a General Meeting of which not less than twenty five per cent of the total voting power may be exercised or controlled by any such Director or by two or more such directors together; or
- (d) any body corporate, the Board of Directors, Managing Director; or Manager whereof is accustomed to act in accordance with the directions or instructions of the Board or of any Director or Directors of the Company.

A Director shall for the purposes of this Article include any person deemed to be a Director under the provisions of the Act.

154. (1) Except with the consent of the Company accorded by a Special Resolution.

Directors not to hold office of profit

- (a) no Director of the Company shall hold any office or place of profit; and
- (b) no partner or relative of such a Director, no firm in which such a Director or relative is a partner, no private company of which such a Director is a Director or member, and no Director or Manager of such a Private Company shall hold any office or place of profit carrying a total monthly remuneration of five hundred rupees or

more, except that of Managing Director, Manager, or trustees for the holders of debentures of the Company :

- (i) under the Company; or
- (ii) under any subsidiary of the Company, unless the remuneration received from such subsidiary in respect of such office or place of profit is paid over to the Company or its holding Company;

Provided that it shall be sufficient if the Special Resolution according the consent of the Company is passed at the General Meeting of the Company held for the first time after the holding of such office or place of profit; provided further that where a relative of a director or a firm in which such relative is a partner is appointed to the office or place of profit under the Company or a subsidiary thereof without the knowledge of the Director, the consent of the Company may be obtained either in the General Meeting aforesaid or within three months from the date of the appointment, whichever is later.

For the propose of this sub-clause a Special Resolution according consent shall be necessary for every appointment in the first instance to an office or place of profit and to every subsequent appointment to such office or place of profit on a higher remuneration not covered by the Special Resolution, except where an appointment on a time scale has already been approved by the Special Resolution.

- (2) Nothing in clause (1) here of shall apply where a relative of a Director or a firm in which such relative is a partner holds any office, or place of profit under the Company or a subsidiary thereof having been appointed to such office or place before such Director becomes Director of the Company.
- (3) Notwithstanding any thing contained in Clause; (1) hereof;
 - (a) No Partner or relative of a Director or Manager;
 - (b) No firm in which such Director or Manager or relative of either, is a partner; shall hold any office or place of profit in the Company which carries a total monthly remuneration of not less than three thousand rupees, except with the prior consent of the Company by a Special Resolution and the approval of the Central Government.
- (4) If any office or place of profit is held in contravention of the provisions of sub-clause (1) thereof, the Director, Partner,

relative, firm, private company, or the Manager concerned, shall be deemed to have vacated his or its office as such on and from the date next following the date of the General Meeting of the Company referred to in first proviso to sub-clause (1) hereof or, as the case may be, the date of expiry of the period of three months referred to in the second proviso to the sub-clause (1) hereof, or as the case may be and shall also be liable to refund to the Company any remuneration received or the monetary equivalent of any perquisite or advantage enjoyed by him or it for the period immediately preceding the date aforesaid in respect of such office or place of profit.

(5) Every individual, firm, private company or other body corporate proposed to be appointed to any office or place of profit to which this clause applies shall before or at the time of such appointment, declare in writing whether he or it is or is not connected with a Director of the Company in any of the ways referred to in such-clause (1) hereof.

(6) Any office or place shall be deemed to be an office or place of profit under the Company within the meaning of this Article

(a) In case the office or place is held by a Director, if the Director holding it obtains from the Company anything by way of remuneration over and above the remuneration to which he is entitled as such Director, whether as salary, fees, commission, perquisites, the right to occupy free of rent any premises as a place of residence or otherwise.

(b) In case the office or place is held by as individual other than a Director or by any firm, private company or, other body corporate, if the individual, firm, private company or body corporate holding it obtains from the Company anything by way of remuneration whether as salary, fees, commission, perquisites, the right to occupy free of rent any premises as place of residence or otherwise.

155. (1) At every Annual General Meeting, one third of such of the Directors for the time being as are liable to retire by rotation or if their number is not three or multiple of three, then the number nearest to one-third shall retire from office.

*Retirement of
Directors by
rotation*

(2) The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot.

- (3) At the Annual General Meeting at which a Director retires as aforesaid, the Company may fill up the vacancy by appointing the retiring Director or some other person thereto.
- (4) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place or if that day is a public holiday till the next succeeding day which is not a public holiday at the same time and place. If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring director shall be deemed to have been reappointed at the adjourned meeting unless :
- (i) at that meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;
 - (ii) the retiring Director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so reappointed.
 - (iii) he is not qualified or is disqualified for appointment;
 - (iv) a resolution, whether special or ordinary, is required for his appointment or re-appointment in virtue of any provisions of the Act; or
 - (v) the proviso to sub-clause (2) of Section 263 of the Act is applicable to the case.

The expression "Retiring Director" in this Article shall mean a Director retiring by rotation.

155A The Promoters of the Company shall be entitled at all times to appoint in the aggregate not exceeding one-third of the total number of Directors on the Board of the Company and to remove any such Directors so appointed and to appoint another in his place or in place of any such Director who resigns or otherwise vacates his office. Such appointment and removal shall be effected by the Promoters in writing to the Board of Directors of the Company and such appointment or removal shall take effect immediately upon such writing being delivered to the Company. Any Director so appointed shall not be required to hold any qualification shares and shall not be liable to retire by rotation at any general meeting of the Company.

Provided that :

- (a) the rights conferred upon the Promoters under this Article shall be subject to the provisions of Section 255 of the Act, and the provisions of these Articles.
 - (b) the rights under this Article shall be subject to the rights conferred upon any Public Financial Institution under any statutory provision or under any arrangement entered into and/ or under any agreement executed with them by the Company to nominate a Director or Directors on the Board of the Company.
 - (c) the rights conferred under this Article shall not be capable of being assigned or transferred or exercised by any other party save those, which are expressly referred to hereinabove.
- 156. (1)** No motion at any General Meeting of the Company shall be made for the appointment of two or more persons as Directors of the Company by a single resolution, unless a resolution that it shall be so made has been first agreed to by the meeting without any vote being given against it.
- Appointment of Directors to be voted individually*
- (2)** A resolution moved in contravention of sub-clause (1) hereof shall be void, whether or not objection was taken at the time of its being so moved. Provided that where a resolution so moved is passed or provision for the automatic reappointment of Directors retiring by rotation in default of another appointment as hereinbefore provided shall apply.
- (3)** For the purpose of this Article, a motion for approving a person's appointment, or for nominating a person for appointment, shall be treated as a motion for his appointment.
- 157. (1)** A person who is not a Retiring Director shall, subject to the provisions of the Act, be eligible for appointment to the office of Director at any General Meeting, if he or some member intending to propose him has, not less than fourteen days before the meeting, left at the office of the Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member to propose him as a candidate for that office, as the case may be, along with a deposit of Rs. 500 which shall be refunded to such person or as the case may be to such member, if the person succeeds in getting elected as Director.
- Right of person other than retiring Directors to stand for Directorship*
- (2)** The Company shall inform its members of the candidature of a person for the office of a director or the intention of a member to propose such person as a candidate for that office, by serving individual notices on the members not less than 7 days before the meeting provided that it shall not be necessary for the

Company to serve individual notices upon the members as aforesaid if the Company advertises such candidature or intention not less than seven days before the meeting in at least two newspapers circulating in the place where the Registered Office of the Company is located, of which one is published in the English language and the other in the regional language of that place.

The expression “Retiring Director” in this Article means a Director retiring by rotation.

*Removal of
Directors*

- 158.** (1) The Company may, by ordinary resolution remove a Director before the expiry of his period of office.
- (2) Special notice shall be required of any resolution to remove a Director under this clause, or to appoint somebody instead of Director so removed at the meeting at which he is so removed.
- (3) On receipt of a notice of a resolution to remove a Director under this clause, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not is a member of the Company) shall be entitled to be heard on the resolution at the meeting.
- (4) Where notice is given of a resolution to remove a Director under this clause and the Director concerned makes with respect thereto representations in writing to the Company (not exceeding a reasonable length) and requests their notification to members of the Company, the Company shall, unless the representations are received by it too late for it to do so:
- (a) in any notice of the resolution given to members of the Company state the fact of the representation having been made; and
- (b) send a copy of the representation to every member of the company to whom notice of the meeting is sent (whether before or after receipt of the representations by the company)

and if a copy of the representation is not sent as aforesaid because they were received too late or because of the Company's default, the Director may (without prejudice to his right to be heard orally) require that the representations shall be read out at the meeting. Provided that copies of the representations need not be sent out and the representations need not be read out at the meeting if, on the application either of the Company or of any other person who claims to be aggrieved, the

Court is satisfied that the rights conferred by this sub-clause are being abused to secure needless publicity for defamatory matter.

- (5) A vacancy created by the removal of a Director under this clause, may, if he had been appointed by the Company in General Meeting or by the Board under Article 139 hereof be filled by the appointment of another Director in his stead by the meeting at which he is removed, provided special notice of the intended appointment has been given under sub-clause (2) hereof. A Director so appointed shall hold office until the date up to which his predecessor would have held office if he has not been removed as aforesaid.
- (6) If the vacancy is not filled up under sub-clause (5) hereof, it may be filled as a casual vacancy in accordance with the provisions, so far as they may be applicable of Article 139 hereof and all the provisions of that Article shall apply accordingly.

Provided that the Director who is removed from office shall not be appointed as a Director by the Board of Directors.

- (7) Nothing in this Article shall be taken :
- (a) As depriving persons removed there under of any compensation or damage payable to him in respect of the termination of his appointment as Director or of any appointment terminating with that as a Director; or
- (b) as derogating from any power to remove a Director which may exist apart from this Article.

159. If in any financial year the Company has no profits or its profits are inadequate, the Company may :

Pay its Directors including the Managing or whole-time Director, or its Manager if any, or if there are two or more of them holding office in the Company to all of them together by way of minimum remuneration such sum (exclusive of any fees payable to Directors under section 309 (2) of the Act) subject to the provisions of Section 198 of the Act it considers reasonable.

Minimum managerial remuneration in absence or inadequacy of profits

159A (1) Subject to the provisions of Section 269 of the Act, the directors may from time to time subject to the provisions of the Act appoint one or more of their body to be the Managing Director or Managing Directors or Whole-time Director or Whole-time Directors of the Company for a term not exceeding five years at a time and may from time to time remove or dismiss him or

Managing Director

them from office and appoint another or other in his or their place or places.

- (2) The Managing Director or Managing Directors or Whole-time Director or Whole-time Directors while he or they continues or continue to hold that office, shall be subject to the same provisions as to resignations or removal of the other Directors of the Company and he or they shall ipso facto and immediately cease to be a Managing Director or Managing Directors or Whole-time Director or Whole-time Directors if he or they ceases or cease to hold the office of a Director or Directors for any cause.
- (3) Subject to the provisions of the Act, the remuneration of a Managing Director or Managing Directors or Whole-time Director or Whole-time Directors shall subject to the provisions of any contract between the Company and him or them, be from time to time fixed by the Directors and subject to the provisions of the Act, may be by way of fixed salary or commission and/or in any other mode and may be in addition to the remuneration for attendance at the Board Meetings and any other remuneration which may be provided under any other Articles.
- (4) The Directors may from time to time subject to the provisions of the Act entrust to or confer upon the Managing Director or Managing Directors or Whole-time Director or Whole-time Directors for the time being such of the powers exercisable by the Directors under these Presents or by law, as they may think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions, as they think expedient and they may confer such powers either co-laterally with or to the exclusion of or in substitution for all or any of the powers of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any such powers.
- (5) Any Director so appointed shall not be required to hold any qualification shares.

*No tax free
payment*

- 160.** The company shall not pay to any officer or employee thereof, whether in his capacity as such or otherwise, remuneration free of any kind of income tax including super tax or otherwise calculated by a reference to, or varying with, any tax payable by him, or the rate or standard rate of any such tax or the amount thereof.

*Appointment or
re-appointment
of Managing or
whole-time
Director*

- 161.** The Company shall not appoint or employ any person as Managing Director if he is either the Managing Director or Manager of any other company except as hereinafter provided. The Company may

- appoint or employ a person as its Managing Director, if he is the Managing Director or Manager of one and of not more than one other Company (including a private company which is not subsidiary of a public company) provided that such appointment or employment is made or approved by a resolution passed at a meeting of the Board of Directors with the consent of all the Directors present at meeting and of which meeting, and of the resolution to be moved there at, specific notice has been given to all the Directors then in India.
- 162.** Subject to the provisions of the Act the appointment of a person for the first time as a Managing or whole-time Director shall not have any effect unless approved by the Company. *No person be appointed Managing Director of more than two Companies*
- 163.** Any provisions relating to the remuneration of a Managing or whole-time Director or any amendment thereof which purports to increase or has the effect of increasing whether directly or indirectly, the amount thereof whether that provisions be contained in the Company's Memorandum or these Presents or in any agreement entered into by the Company or in any resolution passed by the Company in General Meeting or by its Board of Directors shall be effective only if it is within the ceilings prescribed under the Act. *Provision for increasing remuneration of Managing or whole-time Director*
- 164.** The Company shall not appoint or employ or continue the appointment or employment of any person as its Managing or whole-time Director who (a) is an undischarged insolvent or has at any time being adjudged an insolvent; (b) suspends or has at any time suspended, payment to his creditors, or makes or has at any time made, a composition with them; or (c) has at any time been convicted by a Court of an offence involving moral turpitude. *Certain persons not to be appointed Managing or whole-time Director*
- 165.** No Managing Director shall be appointed for a term exceeding five years at a time but he may be reappointed, reemployed or his term of office may be extended by further period not exceeding five years on each occasion provided, that such reappointment, reemployment or extension shall not be sanctioned earlier than two years from the date from which it is to come into force. *Term of a Managing Director*
- 166. (1)** Where the Company :
- (a)** enters into a contract for the appointment of a Manager of the Company, in which contract any Director of the Company is in any way, whether directly or indirectly, concerned or interested; or
 - (b)** varies any such contract already in existence and in which a Director is concerned or interested as aforesaid;
- Disclosure to members of Director's interest in contract appointing Manager, Managing Director*

the Company shall, within twenty one days from the date of entering into the contract or of the varying of the contract, as the case may be, send to every member of the Company an abstract of the terms of the contract of variation together with a memorandum clearly specifying the nature of the concern or interest of the Director in such contract or variation.

- (2) Where the company enters into a contract for the appointment of a Managing Director of the Company or varies any such contract which is already in existence, the Company shall send an abstract of the terms of the contract or variation to every member of the Company within the time specified in sub-clause(1) hereof and if any other Directors of the Company is concerned or interested in the contract or variation, a memorandum clearly specifying the nature of the concern or interest of such other director in the contract or variation shall also be sent to every member of the Company with the abstract aforesaid.
- (3) Where a Director becomes concerned or interested as aforesaid in such contract as is referred to in sub-clause (1) or (2) hereof after it is made, the abstract or the memorandum, if any referred to in the said sub-clause shall be sent to every member of the company within twenty one days from the date on which the Directors become so concerned or interested.
- (4) All contracts entered into by the Company for the appointment of a Manager, Managing Director and whole-time Director shall be kept at the Registered Office of the Company and shall be open to inspection of any member of the Company at such office and extracts may be taken therefrom and copies thereof may be required by any such member, to the same extent, in the same manner and on payment of the same fee as in the case of Register of Members of the Company and the provisions of section 163 of the Act shall apply accordingly.
- (5) The provisions of this Article shall apply in relation to any resolution of the Board of Directors of the Company, appointing a Manager or Managing or Whole-time Director or varying any previous contract or Resolution of the Company in relation to the appointment of a Manager or a Managing or Whole-time Director as they apply in relation to any contract for the like purpose.

DEBENTURE DIRECTORS

*Debenture
Directors*

- 167.** Any trust deed for securing debentures or debentures stock may if so arranged provided for the appointment from time to time by the Trustees thereof or by the holders of debentures or debenture stock

or some person to be a Director of the Company and may empower such trustees or holders of debentures or debenture stock from time to time remove any Director so appointed. A Director so appointed under this Article, is herein referred to as "Debenture Director" shall not be bound to hold any qualification share and shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be agreed between the Company and the Trustees.

CORPORATION OR NOMINEE DIRECTOR

- 168.** Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to the Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI), the Industrial Credit and Investment Corporation of India Limited (ICICI) and Life Insurance Corporation of India (LIC) or to any other Finance Corporation or Credit Corporation or to any other Financing Company or Body out of any loans granted by them to the Company or so long as IDBI, IFCI, ICICI, LIC and Unit Trust of India (UTI) or any other Financing Corporation or Credit Corporation or any other Financing Company or body (each of which IDBI, IFCI, ICICI, LIC, and UTI or any other Finance Corporation or Credit Corporation or any other Finance Company or Body is hereinafter in this Article referred to as "The Corporation") continue to hold debenture in the Company by direct subscription or private placement, or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors, whole-time or non-whole-time, (which Director or Directors is/are hereinafter referred to as "Nominee Director/s") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their place/s.

*Corporation or
Nominee
Director*

The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s. At the option of the Corporation such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject to as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds Debentures in the Company as a result of direct subscription or private placement or the liability of the Company arising out of any guarantee is

outstanding and Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately on the money owing by the Company to the Corporation is paid off or of the Corporation ceasing to hold Debentures/shares in the Company arising out of any guarantee furnished by the Corporation.

The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings, and of the Meetings of the Committee of which the Nominee Director/s is/are member/s as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes.

The Company shall pay to the Nominee Director/s sitting fees and expenses which the other Directors of the Company are entitled, but if any other fees, commission, moneys or remuneration in any form is payable to the Directors of the Company, the fees, commission, moneys and remuneration relating to such Nominee Director/s shall accrue to the Corporation and same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Director/s in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Director/s.

Provided that if any such Nominee Director/s is an officer of the Corporation the sitting fees, in relation to such Nominee Director/s shall also accrue to the Company and the same shall accordingly be paid by the Company directly to the Corporation.

Provided further that if such Nominee Director/s is an officer of the Reserve Bank of India, the sitting fees in relation to such Nominee Director/s shall also accrue to IDBI and the same shall accordingly be paid by the Company directly to IDBI.

Provided also that in the event of the Nominee Directors/s being appointed as whole-time Director/s such Nominee Directors/s shall exercise such powers and duties as may be approved by the Lenders and have such rights as are usually exercised or available to a whole-time Director, in the management of the affairs of the Borrower. Such Nominee Directors shall be entitled to receive such remuneration, fees, commission, and moneys as may be approved by the Lenders.

PROCEEDINGS OF DIRECTORS

*Proceedings
of Directors*

- 169. (a)** The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit.

- (b) A meeting of the Board of Directors shall held at least once in every Quarter and at least four such meetings shall be held in every year.
- (c) A Director may, and the Managing Director, whole-time Director, Manager or Secretary on the requisition of a Director shall at any time, summon a meeting of the Board.
- 170.** Notice of every meeting of the Board of Directors of the Company shall be given in writing to every Director for the time being in India and at his usual address in India to every other Director. *Notice of meetings*
- 171.** Questions arising at any meeting shall be decided by a majority of votes and in case of an equality of votes, the Chairman shall have a second or casting vote. *Decision on questions*
- 172.** The Board may elect a Chairman of their meetings and determine the period for which he is to hold office but if no such Chairman is elected or if at any meeting the Chairman is not present within five minutes after the time appointed for holding the meeting, the Directors present, may choose one of their member to be Chairman of the meeting. *Board may appoint Chairman*
- 173.** A meeting of the Directors at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the regulations, of the Company for the time being vested in or exercisable by the Directors generally. *Power of Quorum*
- 174.** The Directors may, subject to the provisions of the Act and these Articles, delegate any of their powers to a Committee or Committees consisting of such member or members of their body as they think fit and may from time to time revoke such delegation. Any Committee so formed shall, in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed upon it by the Directors. The meeting and proceedings of any such Committee consisting of two or more members, shall be governed by the provisions herein contained for regulating the meeting and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under this Article. *Power to appoint Committee and delegate*
- 175.** The Directors may from time to time subject to the provisions of the Act fix the remuneration to be paid to any member or members of their body constituting a Committee appointed by the Board and may pay the same. *Remuneration of the Committee*
- 176.** All acts done by any meeting of the Directors of a Committee or Committees of Directors, or by any person acting as a Director shall notwithstanding that it may be afterwards discovered that there was *Act of Directors Committee valid*

some defect in the appointment of one or more such Directors or of any person acting as aforesaid, or that they or any of them were or was disqualified, or that of such appointments had terminated by virtue of any provision contained in the Act or in the Articles, be as valid as if every such Director or such person had been duly appointed and was qualified to be a Director and as if his appointment had not been terminated. Provided that nothing herein contained shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

Passing of resolution by circular

177. No resolution shall be deemed to have been duly passed by the Directors or by a Committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors or to all the members of the Committee then in India (not being less in number than the quorum fixed for a meeting of the Directors or Committee as the case may be) and to all other Directors or members at their usual address in India and has been approved by such of the Directors as are then in India or by a majority of such of them, as are entitled to vote on the resolution.

General power of the Board

178. (1) Subject to the provisions of the Act and these Articles the Directors of the Company shall be entitled to exercise all such powers and to do all such acts and things as the Company is authorised to exercise and do. Provided that the Directors shall not exercise any power or do any act or thing which is directed or required, whether by the Act or any other Act or by the Memorandum or Articles of Association of the Company or these Presents or otherwise to be exercised or done by the Company in General Meeting. Provided further that in exercising any such power or doing any such act or thing the Directors shall be subject to the provisions contained in this behalf in the Act or in any other Act or in the Memorandum or Articles of Association of the Company or in any regulations not inconsistent therewith and duly made thereunder, including regulations made by the Company in General Meeting.

(2) No regulation made by the Company in General Meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

Certain powers to be exercised by Directors only at meeting

179. The Board of Directors shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at meetings of the Directors;

(a) the power to make calls on shareholders in respect of moneys unpaid on their shares;

- (b) the power to issue debentures;
- (c) the power to borrow moneys otherwise than on debentures;
- (d) the power to invest the funds of the Company; and
- (e) the power to make loans

Provided that the Board may, by a resolution passed at a meeting, delegate to any Committee of Directors, the Managing Director, the whole-time Director, Manager, Secretary or any other principal officer of the Company or in the case of a branch office of the Company, a principal officer of the branch office of the Company, the power (1) to borrow moneys other than on debentures (2) to invest the funds of the Company and (3) to make loans to the extent and subject as hereinafter specified namely:

- (i) every resolution delegating the power to borrow moneys otherwise than on debentures shall specify the total amount outstanding at one time up to which moneys may be borrowed by the delegate;
- (ii) every resolution delegating the power to invest the funds of the Company shall specify the total amount upto which the funds may be invested, and the nature of the investments which may be made by the delegate;
- (iii) every resolution delegating the power to make loans shall specify the total amount upto which loans may be made by the delegate, the purposes for which the loans may be made, and the maximum amount of loans which may be made for each such purposes in individual cases.

Nothing in this Article shall be deemed to affect the right of the Company in General Meeting to impose restrictions and conditions on the exercise by the Board of any of the powers in sub-clause (a), (b), (c) and (e) above specified.

180. (1) The Board of Directors of the Company shall not except with the consent of the Company in General Meeting :

*Restrictions on
powers of
Directors*

- (a) sell, lease, or otherwise dispose of the whole or substantially the whole of undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking;
- (b) remit or given time for the payment of any debt due by a Director;

- (c) invest, otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertaking as is referred to in sub-clause (a) hereof or of any premises or properties used for any such undertaking and without which such undertaking cannot be carried on or can be carried on only with difficulty only after a considerable time;
 - (d) contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees any amounts the aggregate of which will in any financial year exceed Rs.50,000 or five percent of its average net profits as determined in accordance with the provisions of Section 349 and 350 of the Act during the three financial years immediately preceding whichever is greater.
- (2) Any resolution passed by the Company permitting any transaction referred to in clause (a) of sub-clause (1) hereof may attach such conditions to the permission as may be specified in the resolution, including conditions regarding the use, disposal or investment of the sale proceeds which may result from such transaction.
- (3) Every resolution passed by the Company in General Meeting in exercise of power referred to in clause (d) of sub-clause (1) hereof shall specify the total amount upto which moneys may be contributed by the Board of Directors to charitable and other funds in any financial year.

BORROWING POWERS

Power to borrow

- 181.** Subject to the provisions of Sections 292 and 293 of the Act and the other provisions of these Articles, the Board of Directors may from time to time at their discretion and by means of resolution passed at their meeting accept deposits from members either in advance of calls or otherwise or borrow or secure the payment of any sum or sums of money for the purpose of the Company provided however that where the moneys to be borrowed, together with money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose, the Directors shall not borrow such moneys without the consent of the Company in General Meeting. Every resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow moneys shall specify the total amount upto which moneys may be borrowed by the Board of

Directors. No debt incurred by the Company in excess of the limit imposed by this clause shall be valid or effectual unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by this Article has been exceeded.

- 182.** The Directors may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit, in particular, by the issue of bonds, perpetual or redeemable debentures or debenture-stock, or any mortgage, charge or other security on the undertaking or the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being. The Directors shall exercise such power only by means of resolution passed at their meetings and not by circular resolution. *Conditions on which money may be borrowed*
- 183.** Debentures, debenture-stock, bonds or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued. *Securities may be assignable free from equities*
- 184.** Any debentures, debenture-stock, bonds or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any special privileges as to redemption, surrender, drawings, allotments of shares, attending (but not voting) at General Meetings of the Company, appointment of Directors and otherwise. Provided however that no debentures with the right to conversion into or allotment of shares shall be issued except with the consent of the Company in General Meeting. *Debentures*
- 185.** If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors may, by instrument under the Company's Seal authorise the person in whose favour such mortgage or security is executed or any other person in trust for him to make calls on the members in respect of such uncalled capital and the provisions herein before contained in regard to calls, shall mutatis mutandis, apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally and either presently or contingently and either to the exclusion of the Directors powers or otherwise and shall be assignable if expressed so to be. *Mortgage of uncalled capital*

POWERS OF DIRECTORS

- 186.** Without prejudice to the general powers conferred by Article 178 and the other powers conferred by these Articles but subject however to the provisions of the Act and the restrictions imposed by these Articles, it is hereby expressly declared that the Directors shall have the following powers *Powers of Directors*

- (1)** To have official Seal for use abroad.
- (2)** To keep a foreign register in accordance with the provisions of the Companies Act, 1956.
- (3)** To purchase or otherwise acquire any lands, buildings, machinery, premises, hereditaments, property, effects, assets, rights, credits, royalties, business and goodwill of any joint stock company carrying on the business of spinning, weaving and processing or any other business which the Company is authorised to carry on in any part of India.
- (4)** To purchase, take on lease, for any term or terms of years, or otherwise acquire any mills or factories or any land or lands, without or with buildings and outhouses thereon, situate in any part of India, at such price or rent, and subject to such terms and conditions as the Directors may think fit; and in any purchase lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.
- (5)** At their discretion to pay for any property right or privileges acquired by or services rendered to the Company either wholly or partially in cash, or in shares, bonds, debentures or other securities of the Company and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon, and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the Company its uncalled capital or not so charged.
- (6)** To secure the fulfillment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its unpaid capital for the time being or in such manner as they may think fit.
- (7)** To accept from any member so far as may be permissible by law, surrender of his shares or stock or any part thereof, on such terms and conditions as shall be agreed.
- (8)** To appoint any person or persons (whether incorporated or not incorporated) to accept and hold in trust for the Company, any property belonging to the Company, or in which it is interested or for any other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trust and to provide for the remuneration of such trustees.
- (9)** To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or

otherwise concerning the affairs of the Company and also to compound or allow time for payment or satisfaction of any debts due and of claims or demands by or against the Company and to refer any claims or demands by or against the Company to arbitration and observe and perform any awards made thereon. Provided however that nothing herein contained shall empower the Directors to remit or give time for the repayment of any debt due to a Director without the consent of the Company in General Meeting.

- (10)** To act on behalf of the Company in all matters relating to bankrupts and insolvent.
- (11)** To make and give receipts, releases and other discharges for moneys or properties payable or transferred to the Company and for the claims and demands of the Company.
- (12)** To invest and deal with any moneys of the Company not immediately required for purpose thereof upon such security or without security and in such manner as they think fit and from time to time to vary such investments. Provided however that nothing herein contained shall empower the Directors without the consent of the Company in General Meeting, to invest otherwise than in trust securities, the amount of compensation recovered by the Company in respect of the Compulsory acquisition of any such undertaking as is referred to in sub-section (1) (c) of Section 293 of the Act, or any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time.
- (13)** To open current, overdraft, cash credit and fixed deposit accounts with any bank, company, firm or individual and to operate thereon.
- (14)** To execute in the name and on behalf of the Company in favour of any Director or other person who may incur, or be about to incur, any personal liability whether as principal or surety for the benefit of the Company, such mortgages of the Company's property (present or future) as they think fit; and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon.
- (15)** To determine from time to time who shall be entitled to sign on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purposes.

- (16) To give any officer or other person employed by the Company a commission on the profits of any particular business or transaction and such commission shall be treated as part of the working expenses of the Company.
- (17) To establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation funds, for the benefit of and give or procure the giving of donations, gratuities, pensions, allowances or emoluments, to any persons who are or were at any time in the employment or service of the Company, or if any Company which is a subsidiary of the Company, or is allied to or associated with the Company or with any such subsidiary company, or who are or were at any time Directors or officers of the Company or of any such other Company as aforesaid and the wives, widows, families and dependents of any such persons, and also establish and subsidise and subscribe to any institution, associations, clubs or funds calculated to be for the benefit of or to advance the interests and well-being of the Company or of any such other Company as aforesaid, and make payment to or towards the insurance of any such person as aforesaid and do any of the matters aforesaid, either alone or in conjunction with any such other company as aforesaid.
- (18) To give, award or allow any bonus, pension, gratuity or compensation to any employee of the Company or his widow, children or dependents that may appear to the Directors just or proper whether such employee or his widow, children or dependents have or have not a legal claim upon the Company.
- (19) Not without the consent of the Company in General Meeting to contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed Rs. 50,000 (Rupees Fifty thousand) or five percent of its average net profits as determined in accordance with the provisions of Sections 349 and 350 of the Act during the three financial years immediately preceding whichever is greater;
- (20) Before recommending any dividend, to set aside such portion of the profits of the Company as they may think fit, to form a fund to provide for such pension, gratuities or compensation or to create any provident or benefit fund in such manner as the Directors may deem fit.
- (21) Before recommending any dividend, to set aside out of the profit of the Company such sums as they may think proper, for depreciation or to be Depreciation Fund, Insurance Fund, Reserve Fund, General Reserve or Sinking Fund, Development

Rebate Reserve, Statutory Development Reserve, Reserve for any Special Fund to meet contingencies or to repay debenture or debenture-stock or for special dividend or for equalizing dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes, as the Directors may in their absolute discretion think conducive to the interest of the Company with power from time to time to transfer moneys standing to the credit of one Fund or any part thereof to the credit of any other Fund; and to invest the several sums so set aside or so much thereof as required to be invested, upon such investments (other than shares of the Company) as they may think fit, and from time to time deal with and vary such investments and dispose of and supply and expend all or any part thereof for the benefit of the Company, in such manner and for such purpose as the Directors in their absolute discretion, think conducive to the interest of the Company and to divide the Reserve Fund into such special funds as the Directors may think fit, and to employ the assets constituting all or any of the above funds including Depreciation Fund, in the business of the Company or in the purchase or repayment of debentures or debenture stock and that without being bound to keep the same separate from the other assets. If the assets constituting any of the above funds are employed in the business of the Company the Directors may pay or allow to the credit of such funds interest at such rate as the Directors may think proper but not exceeding 9 percent per annum.

- (22)** To appoint and at their discretion remove or suspend such managers, secretaries, officers, technicians, clerks, agents and servants, for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and fix their salaries or emoluments, and to require security in such instances and to such amounts as they think fit. And also without prejudice as aforesaid from time to time provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit; and the provisions contained in the two next following sub-clauses shall be without prejudice to the general powers conferred by the sub-clause.
- (23)** From time to time and at any time to establish any Local Board or managing any of the affairs of the Company in any specified locality in India or out of India and to appoint any person to be members of such Local Board and to fix their remuneration and at any time from time to time to delegate subject to the provisions of Section 292 of the Act to any person so appointed any of the powers, authorities and discretions for the time being vested in the Directors, other than their powers to make calls

and to issue debentures and to authorise the members for the time being of any such Local Board or any of them, to fill up any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subject to such conditions and restrictions as the Directors may think fit and the Directors may at any time remove any person so appointed and may annul and vary any such delegation.

- (24)** At any time and from time to time, by Power of Attorney under the Seal of the Company, to appoint any person or persons to be the attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Presents) and for such period and subject to such conditions as the Directors may from time to time think fit, and any such appointment may, if the Directors think fit, be made in favour of the members, or any of the members of any Local Board established as aforesaid or in favour of any Company or the member, directors, nominees or managers of any company or firm or otherwise in favour of any fluctuating body of persons, whether nominated directly or indirectly by the Directors and any such Power of Attorney may contain such powers for the protection or convenience of persons dealing with such attorneys as the directors may think fit, and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.
- (25)** For or in relation to any of the matters aforesaid or otherwise for the purposes of the Company, to enter into all such negotiations and contracts, and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company, as they may consider expedient.
- (26)** To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly also to insure all or any part of the goods, produce, machinery and other articles imported or exported by the Company and to insure loss of profit and standing charges and to insure retrenchment compensation and lay-off liabilities and to insure accidental insurance on all the employees of the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.

(27) Subject to hereinabove provided, to subscribe or contribute or authorise to assist or to guarantee money to charitable, benevolent, religious, scientific, national, public, political or any other useful institutions, objects or purposes or for any exhibition.

MANAGEMENT OF BUSINESS

- 187.** The general management of the business of Company subject to the provisions of the Act and subject to the superintendence, control and directions of the Directors shall be with the Managing Director and/or whole-time Director, and/or any other officer appointed by the Board for the purpose.
- General management in the hands of Managing Director and whole-time Director*
- 188.** Printed or typewritten copy of any resolution of the Board of Directors of the Company or the agreement relating to the appointment, re appointment or renewal of the appointment of the Managing Director and/or whole-time Director varying the terms of any such agreement, executed by the Company and duly certified under the signature of any officer of the Company shall be filed with the Registrar of Companies within thirty days after the making thereof, as required by Section 192 of the Act.
- Agreement relating to Managing Director and/or whole-time Director to be filed with the Registrar*
- 189.** Subject to the general supervision, control and direction of the Board and subject as hereinabove provided the Managing Director and/or whole-time Director shall have the conduct and management of the business and affairs of the Company and shall have Power and authority on behalf of the Company to acquire any properties, rights and privileges and to make all purchases and sales and to enter into all contracts and execute all agreements or other documents, and to do all other acts and things usual, necessary or desirable in the management of the affairs of the Company or in carrying out its objects; and shall have power to institute, conduct, defend, compromise, refer to arbitration and abandon legal and other proceedings, claims and disputes in which the Company is concerned and shall have power to appoint and employ in or for the purpose of the transaction and management of the affairs and business of the Company or otherwise for the purposes thereof such managers, experts, secretaries, chemists, technicians. Engineers, brokers, lawyers, clerks, workmen, servants and other employees as they shall think proper with such powers and duties and upon such terms as to duration of office, remuneration otherwise as they shall think fit and from time to time to remove and suspend them or any of them and generally to appoint and employ any person or persons in the services or for the purposes of the Company as they shall think fit upon such terms and conditions as they shall think proper.
- Authority of Managing Director and/or whole-time Director*

*Managing
Director and/
or whole-time
Director to
have power to
sub-delegate*

- 190.** The Managing Director and/or whole-time Director shall have power to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them and in particular from time to time to provide by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit.

LOANS TO COMPANIES UNDER THE SAME MANAGEMENT

*Loans to
Companies
under the
same
Management*

- 191. (1)** Subject to the provisions of Section 370 of the Act, the Company shall not make any loan to or give any guarantee or provide any security, in connection with a loan made by any other person to, or to any other person by any body corporate which is under the same management as the Company, unless the making of such loan, the giving of such guarantee or the provisions of such security has been previously authorised by a Special Resolution of the Company.
- (2)** Where the Company makes any loan to or give any guarantee, or provides any security, in connection with a loan made by any other person to, or to any other person by a firm in which a partner is a body corporate under the same management as the Company, the loan shall be deemed to have been made to, or the guarantee or security shall be deemed to have been given or provided in connection with the loan made by such other person to or to such other person, by a body corporate under the same management.
- (3)** For the purpose of sub-clause (1) and (2) hereof, any two bodies corporate shall be deemed to be under the same management :
- (a)** if the Managing Director or a whole-time Director or Manager of the one body is the Managing Director or whole-time Director or Manager of the other body; or
 - (b)** if a majority of the Directors of the one body constitute or at any time within the six months immediately preceding constituted a majority of the directors of the other body;
 - (c)** if not less than one-third of the total voting power with respect to any matter relating to each of the two bodies corporate is exercised or controlled by the same individual or body corporate: or
 - (d)** if the holding company of the one body corporate is under the same management as the other body corporate within the meaning of sub-clause (a), (b), (c) above mentioned, or

- (e) if one or more directors of the one body corporate while holding whether by themselves or together with their relatives, the majority of shares in that body corporate also hold, whether by themselves or together with their relatives, the majority of shares in the other body corporate.
- (4) Nothing contained in the foregoing shall apply to :
- (a) any loan made by a holding company of the Company to the Company and;
 - (b) any guarantee given to security provided by such holding company in respect of any loan made to the Company.

MINUTES

- 192.** (1) The Company shall cause minutes of all proceedings of every General Meeting and of all proceedings of every meeting of its Board of Directors and of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for the purpose with their pages consecutively numbered. *Minutes*
- (2) Each page of every such books shall be initialled or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed :
- (a) in the case of minutes of proceedings of a meeting of the Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting.
 - (b) in the case of minutes of proceedings of a General Meeting, by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of death or inability of that Chairman within that period, by a director duly authorised by the Board for the purpose.
- (3) In no case the minutes of proceedings of meeting shall be attached to any such books as aforesaid by pasting or otherwise.
- (4) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
- (5) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.

- (6) In the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes shall also contain :
- (a) the names of the Directors present at the meeting; and
 - (b) in the case of each resolution passed at the meeting the names of the Directors, if any, dissenting from or not concurring on the resolution.
- (7) Nothing contained in sub-clauses (1) to (6) hereof shall be deemed to require that inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting :
- (i) is or could reasonably be regarded as defamatory of any person;
 - (ii) is irrelevant or immaterial to the proceedings;
 - (iii) is detrimental to the interests of the Company.

The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the ground specified in this sub-clause.

Minutes to be evidence

193. Minutes of the meetings kept in accordance with the provisions of Article 192 shall be evidence of the proceedings recorded therein.

Presumption to be drawn where minutes duly drawn and signed

194. Where minutes of the proceedings of any General Meeting of the Company or of any meeting of the Board or any General Meeting of the Company or of any meeting of the Board or of a Committee of the Board have been kept in accordance with the provisions of Article 192 then until the contrary is proved, the meeting shall be deemed to have been duly called and held and all proceedings thereat have duly taken place and in particular, all appointments of Directors or Liquidators made at the meeting shall be deemed to be valid.

Inspection of minutes books of General Meeting

195. (1) The books containing the minutes of the proceedings of any General Meeting of the Company shall be kept at the Registered Office of the Company and shall be open to inspection of any member without charge on each working day between the hours to be fixed by the Directors from time to time.

(2) Any member of the Company shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company with a copy of any minutes referred to in sub clause (1) hereof on payment of 37 paise for every one hundred words or fractional part thereof required to be copied.

- 196.** No document purporting to be a report of the proceedings of any General Meeting of the Company shall be circulated or advertised at the expense of the Company unless it includes matters required by Article 192 hereof to be contained in the Minutes of the proceedings of such meeting.

Publication of reports of proceedings of General Meetings

SEAL

- 197.** The Board of Directors shall provide a Common Seal for the purpose of the Company and shall have power to destroy the same and substitute a new seal in lieu thereof and shall provide for its safe custody and the same shall not be used except by the authority of the Board of Directors or a Committee thereof.

The Common Seal, its custody and use

- 198.** Every deed, document or instrument to which the Common Seal of the Company is required to be affixed shall, unless the same is executed by a duly constituted attorney of the Company, be signed and countersigned by persons duly authorized by the Board of Directors or a Committee thereof in that behalf and the Seal shall be affixed in the presence of the said two authorized persons.

Affixation of the Common Seal and execution of deeds

ACCOUNTS

- 199. (1)** The Company shall keep at its Head Office proper books of account with respect to :
- (a)** all sums of money received or expended by the Company and the matters in respect of which the receipt and expenditures take place;
 - (b)** all sales and purchases of goods by the Company;
 - (c)** the assets and liabilities of the Company;
 - (d)** such particulars relating to utilisation of material or labour or other items of cost as may be prescribed by Section 209 (1) (d) of the Act.

Books to be kept by the Company

All or any of the books of account aforesaid may be kept at such other place in India as the Board of Directors may decide and when the Board of Directors so decide the Company shall, within 7 days of the decision, file with the Registrar a notice in writing giving the full address of that other place.

- (2)** Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with Provisions of clause (1) if proper books of account relating to the transactions effected at the branch office are kept at that office and proper summarised returns are made upto dates at

intervals of not more than three months are sent by the branch office to the Company at its Head Office or other place referred to in clause (1).

- (3)** The books of account and other books and papers shall be open to inspection by any Director during business hours.
- (4)** The books of account relating to a period of not less than eight years immediately preceding the current year together with the vouchers relative to any entry in such books of account shall be preserved in good order.
- (5)** The books of account and other books and papers of the Company shall, subject to the provisions of Section 209A be open for inspection during business hours :
 - (i)** by the Registrar, or
 - (ii)** by such officer of Government as may be authorised by the Central Government in this behalf without any previous notice to the Company or to any officer thereof.

Inspection by members

- 200. (1)** The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of members not being Directors.
- (2)** No member (not being a Director) shall have any right of inspecting any account or books or document of the Company except as conferred by law or authorised by the Board or by the Company in General Meeting.

Annual Accounts and Balance Sheet

- 201. (1)** At every Annual General Meeting of the Company the Director shall lay before the Company :
- (a)** a Balance Sheet as at the end of the period specified in sub-clause (2) hereof; and
 - (b)** a Profit and Loss Account for that period.
- (2)** The Profit and Loss Account shall relate to the period beginning with the day immediately after the period for which the account was last submitted and ending with a day which shall not precede the day of the meeting by more than 6 months, or in case where an extension of time has been granted for holding of the meeting under the second proviso to sub-section (1) of Section 166 of the Act, by more than 6 months and the extension so granted.

- (3) The period to which the account aforesaid relates is referred to in these Presents as a 'financial year' and it may be less or more than a calendar year but it shall not exceed fifteen months provided that it may extend to eighteen months where special permission has been granted in that behalf by the Registrar of the Companies.
- 202.** (1) Every Balance Sheet of the Company shall give a true and fair view of the state of affairs of the Company as at the end of the financial year and shall, subject to the provisions of Section 211 of the Act, be in the form set out in Part I of Schedule VI to the Act or as near thereto as circumstances admit or in such other form as may be approved by the Central Government either generally or in any particular case, and in preparing the Balance Sheet due regard shall be had as far as may be, to the general instructions for preparation of the Balance Sheet under the heading 'Notes' at the end of that part.
- (2) Every Profit and Loss Account of the Company shall give a true and fair view of the Profit or Loss of the Company for the financial year and shall comply with the requirements of Part II of Schedule VI to the Act, so far as they are applicable thereto.
- (3) The Balance Sheet and the Profit and Loss Account of the Company shall not be treated as not disclosing a true and fair view of the state of affairs of the Company, merely by reason of the fact that they do not disclose any matters which are not required to be disclosed by virtue of the provisions contained in the said Schedule VI or by virtue of a notification or order issued under Section 211 of the Act.
- 203.** (1) Every Balance Sheet and Profit and Loss Account of the Company shall be signed on the behalf of the Board of Directors by the Manager or Secretary, if any, and by not less than two Directors of the Company one of whom shall be a Managing Director where there is one.
- (2) The Balance Sheet and Profit and Loss Account shall be approved by the Board of Directors before they are signed on their behalf and before they are submitted to the Auditors for their report thereon.
- (3) The Profit and Loss Account shall be annexed to the Balance Sheet and the Auditor's Report, including the Auditor's separate, special or supplementary report if any, shall be attached thereto.
- 204.** (1) There shall be attached to every Balance Sheet laid before the Company in General Meeting, a Report by its Directors with respect to :

Form and contents of Balance Sheet and Profit & Loss Account

Authentication of Balance Sheet and Profit & Loss Account

Directors Report

- (a)** the state of Company's affairs.
 - (b)** the amounts, if any which they propose to carry to any reserves in such Balance Sheet.
 - (c)** the amount, if any, which they recommend should be paid by way of dividend; and
 - (d)** material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the Balance Sheet relates and the date of the Report.
- (2)** The Board's Report shall, so far as is material for the appreciation of the state of the Company's affairs by its members and will not in the Board's opinion be harmful to the business of the Company or of its subsidiaries, deal with any changes which have occurred during the financial year :
 - (a)** in the nature of the Company's business:
 - (b)** in the Company's subsidiaries or in the nature of the Business carried on by them; and
 - (c)** generally in the classes of business in which the Company has an interest.
- (3)** The Board's Report shall, subject to the provisions of subsection (2A) of Section 217 of the Act include a statement showing the name of every employee of the Company;
 - (a)** if employed throughout the financial year was in receipt of the remuneration for that year which, in the aggregate, was not less than such sums as may be prescribed by the Central Government from time to time; or Government from time to time; or
 - (b)** if employed for part of a financial year was in receipt of remuneration for any part of that year at a rate which, in the aggregate, was not less than such sums as may be prescribed by the Central Government from time to time. Such statement shall also indicate;
 - (i)** whether any such employee is a relative of any Director or Manager of the Company and, if so, the name of such Director;
 - (ii)** such other particulars as may be prescribed;

- (4) The Board shall give the fullest information and explanations in their report or in cases falling under the provision to Section 222 of the Act in the addendum to that report on every reservation, qualification or adverse remark contained in the Auditor's Report.
- (5) The Board's Report and any addendum thereto shall be signed by its Chairman if he is authorised in that behalf by the Board and where he is not so authorised shall be such number of Directors as are required to sign the Balance Sheet and the Profit and Loss Account of the Company by virtue of sub-clauses (1) and (2) of Article 203.

205. (1) A copy of every Balance Sheet (including the Profit and Loss Account, the Auditor's Report and every other document required by law to be annexed or attached, as the case may be, to the Balance Sheet) which is to be laid before the Company in General Meeting shall, not less than twenty-one days before the date of the meeting be sent on to every member of the Company, to every holder of debentures, if any; issued by the Company (not being debentures which ex-facie are payable to the bearer thereof, to every trustee for the holders of any debenture issued by the Company (whether such member, holder or trustee is or is not entitled to have notice of General Meeting of the Company sent to him) and to all persons other than such members, holders or trustees being persons so entitled. Provided that it shall not be necessary to send copies of the documents aforesaid :

Right of member to copies of Balance Sheet etc.

- (i) to a member or holder of debentures of the Company who is not entitled to have notice of General Meeting of the Company sent to him and of whose address the Company is unaware;
- (ii) to more than one of the joint holders of any shares or debentures none of whom is entitled to have such notices sent to him;
- (iii) in the case of joint holders of any shares or debentures some of whom are and some of whom are not entitled to have such notices sent to them, to those who are not so entitled.

Provided that if the copies of the documents aforesaid are sent less than twenty-one days before the date of the meeting they shall notwithstanding the fact, be deemed to have been duly sent if it is so agreed by all the members entitled to vote at the meeting.

- (2) Any member or holder of debentures of the Company whether he is or is not entitled to have copies of the Company's Balance Sheet sent to him shall, on demand be entitled to be furnished without charge, and any person from whom the Company has accepted a sum of money by way of deposit shall, on demand accompanied by the payment of a fee of one Rupee, be entitled to be furnished, with a copy of the last Balance Sheet of the Company and of every document required by law to be annexed or attached thereat including the Profit and Loss account and Auditor's Report.

Three copies of Balance Sheet etc. to be filed with Registrar

- 206. (1)** The Company shall within thirty days from the date on which the Balance Sheet and Profit and Loss Account have been laid before the Company at the Annual General Meeting or where the Annual General Meeting for any year has not been held, within thirty days from the latest day on or before which that meeting should have been held in accordance with the provisions of the Act file with the Registrar of Companies three copies of the Balance Sheet and the Profit and Loss Account signed by the Managing Director, Manager, Secretary of the Company, or if there be none of these by a Director of the Company, together with three copies of all documents which are required by the Act to be annexed or attached to such Balance Sheet or Profit and Loss Account.
- (2) If any Annual General Meeting of the Company before which the Balance Sheet is laid as aforesaid does not adopt the Balance Sheet if the Annual General Meeting of the Company for any year has not been held a statement to that effect and all the reasons therefor shall be annexed to the Balance Sheet and to the copies thereof required to be filed with the Registrar of Companies.

AUDIT

Appointment of Auditors

- 207. (1)** The Company shall, at each Annual General Meeting appoint an Auditor or Auditors to hold office from the conclusion of that Meeting until the conclusion of the next Annual General Meeting and shall, within 7 days of the appointment, give intimation of thereto every Auditor so appointed. Provided that, before any appointment or reappointment of Auditor or Auditors is made by the Company at any Annual General Meeting, a written certificate shall be obtained by the Company from the Auditor or Auditors proposed to be so appointed to the effect that the appointment or re-appointment, if made, will be in accordance with the limits specified in sub-section (1B) of Section 224 of the Act.

- (2) The Company or the Board of Directors shall not appoint or reappoint a person or firm as its Auditors if such person or firm is at the date of such appointment or re-appointment holding appointment as Auditors of a specified number of Companies or more than specified number of Companies and 'Specified Number' for the purpose of this Article shall mean :
- (a) in the case of a person or firm holding appointment as Auditor of a number of companies each of which has a paid-up share capital of less than Rupees twenty five lacs, twenty such companies;
 - (b) in any other case, twenty companies out of which not more than ten shall be companies each of which has a paid-up share capital of Rupees Twenty five lacs or more.
- (3) At any Annual General Meeting, a retiring Auditor by whatsoever authority appointed, shall be re-appointed unless (a) he is not qualified for re-appointment or (b) he has given the Company notice in writing of his unwillingness to be reappointed or (c) a resolution has been passed at the meeting appointing somebody instead of him or providing expressly that he shall not be reappointed or (d) where notice has been given of an intended resolution to appoint some person or persons in the place of retiring Auditor and reason of the death, incapacity or disqualification of that person or of all those persons, as the case may be, the resolution cannot be proceeded with.
- (4) Where at any Annual General Meeting no Auditors are appointed or re-appointed, the Central Government may appoint a person to fill the vacancy.
- (5) The Company shall within seven days of the Central Government's power aforesaid becoming exercisable, give notice of that fact to the Government.
- 208.** The Board may fill any casual vacancy in the office of an Auditor but while such vacancy continues, the remaining Auditor or Auditors, if any, may act provided that where such vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in General Meeting. Any Auditor appointed in a casual vacancy shall hold office until the conclusion of the next Annual General Meeting.
- 209.** Any Auditor appointed under the foregoing provisions may be removed from office before the expiry of the term only by the Company in the General Meeting after obtaining the previous approval of the Central Government.

*Filling up
Casual
vacancy*

*Removal of
Auditors*

*Remuneration
of Auditors*

210. The remuneration of the Auditors of the Company in the case of an Auditor appointed by Board or by the Central Government may be fixed by the Board or the Central Government as the case may be. Subject as aforesaid shall be fixed by the Company in General Meeting, or in such manner as the Company in General Meeting may determine. Any sums paid by the Company in respect of the Auditors expenses shall be deemed to be included in the expression of remuneration.

*Special
Resolution for
Auditors in
certain cases*

211. Subject to the provisions of Section 224A of the Act if at any time 25% of the subscribed share capital of the Company shall be held, whether singly or in any combination by :

- (a) a Public Financial Institution or a Government Company or Central Government or any State Government; or
- (b) any financial or other institution established by provincial or State Act in which a State Government holds not less than 51 % of the subscribed Share Capital; or
- (c) a Nationalised Bank or Insurance Company carrying on General Insurance business.

the appointment or re-appointment at each Annual General Meeting of an Auditor or Auditors shall be made by a Special Resolution.

*Provision as to
resolution for
appointing or
removing
Auditors*

212. (1) Special notice shall be required for a resolution at an Annual General Meeting appointing as Auditor a person other than retiring Auditor or providing expressly that a retiring Auditor shall not be re-appointed.

(2) On receipt of the notice of such a resolution, the Company shall forthwith send a copy thereof to the retiring Auditor;

(3) Where notice is given of such a resolution and the retiring Auditor makes with respect thereto representation in writing to the Company (not exceeding a reasonable length) and requests their notification to members of the Company, the Company shall unless the representations are received by it too late for it to do so :

(a) in any notice of the resolution, given to members of the Company, state the fact of the representation having been made; and

(b) send a copy of the representation to every member of the Company to whom notice of the meeting is sent whether before or after the receipt of the representation by the Company and if a copy of the representations is

not sent as aforesaid because they were received too late or because of the Company's default the Auditor may (without prejudice to his right to be heard orally) require that the representations shall be read out at a meeting provided that copies of the representations need not be sent out and the representations need not be read out at a meeting, if, on the application either of the Company or of any other person who claims to be aggrieved, the Court is satisfied that the rights conferred by this sub-clause are being abused to secure needless publicity for defamatory matter.

- 213.** The provisions of the preceding Article for sending a copy of the resolution to the retiring Auditor and with regard to representations of the retiring Auditor shall apply to a resolution for removal of any Auditor or Auditors under Section 224 (7) of the Act as they apply in relation to resolution that a retiring Auditor shall not be reappointed. *Resolution for removal of Auditors*
- 214. (1)** A person shall not be qualified for appointment as auditor of the Company unless he is a Chartered Accountant with in the meaning of the Chartered Accountant Act, 1949 (XXXVIII of 1949). *Qualification of Auditors*
- (2)** A firm whereof all the partners practising in India are qualified for appointment as aforesaid may be appointed by its firm's name to be Auditors of the Company in which case any partner so practising may act in the name of the firm.
- 215.** None of the following persons shall be qualified for appointment as Auditor of the Company; *Who cannot be appointed Auditors*
- (a)** body corporate;
 - (b)** an officer or employee of the Company;
 - (c)** a person who is a partner or who is in the employment of an officer or employee of the company;
 - (d)** a person who is indebted to the Company for an amount exceeding Rs. 1,000 or who has given any guarantee or provided any security in connection with the indebtedness of any third person to the Company for amount exceeding Rs. 1,000;
 - (e)** a person shall also not be qualified for an appointment as Auditor of the Company if he is by virtue of the foregoing provisions disqualified for appointment as Auditor of any other body corporate which is the Company's subsidiary or holding

company or a subsidiary of that Company's holding company or would be so disqualified if the body corporate were a company.

*Disqualification
after
appointment*

216. If an Auditor becomes subject, after his appointment to any of the disqualifications specified above, he shall be deemed to have vacated his office as such.

*Powers and
duties of
Auditors*

217. Every Auditor of the Company shall have a right of access at all times to the books and accounts and vouchers of the Company whether kept at the head office of the Company or elsewhere and shall be entitled to require from the officers of the Company such information and explanation as he may think necessary for the performance of his duties as Auditor.

*Auditor's
Report*

218. (1) The Auditor shall make a report to the members of the Company on the accounts examined by him and on every Balance Sheet and Profit and Loss Account and on every other document declared by the Act to be part of or annexed to the Balance Sheet and Profit and Loss Account which are laid before the Company in General Meeting during his tenure of office.

(2) The report shall state whether in his opinion and to the best of his information and according to the explanations given to him, the said accounts give the information required by the Act in the manner so required and give a true and fair view:

(a) in the case of the Balance Sheet of the state of the Company's affairs as at the end of its financial year.

(b) in the case of the Profit and Loss Account of the profit or loss for its financial year.

(3) The Auditors report shall also state (a) whether he has obtained all the information and explanations which to the best of his knowledge and belief were necessary for the purposes of his audit (b) whether in his opinion, proper books of account, as required by law have been kept by the Company so far as appears from his examination of those books, and proper returns adequate for the purposes of his audit have been received from branches not visited by him, (c) whether the report on the accounts of any branch office audited under Section 228 of the Act by a person other than him has dealt with the same in preparing his report and (d) whether the Company's Balance Sheet and Profit and Loss Account dealt with in the report are in agreement with the books of account and returns.

- (4) Where any of the matters aforesaid is answered in the negative, or with a qualification, the Auditor's report shall state the reasons for the answer.
- (5) The account of the Company shall not be deemed as not having been and the Auditor's Report not state, that these accounts have not been properly drawn up, on the ground merely that the Company has not disclosed certain matters if :
- (a) those members are such as the Company is not required to disclose by virtue of any provisions contained in the Act or any other Act, and
- (b) those provisions are specified in the Balance Sheet and Profit and Loss Account of the Company.
- (6) The Auditor's report including the Auditor's separate, special or Supplementary report, if any, shall be attached to every Balance Sheet placed before every Annual General Meeting.
- (7) There shall be annexed to every Annual Return to be filed by the Company with the Registrar of Companies under Section 159 of the Act a written copy certified both by a Director and by the Managing Director or whole-time Director or Manager or Secretary of the Company, to be a true copy of the report of the Auditor on each such Balance Sheet.
- 219.** Only the person appointed as Auditor of the Company or where a firm is so appointed, only a partner in the firm practicing in India may sign the Auditors Report and sign or authenticate any other document of the Company required by law to be signed or authenticated by the Auditor. *Signature of Auditors Report*
- 220.** The Auditors Report shall be read before the Company in General Meeting and shall be open to inspection by any member of the Company. *Inspection of Auditors Report*
- 221.** All notices of and other communications relating to any General Meeting of the Company which any member of the Company is entitled to have sent to him, shall be forwarded to the Auditor of the Company and the Auditor shall be entitled to attend any General Meeting and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor. *Right of Auditor to receive notices of and attending General Meetings*
- DIVIDENDS**
- 222.** (a) Subject to the provisions of the Act and these Presents and subject to the right of persons entitled to shares with special rights as to dividend, the profits of the Company which it shall *Dividends*

from time to time be determined to distribute in dividends, shall be divisible amongst the members in proportion to the capital paid up or credited as paid up on the shares held by them respectively.

- (b) No amount paid or credited as paid on a share in advance of calls shall be treated for the purpose of this Clause as paid on the share.
- (c) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.

Declaration of Dividends

223. The Company in General Meeting may declare a dividend to be paid to the members according to their rights and interests in the profits and may fix the time for payment.

Restrictions on amount of Dividend

224. No larger dividend shall be declared than is recommended by the Directors but the Company in General Meeting may declare a smaller dividend.

Dividend out of profits only and not to carry interest

225. No dividend shall be payable except out of the profits of the Company.

Declaration of Directors as to net profit conclusive

226. The declaration of the Directors as to the amount of the net profits of the Company shall be conclusive.

Interim Dividend

227. The Directors may from time to time pay to the members such interim dividends as in their judgement the position of the Company justifies.

Debts may be deducted

228. The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagement in respect of which the lien exists.

Dividends and call together

229. Any General Meeting declaring a dividend may make a call on the member of such amount as the meeting fixes but so that the call on each member shall not exceed the dividend payable to him and so that the call may be made payable at the same time as a dividend and the dividend may, if so arranged between the Company and the member, be set off against the call. The making of a call under this clause shall be deemed ordinary business of an Ordinary General Meeting which declares a dividend.

- 230.** A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer. *Effect of transfer*
- 231.** The Directors may retain the dividends payable upon shares in respect of which any person is under the Trans- mission Clause Article No. 46 entitled to become a member or which any person under that Article is entitled to transfer until such person shall become a member in respect thereof or shall duly transfer the same. *Retention in certain cases*
- 232.** No dividend shall be payable except in cash. A dividend payable in cash may be paid by cheque or warrant sent through the post directed to the registered address of the member entitled to the payment of the dividend or in the case of joint holders to the registered address of that one of the joint holders which is the first named on the Register of Members or to such person and to such addresses as the member or the joint holders may in writing direct, and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent. The Company shall not be responsible or liable for any cheque or warrant lost in transmission or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent recovery thereof by any other means. *Payment by post*
- 233.** Notice of the declaration of any dividend whether interim or otherwise shall be given to the holder of registered shares in the manner hereinafter provided. *Notice of Dividend*
- 234.** The Company shall pay the dividend or post the cheque or warrant in respect thereof to the shareholders entitled to the payment thereof within forty two days from the date of the declaration of dividend unless : *Dividend to be paid within forty two days*
- (a) where the dividend could not be paid by reason of the operation of any law;
 - (b) where member has given directions to the Company regarding the payment of the dividend and these directions cannot be complied with;
 - (c) where there is a dispute regarding the right to receive the dividend;
 - (d) where the dividend has been lawfully adjusted by the Company against any sum due to it from the member;
 - (e) where for any reason, the failure to pay the dividend or to post the warrant within the aforesaid period was not due to any default on the part of the Company.

*Unclaimed
Dividend*

235. As regards all dividends unpaid or unclaimed, the Company shall comply with the provisions of Section 205A of the Act.

CAPITALISATION

*Power to
capitalise*

236. (1) Any General Meeting may upon the recommendation of the Directors, resolve that any moneys investments or other assets forming part of the undivided profits of the Company standing to the credit of any of the Company's Reserve Accounts or to the credit of the Profit and Loss Account or any Capital Redemption Reserve Account or in the hands of the Company and available for dividend or representing premiums received on the issue of shares standing to the credit of the Share Premium Account be capitalised and distributed amongst such of the members as would be entitled to receive the same if distributed by way of dividend and in the same proportion on the footing that they become entitled thereto as capital and that all or any part of such capitalised funds shall not be paid in cash but shall be applied subject to the provisions contained in clause (2) hereof on behalf of such member either in or towards :

- (a)** Paying up any amounts for the time being remaining unpaid on any share held by such members respectively; or
- (b)** paying up in full the unissued shares or debentures of the company to be allotted distributed credited as fully paid up to and amongst such members in the proportions aforesaid; or
- (c)** partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);

and that such distribution or payment shall be accepted by such members in full satisfaction of their interest in the capitalised sum.

- (2)**
- (a)** Any moneys investments or other assets representing premium received on the issue of shares and standing to the credit of Shares Premium Account;
 - (b)** If the company shall have redeemed any Redeemable Preference Shares, all or any part of any Capital Redemption Fund arising from the redemption of such shares; may by resolution of the Company be applied only in paying up in full or in part any new share or any shares that remain unissued to be issued to such member of the Company as the General Meeting may resolve upto an amount equal to the nominal amount of the shares so issued.

- (3) Any General Meeting may resolve that any surplus moneys arising from the realisation of any capital assets of the Company or any investments representing the same or any other undistributed profits of the Company not subject to charge for income-tax be distributed among the members on the footing that they receive the same as capital.
- (4) Whenever such a resolution under this Article shall have been passed, the Board shall :

 - (a) make all appropriations and applications of the undivided profit resolved to be capitalised thereby and all allotments and issues of fully paid shares or debentures, if any, and
 - (b) generally do all acts and things required to give effect thereto.
- (5) The Board shall have full power :

 - (a) to make such provisions by the issue of fractional certificate or by payment in cash or otherwise as it thinks fit, for the case of shares or debentures becoming distributable in fractions and that fraction of less value than Re. 1 may be disregarded and also;
 - (b) to authorise any person to enter on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalisation, or (as the case may require) for the payment of the Company on their behalf by the application thereto of their respective proportions of the profits resolved to be capitalised, or the amounts or any part of the amounts remaining unpaid on their existing shares and may vest any such cash or specific assets in trustees upon the trust for the person entitled to the dividend or capitalised fund as may seem expedient to the Board.
- (6) Any agreement made under such authority shall be effective and binding on all such members.

NOTICES

- 237.** A notice shall be deemed to include and shall include any summons, notice, requisition, order, other legal process and registers, whether issued, sent or kept in pursuance of the Act or any other Act or otherwise.

Notice

*Service of
documents on
members by
Company*

- 238. (1)** A notice may be served by the Company on any member thereof either personally or by sending it by post to him at his registered address, or if he has no registered address in India, to the address if any within India supplied by him to the Company for the giving of notice to him.
- (2)** Where notice is sent by post :
- (a)** service thereof shall be deemed to be effected by properly addressing prepaying and posting a letter containing the notice, provided that where a member has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall not be deemed to be effected unless it is sent in the manner mentioned by the member; and
 - (b)** Such service shall be deemed to have been effected;
 - (i)** In the case of a notice of a meeting at the expiration of forty eight hours after the letter containing the same is posted; and
 - (ii)** Any other case, at the time at which the letter would be delivered in the ordinary course of post.
- (3)** A notice advertised in a newspaper circulating in the neighbourhood of the Registered Office of the Company shall be deemed to be duly served on the day on which the advertisement appears on every member of the Company who has no registered address in India and has not supplied to the Company an address within India for giving of notices to him.
- (4)** A notice be served by the company on the joint holders of a share by serving it on the joint holder named first in the Register in respect of the share.
- (5)** A notice may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post by prepaid letter addressed to them by name or by the title or representative of the deceased or assignees of the insolvent or by the like description at the address if any in India supplied for the purpose by the persons claiming to be so entitled, or until such an address has been so supplied by serving the notice in any manner in which it might have been served if the death or insolvency had not occurred. Provided that where the notice

of meeting is given by advertising the same in a newspaper circulating in the neighbourhood of the Registered Office of the Company under clause (3) hereof the statement of material facts referred to in Section 173 of the Act need not be annexed to the notice as required by the Section but it shall be mentioned in the advertisement that the statement has been forwarded to the members of the Company.

(6) The signature to any documents or notice to be given by the company may be written, printed or lithographed.

- 239.** A document may be served on the Company or an Officer thereof by sending it to the Company or office at the Registered Office of the Company by post under a certificate of posting or by Registered Post or by leaving it at its Registered Office. *Service of documents on Company*
- 240.** A document may be served on the Registrar of Companies by sending it to him at his office by post under a certificate of posting or by registered post or by delivering it to or leaving it for him at his office. *Service of documents on Registrar*
- 241.** Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the Company may be signed by a Director, the Managing Director, the whole-time Director, the Manager, the Secretary or other authorised officer of the Company and need not be under the Common Seal of the Company. *Authentication of documents & proceedings*

REGISTERS

- 242.** The Company shall keep and maintain the following registers : *Registers*
- (1) Register of Investments made by the Company but not held in its own name, as required by section 49 (7) of the Act and shall keep it open for inspection of any member or debenture-holder of the Company without charge;
 - (2) Register of Charge as required by Section 143 of the Act and shall keep it open for inspection of any creditor or member of the Company without fee and to the inspection of any other person on payment of a fee of Re. 1 for each inspection.
 - (3) Register and Index of Members under section 150 and 151 of the Act and shall keep the same open for inspection of any member or debenture holder without fee and of any other person on payment of a fee of Re. 1 for each inspection.
 - (4) Register and Index of Debenture-holders under section 152 of the Act and shall keep it open for inspection of any member or debenture-holder without fee and of any other person on payment of a fee of Re. 1 for each inspection.

- (5) Foreign Register if thought fit as required by Section 157 of the Act and it shall be open to inspection and may be closed and extracts may be taken therefrom the copies thereof may be required in the same manner, mutatis mutandis, as is applicable to the Principle Register.
- (6) Register of Contracts in which Directors are interested as required by section 301 of the Act and shall keep it open for inspection of any member of the Company without charge.
- (7) Register of Directors, Managing Directors, whole-time Directors, Manager and Secretary, as required by Section 303 of the Act and shall keep it open for inspection of any member of the Company without charge and of any other person on payment of a fee of Re. 1 for each inspection.
- (8) Register as to the holdings by Directors of Shares and Debentures in the Company, as required by Section 307 of the Act and shall keep it open for inspection of any member or debenture-holder of the Company on any working day during the period beginning 14 days before the date of the Company's Annual General Meeting and ending 3 days after the date of its conclusion.
- (9) Register of loans made by the Company to other companies under the same management as required by Section 370 (1C) of the Act, and
- (10) Register of Investments made by the company in shares or debentures of bodies corporate as required by section 372 (6) of the Act.

Inspection of Registers

- 243.** The Registers maintained in items (9) and (10) of Article 242 shall be open to inspection and extracts may be taken therefrom and copies thereof may be required by any member of the Company in the same manner to the same extent and on payment of the same fees as in the case of Register of Members of the Company as provided for in Item (3) of Article 242.

Copies of entries in the Registers

- 244.** Copies of entries in the above Registers shall be furnished to the person entitled to the same of payment of 37 paise for every hundred words or fractional part thereof required to be copied. The Company shall give inspection of the above registers to the person entitled to the same on any working day between the hours to be fixed by the Directors from time to time.

WINDING UP

- 245.** If the Company shall be winding up the Liquidator may with the sanction of a special resolution of the Company and any other sanction required by the Act divide amongst the members in specie or in kind the whole or any part of the assets of the Company whether they shall consist of the property of the same kind or not. *Distribution in specie on winding up*
- 246.** For the purpose aforesaid the Liquidator may set such value as he deems fair upon every property to be divided as aforesaid and may determine how much divisions can be carried out as between the members or different classes of members. *Value*
- 247.** The Liquidator may with the like sanction vest the whole or any part of such assets in trustees upon such trust for the benefit of the contributories as the Liquidator with the like sanction shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability. *Voting in Trustees*

INDEMNITY

- 248.** Subject to the provisions of the Companies Act, 1956 every Director, Manager, Managing Director, whole-time Director or other officer of the Company or any person (whether an officer of the Company or not) employed by the Company as Auditor shall be indemnified out of the funds of the Company against all liability incurred by him as such Director, Manager, Managing Director, whole-time Director, Officer or Auditor in which judgement is given in his favour or in which he is acquitted or in connection with any application under Section 633 of the Act in which relief is granted to him by the Court. *Indemnity*
- 249.** Subject to the provisions of the Companies Act, 1956 no Director, Auditor, or other Officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or Officer or for joining in any receipt of other act for conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for and on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, firm or company to or with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgement, omission, default or oversight on his part or for any other loss, damage or misfortune whatever which shall happen in relation to the execution of the duties of his office or in relation thereto unless the same shall happen through his own dishonesty. *Individual responsibility of Directors*

SECURITY CLAUSE

Security clause

250. Subject to the provisions of the Act, no member shall be entitled to require discovery of any information respecting any details of the Company's trading or any matter in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which, in the opinion of the Directors, it may not be expedient in the interests of the members of the Company to communicate to the public.

We, the several persons, whose names, addresses and descriptions are hereunder subscribed, are desirous of being formed into a Company in pursuance of these ARTICLES OF ASSOCIATION and we respectively agree to take the number of shares in the Capital of the Company set opposite to our respective names :

Name, address, description and occupation of subscriber	Number of shares taken by each Subscriber	Signature of subscriber	Witness, signature and address
<p>MR. DESH BANDHU GUPTA S/o. Shri PEAREY LAL GUPTA 48/49, Hatkesh Co-op. Hsg. Soc. Juhu Vile Parle Scheme, Juhu, BOMBAY. - Industrialist</p> <p>MRS. MANJU D. GUPTA W/o. Shri DESH BANDHU GUPTA 48/49, Hatkesh Co-op. Hsg. Soc. Juhu Vile Parle Scheme, Juhu, BOMBAY. - Industrialist</p>	<p>100 Equity Shares</p> <p>100 Equity Shares</p>	<p>Sd/-</p> <p>Sd/-</p>	<p>Subodh Rajaram Manjrekar C-31, Indra-Sukh Co-op. Hsg. Soc. Char Bungalow, Andheri (W), Bombay.</p>
	<p>200 (Two hundred Equity Shares only)</p>		

Dated : 4th November, 1982

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY PETITION NO. 362 OF 2001
CONNECTED WITH
COMPANY APPLICATION NO. 91 OF 2001**

In the matter of the Companies Act, 1956 (I of 1956);

AND

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

AND

In the matter of Lupin Chemicals Limited

AND

In the matter of the Scheme of Amalgamation
between Lupin Laboratories Limited and Lupin
Chemicals Limited

Lupin Chemicals Ltd., a Company)
incorporated under the Companies Act,)
1956 and having its Registered Office at)
Plot T-142, MIDC Industrial Estate,)
Tarapur, District Thane, Maharashtra)Petitioner

Coram : R.J. Kochar J.

Date : 13th June, 2001

UPON THE Petition of Lupin Chemicals Limited, the Petitioner Company abovenamed, presented to this Honourable Court on the 23rd day of March, 2001 for sanction of the arrangement embodied in the proposed Scheme of Amalgamation between Lupin Laboratories Limited (hereinafter referred to as "Lupin" or "the Transferor Company") and Lupin Chemicals Limited (hereinafter referred to as the "Transferee Company" or the "Petitioner Company") AND for other consequential reliefs as mentioned in the Petition and the Petition being this day called on for hearing and final disposal and UPON READING the said Petition and the Affidavit of Mr. R.V. Satam, the Company Secretary of the Petitioner Company solemnly affirmed on the 23rd day of March, 2001 verifying the said Petition AND UPON READING the Affidavit dated 12th day of April, 2001 of Mr. Sanjay Buch, Partner of the Advocates for the Petitioner Company proving publication of the notice of hearing of the Petition in the issue of "Indian Express" and "Loksatta" both on 3rd day of April, 2001 AND UPON READING the Affidavit dated 12th day of April, 2001 of Mr. R.V. Satam proving despatch of Notice of hearing of the Petition to the Unsecured Creditors of the Petitioner Company AND UPON READING the Affidavit dated 4th day of April, 2001 of Mr. Bhagwan W. Sawant, proving service of notice of hearing of the Petition upon the Regional Director, Department of Company Affairs, Maharashtra, Mumbai AND UPON READING the Order dated 9th day of February, 2001 made by this Hon'ble Court in Company Application No. 91 of 2001 whereby the Petitioner Company was directed to convene and hold meetings of its equity shareholders, secured creditors and the debentureholders for the purpose of considering and if thought fit approving the arrangement embodied in the Scheme of Amalgamation proposed to be made between Lupin Laboratories Limited and Lupin Chemicals Ltd. and meeting of the unsecured creditors of the Petitioner Company was dispensed with in view of the averments made and the undertaking given by the Petitioner Company to give notice of hearing of the Petition to individual unsecured creditors in paragraphs 38 and 39 of the Affidavit in support of Company Application No.91 of 2001 AND UPON READING the affidavit of Mr. R.V. Satam, Company Secretary of the Petitioner Company dated the 9th day of March, 2001 proving publication of the notice of hearing of the Petition in the issue of The Indian Express dated 22nd February, 2001 and Loksatta dated 22nd February, 2001 and also proving despatch of notice convening meetings to individual Equity Shareholders, secured creditors and Debenture holders of the Petitioner Company AND UPON READING the Reports all dated 21st day of March, 2001 of Mr. D.B. Gupta, Chairman of the meetings of the equity share holders, secured creditors and debentureholders of the Petitioner Company as to the results of the said

meetings AND UPON READING the affidavits of Mr. D.B. Gupta all dated the 21st day of March, 2001 verifying the said reports AND IT APPEARS from the said Reports of the Chairman that the arrangement embodied in the Scheme of Amalgamation of Transferor Company with the Transferee Company has been approved by all the equity shareholders, secured creditors and debentureholders of the Petitioner Company present at the respective meetings AND UPON HEARING Mr. Janak Dwarkadas, Counsel instructed by M/s Crawford Bayley & Co., Advocates for the Petitioner Company and Mr. R.K. Sharma with Ms Veena Kumari, Panel Counsel, instructed by Mr. R.P. Singh, Company Prosecutor for the Regional Director, Department of Company Affairs, Maharashtra, Mumbai who submits to the order of the Court AND THIS COURT DOTH HEREBY SANCTION the arrangement embodied in the Scheme of Amalgamation of Lupin Laboratories Limited, the Transferor Company with Lupin Chemicals Limited, the Transferee Company as set forth in **Exhibit "A"** to the said Petition and also in the **Schedule** hereto AND THIS COURT DOTH HEREBY DECLARE THAT the said arrangement embodied in the Scheme of Amalgamation (being **Exhibit "A"** to the Petition) and also in the **Schedule** annexed hereto shall be binding on the Transferor Company and the Transferee Company and also on their respective equity shareholders, preference shareholders, debenture holders, secured and unsecured creditors, AND THIS COURT DOTH ORDER that with effect from opening of business on the 1st day of April, 2000 (hereinafter called "the Appointed Date"), the entire business of the Transferor Company including its assets, properties, whether movable or immovable, real or personal, present or contingent including but without being limited to all assets, fixed assets, work in progress, current assets, investments, reserve, lease rights, permits, quota rights, industrial and other licenses, trade marks, intellectual property rights, other intangibles and all the privileges and benefits, duties and obligations of all contracts, agreement and arrangements and all other rights, licenses, powers and facilities of every kind, nature and description pertaining to the undertaking and more particularly described in Clause 3 of the Scheme, shall without any further act or deed stand transferred to and vested in the Transferee Company AND THIS COURT DOTH FURTHER ORDER that with effect from the Appointed Date, all the debts, liabilities, duties and obligations of the Transferor Company shall without any further act, instrument or deed stand transferred to and/or be deemed to be transferred to the Transferee Company pursuant to the provisions of Section 394 of the Companies Act, 1956 so as to become as and from the Appointed Date the debts, liabilities, duties and obligations of the Transferee Company AND THIS COURT DOTH FURTHER ORDER THAT all contracts, deeds, bonds, debentures,

agreements and other instruments of whatever nature to which the Transferor Company is a party subsisting or having effect immediately before the Effective Date shall remain in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced as fully and as effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto AND THIS COURT DOTH FURTHER ORDER that all permanent employees of the Transferor Company who are directly or indirectly engaged in or in relation to the undertaking and desirous of joining the Transferee Company on terms and conditions, which are not less favourable or on the same terms and conditions on which they are engaged as on the Effective Date by the Transferor Company without any interruption of services as a result of the transfer in the manner as provided in the Scheme of Amalgamation shall become the employees of the Transferee Company AND THIS COURT DOTH FURTHER ORDER THAT with effect from the Appointed Date, all the legal and other proceedings pending by or against the Transferor Company shall be continued and enforced by or against the Transferee Company AND THIS COURT DOTH FURTHER ORDER THAT the issued, subscribed and paid up equity share capital of the Transferee Company shall stand cancelled and reduced from the Appointed Date being the 1st April, 2000 in the manner provided in clause 9.2 to 9.4 of the Scheme without any further act or deed and without following the procedure laid down under the Companies Act, 1956 AND THIS COURT DOTH FURTHER ORDER THAT upon the Scheme becoming finally effective in consideration of the transfer and vesting of the Undertaking of the Transferor Company to the Transferee Company in terms of the Scheme, the Transferee Company shall issue at par and allot, without any further application or deed 12 equity shares of Rs. 10/- each credited as fully paid up in the share capital of the Transferee Company to the shareholders of the Transferor Company whose names appear in the Register of Members on a date (Record Date) to be fixed by the Board of Directors of the Transferee Company for every 10 equity shares of the face value of Rs. 10/- each of the Transferor Company held by the shareholders in the Transferor Company for the purpose of issue and allotment of further equity shares on a preferential basis under the Scheme, the requirements of Section 81(1-A) of the Companies Act, 1956, if applicable, shall be deemed to have been satisfied and no separate special resolution shall be required to be passed at the meeting of the members of the Transferee Company as, the sanction of the Scheme by the members of the Transferee Company shall also be deemed to have been a grant of the sanction to issue of further shares under the provisions of Section 81(1-A) of the Companies Act, 1956 AND THIS COURT DOTH FURTHER ORDER that

in consideration of the transfer and vesting of the Undertaking of the Transferor Company to the Transferee Company, the Transferee Company shall subject to the provisions of the Scheme without any further application or deed, issue at par to 13% series IV preference shareholders of the Transferor Company 2,00,000, 13% preference shares of Rs. 100/- each amounting to Rs. 2,00,00,000/-, AND THIS COURT DOTH FURTHER ORDER that in consideration of the transfer and vesting of the Undertaking of the Transferor Company in the Transferee Company, the Transferee Company shall, subject to the provisions of the Scheme without any further application or deed, issue at par to 11.5% series V Preference Shareholders 5,00,000 11.5% preference shares of Rs. 100 each amounting to Rs. 5,00,00,000/- AND THIS COURT DOTH FURTHER ORDER that in consideration of the transfer and vesting of the Undertaking of the Transferor Company to the Transferee Company, the Transferee Company shall, subject to the provisions of the Scheme without any further application or deed, issue at par to the 10% series VI Preference Shareholders 5,00,000 10% preference shares of Rs. 100/- each amounting to Rs. 5,00,00,000/- AND THIS COURT DOTH FURTHER ORDER that the fresh issue and allotment of equity shares in the Transferee Company to the members of Transferor Company be carried out AND THIS COURT DOTH FURTHER ORDER that on and from the Effective Date and subject to the Registrar of Companies confirming the availability of the name, the existing name of the Transferee Company shall stand changed to "Lupin Limited" without any further act or deed and without following the procedure laid down under the Companies Act, 1956 and the same shall be substituted for the existing name of the Transferee Company wherever it appears in the Memorandum of Association and Articles of Association of the Transferee Company AND THIS COURT DOTH FURTHER ORDER THAT the Memorandum & Articles of Association of the Transferee Company be suitably altered and amended to give effect to the change in name of the Transferee Company in the manner provided in Clause 14(a) of the Scheme without any further act or deed and without following the procedure laid down under the Companies Act, 1956 for the purpose AND THIS COURT DOTH FURTHER ORDER THAT as and from the Effective Date, the Registered Office of the Transferee Company shall stand shifted to 159, CST Road, Kalina, Santacruz (E), Mumbai 400 098, Maharashtra without any further act or deed and without following the procedure laid down under the Companies Act, 1956 and the same shall be substituted for its existing Registered Office in all Official documents/ stationery of the Transferee Company wherever it appears AND THIS COURT DOTH FURTHER ORDER THAT the Petitioner Company do within 30 days from the date of

sealing of this Order, cause a certified copy of this Order sanctioning the Scheme of arrangement embodied in the Scheme of Amalgamation to be delivered to the Registrar of Companies, Maharashtra, Mumbai for registration and upon such certified copy of this Order being so delivered, the Transferor Company shall stand dissolved without winding up and the Registrar of Companies, Maharashtra, Mumbai shall place and transfer all the files relating to the Transferor Company as described in the Scheme and registered with him on the file kept by him in relation to the Transferee Company and files of both the Transferor and the Transferee Companies as described above shall be consolidated accordingly AND THIS COURT DOTH FURTHER ORDER that liberty is reserved to the Petitioner Company and all other persons interested in the Petition to apply to this Hon'ble Court herein as and when occasion arises for any direction that may be necessary in regard to the working of the arrangement embodied in the Scheme of Amalgamation herein sanctioned and set forth in the Schedule hereto AND THIS COURT DOTH LASTLY ORDER the Petitioner Company do pay a sum of Rs. 1,500/- (Rupees One thousand five hundred only) to the Regional Director, Department of Company Affairs, Maharashtra State, Mumbai towards the costs of the Petition WITNESS SHRI BISHESHWAR PRASAD SINGH, the Chief Justice at Bombay aforesaid this 13th day of June, 2001.



BY THE COURT
— sd —
FOR THE PROTHONOTARY
AND SENIOR MASTER
26th day of June, 2001

Order sanctioning the Scheme of)
Amalgamation drawn on the)
Application of M/s Crawford Bayley)
& Co., Advocates for the Petitioner)
Company having their office at)
State Bank Buildings, N.G.N. Vaidya)
Marg, Fort, Mumbai - 400 023.)

SCHEDULE

**SCHEME OF ARRANGEMENT
BETWEEN
LUPIN LABORATORIES LIMITED AND ITS MEMBERS
AND
LUPIN CHEMICALS LIMITED AND ITS MEMBERS
FOR AMALGAMATION OF
LUPIN LABORATORIES LIMITED
WITH
LUPIN CHEMICALS LIMITED**

1. DEFINITIONS

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

- 1.1 “The Transferor Company” means Lupin Laboratories Limited, a Company incorporated under the Companies Act, 1956 whose Registered Office is situated at 159 CST Road, Kalina, Santacruz (East), Mumbai 400 098, Maharashtra.
- 1.2 “The Transferee Company” means Lupin Chemicals Limited, a Company incorporated under the Companies Act, 1956, whose Registered Office is situated at Plot T-142, MIDC Industrial Estate, Tarapur, Dist: Thane, Maharashtra
- 1.3 “The said Act” means the Companies Act, 1956 or any statutory modification or re-enactment thereof.
- 1.4 “The Appointed Date’ means 1st April, 2000 or such other date as the High Court of Bombay may direct.
- 1.5 “Assets” in relation to the Transferor Company means fixed assets, capital work - in - progress and current assets of the Transferor Company as on the Appointed Date or 1st April 2000 whichever date is earlier.
- 1.6 “Current Assets” in relation to the Transferor Company means current assets, loans and advances of the Transferor Company as per the audited balance sheet of the Transferor Company as at 31st March 2000 after adjustments for increase and / or diminution in value thereof, if any, being carried out by the Transferor Company on 1st April, 2000.
- 1.7 “Current Liabilities” in relation to the Transferor Company means current liabilities and provisions of the Transferor Company as per the audited balance sheet of the Transferor Company as at 31st March

2000 after adjustments for increase and / or diminution in value thereof, if any, being carried out by the Transferor Company on 1st April 2000.

- 1.8 “The Effective Date” means the later of the dates on which certified copies of the Order(s) of the High Court at Bombay vesting the assets, properties, liabilities, rights, duties, obligations and the like of the Transferor Company in the Transferee Company are filed with the Registrar of Companies, Maharashtra after obtaining the consents, approvals, permissions, resolutions, agreements, sanctions and orders necessary therefor.
- 1.9 “Fixed Assets” in relation to the Transferor Company means the fixed assets and capital - work - in progress of the Company as per the audited balance sheet of the Company as on 31st March 2000 as adjusted for increase and or diminution in market value thereof, if any, on 1st April 2000.
- 1.10 “The Scheme” means this Scheme of Amalgamation in its present form or with any modification(s) approved or imposed or directed by the High Court at Bombay.

2. SHARE CAPITAL

- 2.1 The Authorised Share Capital of the Transferor Company as on the 31st March, 2000 is Rs. 100,00,00,000/- divided into 7,48,00,000 Equity Shares of Rs. 10/- each amounting to Rs. 74,80,00,000/-; 2,00,000 2% Redeemable Preference Shares of Rs.10/- each amounting to Rs. 20,00,000/- and 25,00,000 Redeemable Cumulative Preference Shares of Rs. 100/- each amounting to Rs. 25,00,00,000/-. The Issued and Subscribed Share Capital is Rs. 38,59,25,400/- divided into 3,10,92,540 Equity Shares of Rs.10/- each amounting to Rs. 31,09,25,400/-; 25,000 14.5% Series I Preference Shares of Rs. 100/- each amounting to Rs. 25,00,000/-; 25,000 13% Series III Preference Shares of Rs. 100/- each amounting to Rs. 25,00,000/-; 2,00,000 13% Series IV Preference Shares of Rs 100/- each amounting to Rs. 2,00,00,000/- and 5,00,000 11.5% Series V Preference Shares of Rs.100/- each amounting to Rs. 5,00,00,000/- and the paid-up share capital is Rs. 38,59,15,076/-.
- 2.2 The Authorised Share Capital of the Transferee Company as on 31st March, 2000 is Rs. 65,00,00,000/- comprising of 5,00,00,000 Equity Shares of Rs. 10/- each and 15,00,000 Redeemable Cumulative Preference Shares of Rs. 100/- each. The Issued and Subscribed Share Capital is Rs. 33,55,08,650/- comprising of 3,35,50,865 Equity Shares of Rs.10/- each and the paid-up share capital is Rs.33,54,16,014/-.

3. TRANSFER OF UNDERTAKING

3.1 The entire business of the Transferor Company as a going concern and all the properties whether moveable or immovable, real or personal, corporeal or incorporeal, present or contingent including but without being limited to all assets, fixed assets, work-in-progress, current assets, investments, reserves, provisions, funds, quota rights, import quotas, licenses, registrations, patents, trade names, trade marks and other industrial rights and licenses in respect thereof, leases, tenancy rights, flats, telephones, telexes, facsimile connections, e-mail connections, internet connections, installations and utilities, benefits of agreements and arrangements, powers, authorities, permits, allotments, approvals, permissions, sanctions, consents, privileges, liberties, easements and all the rights, titles, interests, benefits and advantages of whatsoever nature and wheresoever situate belonging to or in the possession of or granted in favor of or enjoyed by Transferor Company as on the Effective Date shall be transferred to and vested in or deemed to be transferred to and vested in the Transferee Company in the following manner :

- (a) With effect from the Appointed Date the whole of the said assets, as aforesaid, of the Transferor Company, except for the portions specified in Articles 3(1)(b) and 3(1)(c) below of whatsoever nature and wheresoever situated and capable of being and passing by manual delivery and/or endorsement or otherwise howsoever, shall, under the provisions of Sections 391 and 394 and all other applicable provisions, if any of the Act, without any further act or deed be transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company so as to vest in the Transferee Company all the right, title and interest of the Transferor Company therein.
- (b) With effect from the Appointed Date, all the Quoted and Unquoted Investments of the Transferor Company, whether held as Long Term or Short Term or Stock-in-trade shall, without any further act or deed, be and stand transferred to the Transferee Company as also all the moveable assets including cash in hand, if any, of the Transferor Company, capable of passing by manual delivery or by endorsement and delivery shall be so delivered or endorsed and delivered as the case may be to the Transferee Company to the end and intent that the property therein passes to the Transferee Company, on such delivery or endorsement and delivery. Such delivery and transfer shall be made on a date mutually agreed upon between the Board of Directors of the Transferor Company and the Board of Directors of the Transferee Company within thirty days from the date of the last of Order(s) of the Hon'ble Court sanctioning the Scheme of Amalgamation specified herein under sections 391 and 394 of the Act.

- (c) In respect of the movable properties of the Transferor Company other than specified in Article 3(1)(b) above, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with government, semi-government, local and other authorities and bodies, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, give notice in such form as it may deem fit and proper, to each person, debtor or depositor, as the case may be, that pursuant to the High Court having sanctioned the Scheme, the said debt, loan, advance or deposit be paid or made good or held on account of the Transferee Company as the person entitled thereto to the end and intent that the right of the Transferor Company to recover or realize all such debts (including the debts payable by such person or depositor to the Transferor Company) stands transferred and assigned to the Transferee Company and that appropriate entries should be passed in its books to record the aforesaid change.
 - (d) With effect from the Appointed Date, all debts, liabilities, duties, obligations of every kind, nature and description of the Transferor Company shall also, under the provisions of sections 391 and 394 of the Act without any further act or deed be transferred to or be deemed to be transferred to the Transferee Company so as to become as from the Appointed Date the debts, liabilities, duties, obligations of the Transferee and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this clause.
- 3.2 If and to the extent there are inter - corporate loans or balances between the Transferor Company and the Transferee Company, the obligations in respect thereof shall, on and from the Appointed Date, come to an end and corresponding suitable effect be given in the books of accounts and records of the Transferee company and the Transferor Company if required, for reduction of any debts or liabilities, as the case may be. For removal of doubts, it is hereby clarified that from the Appointed Date, there would be no accrual of interest or other charges in respect of any such inter - corporate loans or balances between the Transferee Company on the one hand and the Transferor Company on the other.
- 3.3 With effect from the Appointed Date the borrowing limits of the Transferee Company in terms of Section 293(1)(d) shall, without further act or deed, stand enhanced by an amount equivalent to the authorised borrowing limits applicable to the Transferor Company, such limits being incremental to the existing limit of the Transferee Company.

- 3.4 The transfer and/or vesting of the properties as aforesaid shall be subject to the existing charges, hypothecation and mortgages, if any, over or in respect of all the said assets or any part thereof of the Transferor Company.

Provided that the Scheme shall not operate to enlarge the security of any loan, deposit or facility created by or available to the Transferor Company which shall vest in the Transferee Company by virtue of the Scheme and the Transferee Company shall not be obliged to create any further or additional security therefor after the Scheme has become effective or otherwise.

- 3.5 With effect from the Effective Date, the Transferee Company shall commence and carry on and shall be authorised to carry on the business carried on by the Transferor Company in addition to the business of the Transferee Company.
- 3.6 There is no likelihood that any creditor of the Transferor / Transferee Company would be prejudiced as a result of the Scheme. The Amalgamation will not impose any additional burden on the members of either Company nor will it affect the interests of any of the Classes of Members or Creditors.
- 3.7 With effect from the Effective Date, and subject to any corrections and adjustments as may in the opinion of the Board of Directors of the Transferee Company be required, the reserves of the Transferor Company will be merged with those of the Transferee Company in the same form as they appeared in the financial statements of the Transferor Company. In other words, the identity of the reserves of the Transferor Company will be preserved at the hands of the Transferee Company.
- 3.8 Subject to what is contained in clause 3.7 hereinabove, the excess, if any, of the value of the net assets of the Transferor Company over the paid up value of the equity shares to be issued and allotted shall be credited by the Transferee Company to an account to be styled as "Amalgamation Reserve Account" and the said account shall be treated as free reserve of the Transferee Company. The deficit, if any, shall be debited by the Transferee Company to its Goodwill Account.
- 3.9 Further, in case of any differences in accounting policy between the Companies the impact of the same till the amalgamation will be quantified and adjusted in the Revenue Reserve(s) mentioned earlier to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

4. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

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

5. LEGAL PROCEEDINGS

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

6. OPERATIVE DATE OF THE SCHEME

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

7. TRANSFEROR COMPANY'S STAFF, WORKMEN AND EMPLOYEES

All the staff, workmen and other employees in the service of the Transferor Company immediately before the transfer of the Undertaking under the Scheme shall become the staff, workmen and employees of the Transferee Company on the basis that:

- 7.1 Their service shall have been continuous and shall not have been interrupted by reason of the transfer of the Undertaking;
- 7.2 The terms and conditions of service applicable to the said staff, workmen or employees after such transfer shall not in any way be less favourable to them than those applicable to them immediately before the transfer; and
- 7.3 It is expressly provided that as far as Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund created or existing for the benefit of the staff, workmen and other employees of the

Transferor Company are concerned, upon the Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever related to the administration or operation of such Funds or in relation to the obligation to make contributions to the said Funds in accordance with provisions of such Funds as per the terms provided in the respective Trust Deeds. It is the aim and intent that all the rights, duties, powers and obligations of the Transferor Company in relation to such Funds shall become those of the Transferee Company and all the rights, duties and benefits of the employees employed in different units of the Transferor Company under such Funds and Trusts shall be protected. It is clarified that the services of the employees of the Transferor Company will also be treated as having been continuous for the purpose of the aforesaid Funds or provisions.

8. CONDUCT OF BUSINESS TILL EFFECTIVE DATE.

8.1 With effect from the Appointed Date and upto the Effective Date, the Transferor Company :

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

8.1.2 hereby undertakes to carry on its business until the Effective Date with reasonable diligence and shall not, without the written consent of the Transferee Company, alienate, charge or otherwise deal with the said undertaking or any part thereof except in the ordinary course of its business.

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

8.1.4 shall not, without the written consent of the Transferee Company, undertake any new business.

8.1.5 pay all statutory dues (including advance tax) relating to the Undertaking for and on account of the Transferee Company.

8.2 The Transferee Company shall be entitled to apply to the central / state Government and all other agencies, departments and authorities concerned as are necessary under any law, contract or are otherwise considered necessary for such consents, approvals and sanctions which the Transferee Company may require to effectually own and operate the Transferor Company.

9. REORGANIZATION OF EQUITY SHARE CAPITAL OF THE TRANSFEREE COMPANY

- 9.1 Under and pursuant to the provisions of this Scheme and Section 100 and all other applicable provisions of the Act, if any, the issued, subscribed and paid up Equity Share capital of the Transferee company shall stand cancelled and reduced from the Appointed Date or 1st April 2000 whichever is earlier, in the manner as provided hereunder.
- 9.2 The issued and subscribed capital of the Transferee Company of Rs. 33,55,08,650/- consisting of 3,35,50,865 equity shares of Rs. 10/- each shall be re-organized/restructured to Rs. 3,35,50,865/- by effecting a reduction of Rs. 9/- per share in the paid up value of Rs. 10/- per share and simultaneously and immediately thereafter consolidation of such shares into 33,55,086 issued and subscribed equity shares of Rs. 10/- each. The differential amount of Rs. 30,19,57,785/- arising on the re-organisation of the issued and subscribed equity shares as stated above shall be credited to Capital Reserve Account of the Transferee Company. The paid up share capital shall also be reduced in proportion to the above reduction in the issued and subscribed capital of the Transferee Company.
- 9.3 Under and pursuant to the Scheme, the Directors of the Transferee Company shall be bound in trust to handle fractional entitlements resulting from re-organisation of the equity share capital and such fractional entitlements shall be consolidated by issue and allotment of Equity Shares in lieu thereof to a Director or officer of the Transferee Company. The Director or officer of the Transferee Company, to whom such equity shares are allotted shall sell the same in the market at the best available price and pay to the Transferee Company the net sale proceeds thereof, whereupon the Transferee Company shall distribute such net sale proceeds to the members of the Transferee Company in proportion to their fractional entitlements.
- 9.4 The Transferee Company shall obtain the necessary approvals from its shareholders and creditors as required under Section 100 in terms of this Scheme only and the Transferee Company shall not nor shall be obliged to call for a separate meeting of its shareholders and creditors for obtaining their approval sanctioning the reduction of issued, subscribed and paid-up equity share capital as contemplated herein.

10. ISSUE OF SHARES BY THE TRANSFEREE COMPANY

- 10.1 Upon the Scheme becoming finally effective, in consideration of the transfer and vesting of the Undertakings consequent to amalgamation of the Transferor Company in the Transferee Company in terms of the Scheme, the Transferee Company shall, subject to the provisions

of the Scheme and without any further application or deed, issue at par and allot 12 equity shares of Rs. 10/- each credited as fully paid up (subject to the provisions of clause 10.3 herein) in the share capital of the Transferee Company to the shareholders of the Transferor Company whose names are recorded in its Register of Members, on a date (Record Date) to be fixed by the Board of Directors of the Transferee Company, for every 10 Equity shares of the face value of Rs. 10/- each held by the shareholders in the Transferor Company. For the purpose of issue and allotment of further equity shares on a preferential basis under this Scheme, the requirements of Section 81(1-A) of the Act, if applicable, shall be deemed to have been satisfied and no separate special resolution shall be required to be passed at the meeting of the members of the Transferee Company as, the sanction of the Scheme by the members of the Transferee Company shall also be deemed to have been a grant of the sanction to the issue of further shares under the provisions of Section 81(1-A) of the Act.

- 10.2 Under and pursuant to this Scheme the equity shares of the Transferee Company held by the Transferor Company shall automatically stand cancelled without any further act or deed.
- 10.3 The unpaid allotment money, if any, or calls, if any, in arrear in respect of the shares issued by the Transferor Company shall, upon the Scheme becoming effective, continue to be outstanding obligation from the respective members of the Transferor Company. The Transferee Company shall be entitled to reserve the allotment in respect of such shares and / or keep in abeyance issue of the share certificates in the Transferee Company to be allotted and issued in lieu of such shares held by them in the Transferor Company. During the period that such shares are kept in abeyance as aforesaid, the holder of such shares in the Transferor Company shall not be regarded as a member of the Transferee Company in any respect and consequently shall not be entitled to any dividends, rights, bonus or other benefits declared or paid during the period prior to such holder becoming the member of the Transferee Company in respect of such shares.
- 10.4 Upon the Scheme becoming finally effective, in consideration of the transfer and vesting of the Undertakings consequent to amalgamation of the Transferor Company in the Transferee Company in terms of the Scheme, the Transferee Company shall, subject to the provisions of the Scheme and without any further application or deed, issue at par and allot 2,00,000 13% Preference Shares of Rs. 100/- each amounting to Rs. 2,00,00,000/- to the said Preference Shareholders of the Transferor Company
- 10.5 Upon the Scheme becoming finally effective, in consideration of the transfer and vesting of the Undertakings consequent to amalgamation

of the Transferor Company in the Transferee Company in terms of the Scheme, the Transferee Company shall, subject to the provisions of the Scheme and without any further application or deed, issue at par and allot 5,00,000 11.5% Preference Shares of Rs. 100/- each amounting to Rs. 5,00,00,000/- to the said Preference Shareholders of the Transferor Company.

- 10.6 Upon the Scheme becoming finally effective, in consideration of the transfer and vesting of the Undertakings consequent to amalgamation of the Transferor Company in the Transferee Company in terms of the Scheme, the Transferee Company shall, subject to the provisions of the Scheme and without any further application or deed, issue at par and allot 5,00,000 10% Preference Shares of Rs. 100/- each amounting to Rs. 5,00,00,000/- to the said Preference Shareholders of the Transferor Company.
- 10.7 For the purpose as aforesaid, the Transferee Company shall, if and to the extent required, apply for and obtain the requisite consent or approval of the Reserve Bank of India and other appropriate Authorities concerned, for the issue and allotment by the Transferee Company to the respective non - resident members of the Transferor Company of the Equity shares in the said re - organized Capital of the Transferee Company in the ratio aforesaid.
- 10.8 If necessary, the Transferee Company shall, before allotment of the Equity shares in terms of the Scheme, increase its authorized capital by the creation of at least such number of Equity shares of Rs. 10/- each and preference shares as may be necessary to satisfy its obligations under the Scheme.
- 10.9 The equity shares to be issued / transferred to the shareholders of the Transferor Company in accordance with the Scheme shall be subject to all the terms and conditions of the Memorandum and Articles of Association of the Transferee Company and shall rank pari - passu with the then existing equity shares of the Transferee Company for dividend, bonus shares, rights shares, voting rights and other corporate benefits.
- 10.10(a) In respect of the equity shares of the Transferor Company held by its shareholders in dematerialised form thereof, the Transferee Company shall give necessary instructions to the depository to credit the account of such shareholders in respect of the equity shares to be issued by the Transferee Company in accordance with the Scheme.
- (b) In respect of the equity shares of the Transferor Company held by its shareholders in the physical form, the board of directors shall intimate to such shareholders as on the Record Date and require such shareholders to inform the Transferee Company

as to whether such shares are to be received by them in dematerialised form with the necessary particulars thereof. For this purpose the Transferee Company shall send a form of communication to such shareholders. If such communication is not received by the Transferee Company within 30 days from the Record Date, the Transferee Company shall issue its equity shares in the physical form. In respect of those members exercising the option to receive the shares in dematerialised form, such members shall have opened and maintained an account with a depository participant, and shall provide such other confirmations and details as may be required in that behalf.

10.11 Under and pursuant to the Scheme, no fractional shares shall be issued by the Transferee Company in respect of the fractional entitlements, if any, to which the members of Transferor Company may be entitled on issue and allotment of the new Equity Shares of the Transferee Company. The Directors of the Transferee Company shall consolidate all such fractional entitlements, if any, and thereupon issue and allot equity shares in lieu thereof to a Director or officer of the Transferee Company on the express undertaking that such Director or officer to whom such Equity Shares are allotted shall sell the same in the market at the best available price and pay to the Transferee Company the net sale proceeds thereof, whereupon the Transferee Company shall distribute such net sale proceeds to the members of the said Transferor Company in proportion to their fractional entitlements.

11. DIVIDENDS, PROFITS, BONUS/ RIGHTS SHARES

11.1 The Transferor Company shall not declare any dividend for the period commencing from and after the Appointed Date without the written consent of the Transferee Company.

11.2 Subject to the provisions of the Scheme, the profits of the Transferor Company for the period beginning from 1st April, 2000 shall belong to and be the profits of the Transferee Company and will be available to the Transferee Company for being disposed of in any manner as it thinks fit including declaration of dividend by the Transferee Company in respect of its financial year ending 31st March, 2001 or any year thereafter.

11.3 The Transferor Company shall not issue or allot any Rights Shares or Bonus Shares out of its Authorised unissued Share Capital for the time being without prior written consent of the Transferee Company.

12. APPLICATIONS TO THE HIGH COURT

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

13. MODIFICATIONS/ AMENDMENTS TO THE SCHEME

13.1 The Transferor Company (by its Directors) and the Transferee Company (by its Directors) may assent to any modification or amendment to the Scheme or agree to any terms and/or conditions which the Courts and/or any other authorities under law may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/or carrying out the Scheme and do all acts, deeds and things as may be necessary, desirable or expedient for putting the Scheme into effect.

13.2 For the purpose of giving effect to the Scheme or to any modification thereof, the Directors of the Transferee Company are hereby authorised to give such directions and/or to take such steps as may be necessary or desirable including any directions for settling any question or doubt or difficulty whatsoever that may arise.

14. CHANGE OF NAME AND REGISTERED OFFICE

(a) On this Scheme being sanctioned by the High Court of Judicature at Bombay, without any further act or deed and without following the procedure laid down under the Companies Act, 1956 for the purpose. The name of the Transferee Company shall stand changed to "Lupin Limited" and the same shall be substituted for the existing name wherever it appears in the Memorandum of Association and Articles of Association of the Transferee Company.

(b) On this Scheme being sanctioned by the High Court of Judicature at Bombay, without any further act or deed and without following the procedure laid down under the Companies Act, 1956 for the purpose, the Registered Office of the Transferee Company shall be shifted to 159 CST Road, Kalina, Santacruz (East) Mumbai 400098, Maharashtra.

15. SCHEME CONDITIONAL ON APPROVALS/ SANCTIONS

The Scheme is conditional on and subject to :

15.1 The approval to the Scheme by the requisite majorities of the members, preference shareholders, secured creditors and non-convertible debenture holders of the Transferor Company and of the members, non-convertible debenture holders and secured creditors of the Transferee Company and such approvals, as may be required.

- 15.2 The requisite resolution (s) under the applicable provisions of the said Act being passed by the Shareholders of the Transferee Company for any of the matters provided for or relating to the Scheme including approval to the issue and allotment of Equity Shares in the Transferee Company to the members of the Transferor Company, as may be necessary or desirable.
- 15.3 The sanction of the High Court of Judicature at Bombay under Sections 391 and 394 of the said Act, in favour of the Transferor Company and the Transferee Company and to the necessary Order or Orders under Section 394 of the said Act, being obtained.
- 15.4 The Scheme being fully effective in accordance with Sections 391 to 394 of the Act.
- 15.5 The requisite approval (if required) of the Reserve Bank of India being obtained under the provisions of the Foreign Exchange Management Act, 1999, for the issue of Shares in the Transferee Company to the non-resident Shareholders of the Transferor Company.
- 15.6 Any other sanction or approval of the Appropriate Authorities concerned, as may be considered necessary and appropriate by the respective Board of Directors of the Transferor Company and the Transferee Company, being obtained and granted in respect of any of the matters for which such sanction or approval is required.

16. EFFECT OF NON RECEIPT OF APPROVALS/ SANCTIONS

In the event of any of the said sanctions and approvals not being obtained and/or the Scheme not being sanctioned by the High Court and/or the Order or Orders not being passed as aforesaid on or before the 30th September, 2001 or within such further period or periods as may be agreed upon between the Transferor Company and the Transferee Company through their respective Board of Directors, the Scheme shall become null and void and each party shall bear and pay its respective costs, charges and expenses for and/or in connection with the Scheme.

17. EXPENSES CONNECTED WITH THE SCHEME

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

**HIGH COURT
O.O.C.J
COMPANY PETITION NO.362 OF 2001
CONNECTED WITH
COMPANY APPLICATION NO. 91 OF 2001**

In the matter of the Companies Act,
1956 (I of 1956);

AND

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

AND

In the matter of Lupin
Chemicals Limited

AND

In the matter of the Scheme of
Amalgamation between
Lupin Laboratories Limited and
Lupin Chemicals Limited

Lupin Chemicals Ltd.Petitioner

Order sanctioning the Scheme of Amalgamation

Dated this 13th day of June, 2001.

Filed this 26th day of June, 2001

Ms/. Crawford Bayley & Co.
Advocates for the Petitioner
State Bank Building,
N. G. N. Vaidya Marg,
Fort, Mumbai 400 023.

The Company had entered into a Common Scheme of Amalgamation with Novodigm Limited, Lupin Pharmacare Limited and Lupin Herbal Limited, three of its wholly-owned subsidiaries. The Scheme of Amalgamation was duly sanctioned by the Hon'ble High Court of Judicature at Bombay in respect of two of the Company's wholly-owned subsidiaries namely; Lupin Pharmacare Limited and Lupin Herbal Limited by its Common Order dated January 8, 2010* passed in Company Scheme Petition Nos. 839 and 840 of 2009 connected with Company Application Nos. 1011 and 1012 of 2009, respectively.

The said Scheme was subsequently also sanctioned by the Hon'ble High Court of Gujarat at Ahmedabad in respect of the third wholly-owned subsidiary namely; Novodigm Limited by its Order dated May 6, 2010* passed in Company Petition No. 239 of 2009 connected with Company Application No. 391 of 2009.

The Scheme of Amalgamation as approved by the respective High Courts for all the three wholly-owned subsidiaries is annexed hereto and marked as **'Annexure-A'** to this Memorandum & Articles of Association.

* Copies of the Orders may be obtained by writing to the Company Secretary at the Registered Office of the Company.

ANNEXURE – A

**SCHEME OF ARRANGEMENT
FOR THE AMALGAMATION OF
NOVODIGM LIMITED
AND
LUPIN PHARMACARE LIMITED
AND
LUPIN HERBAL LIMITED
WITH
LUPIN LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS**

=====

This Scheme of Arrangement is presented under Sections 391 to 394 read with other applicable provisions of the Companies Act, 1956 for the amalgamation of Novodigm Limited, Lupin Pharmacare Limited and Lupin Herbal Limited, wholly owned subsidiaries of Lupin Limited with Lupin Limited, the Transferee Company (as defined hereinafter).

PREAMBLE

- a. **Part A** deals with Definitions and Share Capital;
- b. **Part B** deals with the Amalgamation of Novodigm Limited, Lupin Pharmacare Limited and Lupin Herbal Limited, wholly owned subsidiaries of Lupin Limited, with Lupin Limited, the Transferee Company (as defined hereinafter);
- c. **Part C** deals with the General Terms and Conditions.

PART A – DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

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

- 1.1 **“ACT”** means the Companies Act, 1956 including any statutory modifications, re-enactments or amendments thereof for the time being in force.
- 1.2 **“NOVODIGM LIMITED”** (Company incorporation no. U24231GJ2006PLC047462) is a company incorporated under the Companies Act, 1956 having its registered office at Block No. 21, Village Dabhasa, Taluka Padra, District Vadodara - 391 440 and is engaged in the business of manufacturing and sale of all types of pharmaceutical drugs and chemicals. **Hereinafter referred to as “Transferor Company No.1”**.
- 1.3 **“LUPIN PHARMACARE LIMITED”** (Company incorporation no. U24297MH2007PLC166891) is a company incorporated under the Companies Act, 1956 having its registered office at 159, C.S.T. Road, Kalina, Santacruz (East), Mumbai - 400 098 and is engaged in the business of manufacturing and sale of all types of pharmaceutical drugs and chemicals. **Hereinafter referred to as “Transferor Company No.2”**.
- 1.4 **“LUPIN HERBAL LIMITED”** (Company incorporation no. U24230MH2004PLC144760) is a company incorporated under the Companies Act, 1956 having its registered office at 4th Floor, Tower, ‘B’, Laxmi Finance & Leasing Companies Commercial Premises Co-operative Society, C-25, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051 and is engaged in the business of marketing of all herbal related products. **Hereinafter referred to as “Transferor Company No.3”**.
- 1.5 **“LUPIN LIMITED”** (Company incorporation no. L24100MH1983PLC029442) is a company incorporated under the Companies Act, 1956 having its registered office at 159, C.S.T. Road, Kalina, Santacruz (East), Mumbai - 400 098 and is engaged in the business of manufacture, sale and distribution of all types of organic and inorganic chemicals and pharmaceutical drugs and research & development. **Hereinafter referred to as “Transferee Company”**.
- 1.6 **“APPOINTED DATE”** means April 1, 2009 or such other date as the High Court at Mumbai and/or Ahmedabad may direct.

- 1.7 **“EFFECTIVE DATE”** means the date on which the certified copy or the authenticated copy of the order, whichever issued earlier by the High Court of Judicature at Mumbai and/or Ahmedabad sanctioning the Scheme is filed with the Registrar of Companies, Maharashtra at Mumbai and/or Registrar of Companies, Gujarat at Ahmedabad.
- 1.8 **“HIGH COURT”** means the High Court of Judicature at Mumbai and/or Ahmedabad.
- 1.9 **“THE SCHEME”** or the **“SCHEME OF ARRANGEMENT”** means this Scheme of Arrangement in its present form with any modification(s) approved or imposed or directed by the Mumbai High Court and/or Ahmedabad.
- 1.10 **“THE TRANSFEROR COMPANIES”** means the Transferor Company No.1, Transferor Company No.2 and Transferor Company No. 3.
- 1.11 **“UNDERTAKINGS”** shall mean all the “assets” and “liabilities” of each of the Transferor Company No. 1, Transferor Company No. 2 and Transferor Company No. 3 herein whatsoever and wherever situate as on the Appointed Date and without prejudice to the generality of the foregoing includes:
- (i) the assets and properties of every description (whether real or personal, in possession or reversion, corporeal or incorporeal, movable or immovable, tangible or intangible) of whatsoever nature including but not limited to immovable properties, plant and machinery, furniture and fixtures, office equipment, other equipment, computers, air conditioners and refrigerators, cash on hand, stock in trade, if any, advances including retention money with the clients/ customers, if any, claims whether recognized or not, licenses, if any, including approvals of various regulatory bodies/local authorities, lease, permissions, copy rights, trade marks, logos, brands whether registered or not and other intellectual property rights, incentives if any, and all other rights, title, interest, contracts, consents, approvals or powers of every kind, nature and description including the rights to appoint trustees, directors in relation to any of the trusts or each of the Transferor Companies as on the Appointed Date; and
 - (ii) the liabilities and obligations of every description including all debts, liabilities, contingent liabilities, duties and obligations of each of the Transferor Companies as on the Appointed Date, whether or not provided in the books of each of the Transferor Company, which shall be deemed to be the debt, liabilities, duties and obligations of Transferee Company as the case may be, and it shall not be necessary to obtain the consent of any

third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this Scheme.

2. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or as imposed or directed by the High Court of Judicature at Mumbai and/or Ahmedabad, shall be deemed to take effect from the Appointed Date, but shall come into operation from the Effective Date.

3. SHARE CAPITAL

3.1 The share capital of the Transferor Company No. 1 as on the latest audited balance sheet date i.e. March 31, 2009 is as under :

Particular	Amount (Rs.)
<u>Authorised Capital</u>	
30,00,000 Equity Shares of Rs. 10/- each	3,00,00,000
<u>Issued, Subscribed and Paid-up Capital</u>	
23,84,783 Equity Shares of Rs. 10/- each	2,38,47,830

There has been no change in the share capital structure of the Transferor Company subsequent to March 31, 2009.

3.2 The share capital of the Transferor Company No.2 as on the latest audited balance sheet date i.e. March 31, 2009 is as under :

Particular	Amount (Rs.)
<u>Authorised Capital</u>	
20,00,000 Equity Shares of Rs. 10/- each	2,00,00,000
<u>Issued, Subscribed and Paid-up Capital</u>	
10,50,000 Equity Shares of Rs. 10/- each	1,05,00,000

There has been no change in the share capital structure of the Transferor Company subsequent to March 31, 2009.

3.3 The share capital of the Transferor Company No.3 as on the latest audited balance sheet date i.e. March 31, 2009 is as under :

Particular	Amount (Rs.)
<u>Authorised Capital</u>	
50,000 Equity Shares of Rs. 10/- each	5,00,000
<u>Issued, Subscribed and Paid-up Capital</u>	
50,000 Equity Shares of Rs. 10/- each	5,00,000

There has been no change in the share capital structure of the Transferor Company subsequent to March 31, 2009.

- 3.4 The share capital of the Transferee Company as on the latest audited balance sheet date i.e. March 31, 2009 is as under :

Particular	Amount (Rs.)
<u>Authorised Capital</u>	
10,00,00,000 Equity Shares of Rs. 10/- each	100,00,00,000
<u>Issued, Subscribed and Paid-up Capital</u>	
8,28,19,550 [#] Equity Shares of Rs. 10/- each	82,81,95,500

As on August 31, 2009 the “Issued, Subscribed and Paid up capital” of the Transferee Company was 8,46,85,207 Equity Shares of Rs.10/- each i.e. Rs. 84,68,52,070/- consequent to the allotment of 1,52,453 and 17,13,204 fully paid up Equity Shares of Rs.10/- each under Employees Stock Option Plans and upon conversion of Foreign Currency Convertible Bonds respectively.

- 3.5 This Scheme has been drawn up to comply with the conditions relating to “Amalgamation” as specified under Section 2(1B) of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income tax Act, 1961. Such modification will however not affect the other parts of the Scheme.

**PART B – AMALGAMATION OF NOVODIGM LIMITED,
LUPIN PHARMACARE LIMITED AND
LUPIN HERBAL LIMITED WITH LUPIN LIMITED**

**4. TRANSFER AND VESTING OF THE UNDERTAKINGS OF
THE TRANSFEROR COMPANIES INTO THE
TRANSFEREE COMPANY**

With effect from the Appointed Date and upon coming into effect of the Scheme and subject to the provisions of the Scheme, the Undertakings belonging to each of the Transferor Companies shall be deemed to have been vested in the Transferee Company, as a going concern without any further act or deed, together with its assets, liabilities, properties, rights and interests therein, subject to existing charges in the favour of lenders and subject to the provisions of the Scheme in accordance with Section 391 to 394 of the Act and all applicable provisions of the Act, if any.

- 4.1 At the option of the Board of Directors each of the Transferor Companies and Transferee Company, the transfer of the Undertakings referred in this Scheme shall be carried out as follows:

- a) All the movable assets each of the Transferor Companies including their machinery, furniture and fixtures, office equipment, other equipment, computers, air conditioners and refrigerators, investments, cash on hand etc. shall be physically handed over by manual delivery (together with duly executed transfer forms or other documents as may be required) to Transferee Company, as the case may be, along with such other documents as may be necessary to the end and intent that the property therein passes to Transferee Company on such delivery.
- b) In respect of movable assets, other than those specified in sub-clause (a) above, including sundry debtors, outstanding loans, recoverable in cash or in kind or value to be received, bank balances and deposits the following modus operandi shall be followed :
 - i) Each of the Transferor Companies shall give notice in such form as they may deem fit and proper to each party, debtors or depositors as the case may be, that pursuant to the High Court or such other competent authority as the case may be, having sanctioned the Scheme, the said debt, loan, advances, etc. be paid or made good or held on account of Transferee Company as the persons entitled thereto to the end and intent that the right of each of the Transferor Companies to recover or realise the same stands extinguished. Transferee Company may, if required, give notice in such form as it may deem fit and proper to each person, debtor or depositor that pursuant to the High Court or such other competent authority as the case may be, having sanctioned the Scheme, the said person, debtor or depositor should pay the debt, loan or advance or make good the same or hold the same to its account and that the right of Transferee Company to recover or realise the same is in substitution of the right of the Transferor Company;
 - ii) With effect from the Appointed Date and upon the Scheme becoming effective, all debts, liabilities, duties and obligations of every kind, nature and description of each of the Transferor Companies shall also, under the provisions of Sections 391 to 394 of the Act, without any further act or deed, be transferred to or deemed to be transferred to Transferee Company so as to become as from the Appointed Date the debts, liabilities, duties and obligations of Transferee Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.

Provided that the Scheme shall not operate to enlarge the security for the said liabilities of the Transferor Companies which shall vest in Transferee Company by virtue of the Scheme and

Transferee Company shall not be obliged to create any further, or additional security thereof after the Amalgamation has become effective or otherwise. The transfer / vesting of the assets of each of the Transferor Companies as aforesaid shall be subject to the existing charges / hypothecation / mortgages over or in respect of the assets or any part thereof of the Transferor Company.

- c) All assets, licenses, permits, quotas, including approvals of various regulatory bodies/local authorities, permissions, incentives, sales tax deferrals, loans, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by and all rights and benefits that have accrued to each of the Transferor Companies up to the Appointed Date or after the Appointed Date and prior to the Effective Date in connection or in relation to the operations each of the Transferor Companies which may accrue to each of the Transferor Companies shall, pursuant to the provisions of Section 394(2) of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and or be deemed to have been transferred to and vested in and be available to Transferee Company so as to become as and from the Appointed Date the licenses, permits, quotas, approvals, permissions, incentives, sales tax deferrals, loans, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes, special status and other benefits or privileges of Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible under law or in case of such accruals after the Appointed Date but prior to the Effective Date, shall, pursuant to the provisions of Section 394(2) of the Act, without any further act, instrument or deed, be and stand transferred to and vested or deemed to have been transferred to and vested in Transferee Company.
 - d) Transferee Company shall be entitled to the benefit of all pre-qualification, track-record, experience, goodwill and all other rights, claims and powers of whatsoever nature and wheresoever situate belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Companies in connection with or pertaining or relating to the business/operations for all intents and purposes.
- 4.2 With effect from the Appointed Date, all statutory benefits inclusive of Stamp Duty paid, Modvat Benefits, Service Tax, Income Tax Payments with Brought Forward Tax Benefits and Credits for Taxes (including but not limited to credits in respect of income-tax, sales tax, value added tax, turnover tax, service tax, etc.) paid and all other benefits and the benefits availed and available under the Income Tax Act or any other Legislation and instruments of every description of each of the Transferor Companies shall stand transferred to and be available to the Transferee Company.

5. ACCOUNTING TREATMENT

On the Scheme becoming effective, the Transferee Company shall account for the arrangement in its books of account with effect from the Appointed Date as under :

- 5.1 The Transferee Company shall record the assets and liabilities recorded in the Books of Account of each of the Transferor Companies pursuant to the Scheme, at their book values as on the Appointed Date after making adjustments required to align with the established accounting policies.
- 5.2 Inter-company balances, if any, shall stand cancelled.
- 5.3 The amount by which the value of the assets of each of the Transferor Companies exceeds the liabilities of each of the Transferor Companies shall be credited by the Transferee Company to its Reserves in respective account.
- 5.4 The amount by which the value of the liabilities of each of the Transferor Companies exceeds the assets of each of the Transferor Companies shall be debited by the Transferee Company to its Reserves in respective account.

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

From the Appointed Date until the Effective Date:

- 6.1 Each of the Transferor Companies shall carry on and shall be deemed to have been carrying on the business and activities and shall hold and stand possessed of and shall be deemed to have held and possessed of all the assets and liabilities, in trust for the Transferee Company and shall account for the same to the Transferee Company;
- 6.2 Each of the Transferor Companies shall not except in respect of any preexisting obligation, without the written concurrence of the Transferee Company, sell, transfer, mortgage, alienate, charge or encumber any of their aforementioned property except in the ordinary course of business;
- 6.3 Each of the Transferor Companies shall carry on their business and activities with reasonable diligence and business prudence and shall not without the written consent of the Transferee Company undertake any additional financial commitments of any nature whatsoever, borrow any amount, or incur any other liability or expenditure, issue any guarantee, indemnities or commitments or alienate, charge, encumber or otherwise deal with the assets or any part thereof except in the ordinary course of business;

- 6.4 Each of the Transferor Companies shall not vary the terms and conditions of the employment of their employees except in the ordinary course of business;
- 6.5 Each of the Transferor Companies shall not undertake any new business without the written consent of the Transferee Company;
- 6.6 Any income or profit accruing to the Transferor Companies and all costs, charges and expenses incurred or losses arising or incurred by the Transferor Companies on and after the Appointed Date up to the Effective Date shall for all purposes be treated as the income, profits, costs, charges and expenses and loss, as the case may be, of the Transferee Company and such income or profit will be available to the Transferee Company for being used or disposed of in any manner, including declaration of dividend.

7. SAVINGS OF THE CONCLUDED TRANSACTIONS

The Transfer of properties and liabilities under Clause 4 and continuance of proceedings by or against the Transferee Company under Clause 10 shall not affect any transactions or proceedings already concluded by the Transferor Companies after the Appointed Date to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Companies in respect thereto as done and executed on behalf of itself. Further, as from the Appointed Date, each of the Transferor Companies shall be deemed to have carried on and to be carrying on their business on behalf of the Transferee Company until such time as this Scheme becomes effective.

8. EMPLOYEES

- 8.1 On the Scheme becoming effective all permanent employees of each of the Transferor Companies in service on the Effective Date, shall be deemed to have become the employees of the Transferee Company with effect from the Effective Date without any break or interruption in their services and the terms and conditions of their employment with the Transferee Company shall not be less favourable than those applicable to them with the Transferor Companies on the Effective Date. The position, rank and designation of the employees shall be as decided by the Board of Directors of the Transferee Company in its absolute discretion. It is expressly provided that as far as the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund created or existing for the benefit of the staff, workmen and employees of the Transferor Companies are concerned, upon the Scheme becoming finally effective, the Transferee Company shall stand substituted for the Transferor Companies for all purposes whatsoever related to the administration or operation of such Schemes or Funds or in relation

to the obligations to make contributions to the said Funds in accordance with provisions of such Schemes or Funds according to the terms provided in the respective Trust Deeds. It is the aim and intent that all the rights, duties, powers and obligations of the Transferor Companies in relation to such Schemes or Funds shall become those of the Transferee Company. It is clarified that the services of the employees of the Transferor Companies will be treated as having been continued for the purpose of the aforesaid Schemes or Funds.

- 8.2 In so far as the Provident Fund, Gratuity Fund, Superannuation Fund or other Special Scheme(s)/Fund(s) created or existing for the benefit of the Employees of the Transferor Companies are concerned, upon the coming into effect of this Scheme, the balances lying in the accounts of the Employees of the Transferor Companies in the said funds as on the Effective Date shall stand transferred from the respective trusts/funds of the Transferor Companies to the corresponding trusts/ funds set up by the Transferee Company.

9. NO ISSUE OF SHARES BY THE TRANSFEREE COMPANY AND CANCELLATION OF SHARES

As the Transferee Company wholly owns the equity shares of each of the Transferor Companies, (i) no shares shall be issued by the Transferee Company in consideration of the Amalgamation of the Transferor Companies into the Transferee Company, and (ii) upon the coming into effect of the Scheme, the shares held by the Transferee Company directly and/or through its nominees in each of the Transferor Companies (representing the entire issued, subscribed and paid-up equity share capital of each of the Transferor Companies) will stand cancelled without the need on the part of the Transferor Companies or the Transferee Company to carry out any further act or deed.

10. LEGAL PROCEEDINGS

If any suit, appeal or other proceedings of whatever nature (hereinafter called "the proceedings") by or against the Transferor Companies be pending, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the Amalgamation of the Transferor Companies or of anything contained in the Scheme but the proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Companies as if the Scheme had not been made.

11. CONTRACTS, DEEDS, BONDS, AGREEMENT, ARRANGEMENTS AND OTHER INSTRUMENTS

- 11.1 Subject to other provisions contained in the Scheme, all contracts, deeds, bonds, debentures, agreements and other instruments of whatever nature to which the Transferor Companies is a party subsisting or having effect immediately before the arrangement shall remain in full force and effect against or in favour of the Transferee Company and may be enforced as fully and as effectively as if the Transferee Company had been a party thereto instead of the Transferor Companies.
- 11.2 The Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of any party to any contract or arrangement to which the Transferor Companies is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of each of the Transferor Companies to carry out or perform all such formalities or compliances referred to above on the part of each of the Transferor Companies to be carried out or performed.

12. WINDING UP OF THE TRANSFEROR COMPANIES

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

PART C – GENERAL TERMS AND CODITIONS

13. APPLICATION TO THE HON'BLE HIGH COURTS

The Transferor Companies shall with reasonable dispatch make necessary applications to the High Court of Judicature at Mumbai and/or Ahmedabad for sanctioning the Scheme of Arrangement under Section 391 of the Companies Act, 1956 seeking an order for dispensation with convening and holding of meetings of the Equity Shareholders/creditors of the Transferor Companies and if thought fit, to approve with or without modification this Scheme under the provisions of the Act.

14. MODIFICATIONS/AMENDMENTS TO THE SCHEME

- 14.1 Each of the Transferor Companies and the Transferee Company, through their respective Directors or Committee of Directors, may consent on behalf of all persons concerned, to any modifications or amendments of this Scheme of Arrangement or to any conditions or limitations which the Court and/or any other Authorities under

law may deem fit to approve of or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise in approving this Scheme of Arrangement and do all acts, deeds and things as may be necessary, desirable or expedient for putting this Scheme of Arrangement into effect.

- 14.2 For the purpose of giving effect to this Scheme of Arrangement or to any modification, amendment or condition thereof, the Directors of the Transferee Company are authorized to give such directions and/or to take such steps as may be necessary or proper or desirable including any directions for resolving or settling any doubt or difficulty or question whatsoever that may arise out of or by virtue of the Scheme and/or any matter concerned or connected therewith.

15. CONDITIONALITY OF THE SCHEME

This Scheme is conditional upon and subject to the following :

- 15.1 Approval by the Board of Directors of the Transferee Company;
- 15.2 Approval by the requisite majorities of the members of each of the Transferor Companies required under Section 391 of the -Companies Act, 1956;
- 15.3 Any requisite sanction, consent, approval or permission of any authority which by law or contract may be necessary for the implementation of this Scheme;
- 15.4 The sanction of Scheme by the High Court of judicature at Mumbai and/or Ahmedabad under Sections 391 to 394; and
- 15.5 Certified or authenticated copies of the order of the High Court of the judicature at Mumbai and/or Ahmedabad sanctioning this Scheme being filed with the Registrar of Companies, Maharashtra at Mumbai and/or Registrar of Companies, Gujarat at Ahmedabad.

16. COSTS

All costs, charges, taxes including duties and levies and all other expenses of the Transferor Companies and the Transferee Company in relation to or in connection with carrying out and completing the terms and conditions of this Scheme and of or incidental to the completion of Arrangement of the Transferor Companies in pursuance of this Scheme shall be borne and paid by the Transferee Company.

17 EFFECT OF NON-RECEIPT OF APPROVALS/SANCTIONS

In case this Scheme is not sanctioned by the High Court of Mumbai and/or Ahmedabad for any reason whatsoever within such further period or periods as may be agreed upon between each of the Transferor Companies (by their Directors) and Transferee Company (by its Directors), or for any other reason this Scheme cannot be implemented, this Scheme will shall stand revoked, cancelled and become null and void and of no effect and in that event, no rights, and/or liabilities shall accrue to or be incurred by the Transferor Companies and the Transferee Company and the parties shall bear and pay their respective costs and expenses in connection with or relating to this Scheme.